

[Print this page](#)**Half Year * Financial Statement And Dividend Announcement**

* Asterisks denote mandatory information

Name of Announcer *	CHASEN HOLDINGS LIMITED
Company Registration No.	199906814G
Announcement submitted on behalf of	CHASEN HOLDINGS LIMITED
Announcement is submitted with respect to *	CHASEN HOLDINGS LIMITED
Announcement is submitted by *	Chew Kok Liang
Designation *	Company Secretary
Date & Time of Broadcast	11-Nov-2008 20:06:44
Announcement No.	00169

>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2008
----------------------------------	------------

Attachments [CHL_1HFY2008_Annct.pdf](#)Total size = **111K**
(2048K size limit recommended)[Close Window](#)

Chasen Holdings Limited
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199906814G)

This announcement has been reviewed by the Company's sponsor, KW Capital Pte. Ltd., for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

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

The contact person for the Sponsor is: -

*Name: Ms Nicole Tan Siew Ping (Registered Professional, KW Capital Pte. Ltd.)
Address: 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624
Tel: 6238 3047*

Omega Capital Limited was the financial adviser to the Company in relation to the acquisition of Chasen Logistics Services Limited completed in February 2007.

HALF-YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2008

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR RESULTS

The directors are pleased to announce the unaudited operating results for the financial period from 1 April 2008 to 30 September 2008.

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	<u>30-Sep-08</u>	<u>30-Sep-07</u>	<u>Change</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Revenue	24,695	12,100	104%
Cost of sales	<u>(17,157)</u>	<u>(6,729)</u>	155%
Gross profit	7,538	5,371	40%
Other operating income	<u>1,261</u>	<u>121</u>	942%
	8,799	5,492	60%
Distribution and selling expenses	(1,502)	(1,055)	42%
Administrative expenses	(3,629)	(1,723)	111%
Other operating expenses	(19)	(8)	138%
Finance costs	<u>(139)</u>	<u>(44)</u>	216%
Profit before income tax	3,510	2,662	32%

	<u>30-Sep-08</u>	<u>30-Sep-07</u>	<u>Change</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Income tax expense	<u>(471)</u>	<u>(604)</u>	-22%
Net profit for the financial period	<u>3,039</u>	<u>2,058</u>	48%
	<u><u> </u></u>	<u><u> </u></u>	

Net profit for the financial period attributable to :

Shareholders of the Company	2,336	2,055	14%
Minority interest	<u>703</u>	<u>3</u>	23,333%
	<u>3,039</u>	<u>2,058</u>	48%
Basic and diluted earnings per share (cents) [see item 6]	0.0159	0.0158	

Notes to income statement

Other income includes:

Interest income	27	18
Operating expenses include:		
Depreciation of property, plant and Equipment	1,180	492
Loss on disposal of property, plant and equipment	22	6
Foreign exchange loss	19	8
Interest on bank borrowing	64	19
Finance lease interest	27	17

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	<u>Group</u>		<u>Company</u>	
	<u>30-Sep-08</u>	<u>31-Mar-08</u>	<u>30-Sep-08</u>	<u>31-Mar-08</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Non-current assets				
Property, plant and equipment	11,276	8,724	-	-
Fixed deposits	2,000	2,000	2,000	2,000
Financial assets available-for-sale	3,394	200	3,194	-
Club membership	75	60	60	60
Other receivables, deposits and prepayments	1,037	978	-	-
Investment in subsidiaries	-	-	37,000	37,000
Goodwill	1,436	520	-	-
	19,218	12,482	42,254	39,060
Current assets				
Work-In-Progress	2,565	-	-	-
Trade receivables	10,264	8,847	-	-
Amount due from subsidiaries	-	-	8,919	7,344
Other receivables, deposits and prepayments	6,244	3,409	1,649	619
Cash and cash equivalents	8,748	13,218	344	7,105
Total current assets	27,821	25,474	10,912	15,068
Current liabilities				
Bank loan (secured)	1,239	236	-	-
Trade payables	4,115	2,208	-	-
Other payables and accruals	4,397	1,790	123	256
Obligations under hire purchase contracts	292	265	-	-
Income tax payable	990	865	-	-
Total current liabilities	11,033	5,364	123	256

	<u>Group</u>		<u>Company</u>	
	<u>30-Sep-08</u>	<u>31-Mar-08</u>	<u>30-Sep-08</u>	<u>31-Mar-08</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Net current assets	16,788	20,110	10,789	14,812
Non-current liabilities				
Bank loan (secured)	831	874	-	-
Obligations under hire purchase contracts	793	613	-	-
Deferred income tax liabilities	50	50	-	-
Total non-current liabilities	1,674	1,537	-	-
Net assets	34,332	31,055	53,043	53,872
Equity				
Equity attributable to equity holders of the Company				
Share capital	23,737	23,737	53,265	53,265
Foreign currency translation reserve	351	(290)	-	-
Performance share plan reserve	24	-	24	-
Retained profits/(Accumulated losses)	8,759	7,011	(246)	607
Total shareholder's funds	32,871	30,458	53,043	53,872
Minority interest	1,461	597	-	-
Total equity	34,332	31,055	53,043	53,872

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Aggregate amount of the group's borrowing and debt securities

	<u>30-Sep-08</u>	<u>31-Mar-08</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Amount repayable in one year or less or on demand		
Secured	1,531	501
Amount repayable after one year		
Secured	1,624	1,487
	<u>3,155</u>	<u>1,988</u>

The bank loans are secured by legal mortgage of the leasehold building (as at 30 September 2008), corporate guarantee from Chasen Holdings Limited, pledge of fixed deposits amounting to \$842,000 and amount of \$1,212,000 (as at 30 September 2008) guaranteed by certain directors of subsidiaries. They are repayable over a period of 5-14 years.

The above bank borrowing includes the Group's utilized finance leases to acquire equipment and motor vehicles (represented by present value).

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	<u>30-Sep-08</u> S\$'000	<u>30-Sep-07</u> S\$'000
Cash flows from operating activities:-		
Profit before income tax	3,510	2,662
Adjustments for:		
Depreciation for property, plant and equipment	1,180	492
Loss on disposal of property, plant and equipment	22	6
Adjustment of property, plant and equipment	(9)	-
Performance share plan expense	24	-
Interest income	(27)	(18)
Interest expense	91	36
Operating profit before working capital changes	4,791	3,178
Trade and other receivables	(88)	(3,847)
Trade and other payables	(878)	1,147
Cash generated from operations	3,825	478
Income tax paid	(361)	(280)
Net cash (used in) / generated from operating activities	3,464	198
Cash flows from investing activities:-		
Acquisition of subsidiaries, net of cash acquired	(524)	-
Investment in financial assets	(3,194)	-
Prepayment in investing activities	(1,592)	-
Purchase of plant and equipment	(2,602)	(326)
Proceeds from disposal of plant and equipment	43	-
Interest received	27	18
Net cash used in investing activities	(7,842)	(308)
Cash flows from financing activities:-		
Proceeds from right issue, net	-	6,284
Interest paid	(91)	(36)
Proceeds from/(Repayment of) bank loan	869	(51)

	30-Sep-08	30-Sep-07
	S\$'000	S\$'000
Proceeds from/(Repayment of) hire purchase contracts	(169)	(113)
Dividend paid	(588)	-
Pledged fixed deposits placed with banks	(152)	(6)
Net cash from/(used in) financing activities	(131)	6,078
Net (decrease)/ increase in cash and cash equivalents	(4,509)	5,968
Cash and cash equivalents at beginning of year	12,528	6,099
Effect of exchange rate changes on balances in foreign currencies	(113)	(275)
Cash and cash equivalent at end of financial period	7,906	11,792
	30-Sep-08	30-Sep-07
	S\$'000	S\$'000
Cash and cash equivalent comprise:		
Cash and bank balances	7,846	5,592
Fixed deposits	902	6,884
	8,748	12,476
Less Fixed deposits pledged	(842)	(684)
	7,906	11,792

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

<u>Group</u>	Share capital \$'000	Foreign currency translation reserve \$'000	Performance share plan reserve \$'000	Retained profits \$'000	Attributable to equity holders of the Company \$'000	Minority interest \$'000	Total Equity \$'000
Balance at 1 April 2008	23,737	(290)	-	7,011	30,458	597	31,055
Foreign currency translation differences	-	641	-	-	641	-	641
Net expense recognised directly in equity	-	641	-	-	641	-	641
Net profit for the financial period	-	-	-	2,336	2,336	703	3,039
Total recognised income and expense for the financial period	-	641	-	2,336	2,977	703	3,680
Performance share plan expense	-	-	24	-	24	-	24
Final dividend at \$0.0004 per ordinary share (tax exempt)	-	-	-	(588)	(588)	-	(588)
Acquisition of a subsidiary	-	-	-	-	-	165	165
Acquisition of minority interest	-	-	-	-	-	(4)	(4)
Balance at 30 September 2008	23,737	351	24	8,759	32,871	1,461	34,332

<u>Group</u>	Share capital \$'000	Foreign currency translation reserve \$'000	Retained profits \$'000	Attributable to equity holders of the Company \$'000	Minority interest \$'000	Total Equity \$'000
	7,812					
Balance at 1 April 2007		(214)	4,473	12,071	4	12,075
Foreign currency translation differences	-	(76)	-	(76)	-	(76)
Net expense recognised directly in equity	-	(76)	-	(76)	-	(76)
Net profit for the financial period	-	-	3,125	3,125	(56)	3,069
Total recognised income and expense for the financial period	-	(76)	3,125	3,049	(56)	2,993
Interim dividend at \$0.0004 per ordinary share (tax exempt)	-	-	(587)	(587)	-	(587)
Acquisition of a subsidiary	-	-	-	-	575	575
Incorporation of a subsidiary	-	-	-	-	74	74
Increase in share equity arising from rights issue	15,925	-	-	15,925	-	15,925
Balance at 31 Mar 2008	23,737	(290)	7,011	30,458	597	31,055

<u>Company</u>	Share capital \$'000	Performance share plan reserve \$'000	(Accumulated losses)/Retained profits \$'000	Total Equity \$'000
Balance at 1 April 2008	53,265	-	607	53,872
Net loss for the period	-	-	(265)	(265)
Total recognised income for the financial period	-	-	(265)	(265)
Performance share plan expense	-	24	-	24
Final dividend at \$0.0004 per ordinary share (tax exempt)	-	-	(588)	(588)
Balance at 30 September 2008	53,265	24	(246)	53,043

<u>Company</u>	Share capital \$'000	Special capital reserve \$'000	(Accumulated losses)/Retained profits \$'000	Total Equity \$'000
Balance at 1 April 2007	49,209	1,351	(14,528)	36,032
Net profit for the period	-	-	2,502	2,502
Total recognised income for the financial period	-	-	2,502	2,502
Interim dividend at \$0.0004 per ordinary share (tax exempt)	-	-	(587)	(587)
Capital reduction	(13,220)	-	13,220	-
Transfer upon capital reduction	1,351	(1,351)	-	-
Issue of shares - rights issue	15,925	-	-	15,925
Balance at 31 March 2008	53,265	-	607	53,872

1(d)(ii) Details of any changes in the company's share capital arising from right issues, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as a consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

<u>Issued and fully paid</u>	<u>No of shares</u>	<u>\$'000</u>
Balance at 1 April 2008 & 30 September 2008	14,699,415,863	53,265

On 8 September 2008, a total of 9,700,000 shares were granted under the Chasen Employee Performance Share Plan.

As on 30 September 2008, the Company has granted share awards under the Chasen Employee Performance Share Plan amounting to 16,350,000 shares (inclusive of the 9,700,000 shares on 8 September 2008) which have not yet been vested as of date.

The Company did not hold any treasury shares or has any convertibles outstanding.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at the end of the immediately preceding year:-

	As at 30 September 2008	As at 31 March 2008
Total number of ordinary issued shares	14,699,415,863	14,699,415,863

There is no treasury share as at the end of the current financial year and as at the end of the immediately preceding year.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 September 2008 (31 March 2008: Nil).

2. Whether the figures have been audited or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and method of computation in the current period financial statements as those of the previous audited financial statements.

5. If there are any changes in the accounting policies and method of computation, including any required by any accounting standard, what has changed, as well as the reasons for, and the effect of, the changes.

Not applicable.

6. Earning per ordinary shares of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	<u>Group</u>	
Earning per share (EPS)	<u>30-Sep-08</u>	<u>30-Sep-07</u>
EPS based on average number of shares (cents)	0.0159	0.0158
EPS on a fully diluted basis (in cents)	0.0159	0.0158
Weighted average number of shares ('000)	14,699,416	13,064,389

Included in the calculation of EPS on a fully diluted basis is the 16,350,000 shares granted under the Chasen Employee Performance Share Plan.

7. Net assets value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	<u>Group</u>		<u>Company</u>	
Net asset value (NAV)	<u>30-Sep-08</u>	<u>31-Mar-08</u>	<u>30-Sep-08</u>	<u>31-Mar-08</u>
Number of shares ('000)	14,699,416	14,699,416	14,699,416	14,699,416
NAV per share (cents)	0.234	0.211	0.361	0.366

The Company did not hold any treasury shares.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue

Group's revenue increased by approximately 104% to approximately \$24.7 million from \$12.1 million in the previous corresponding period, mainly due to the following:-

1. New business from engineering services – approximately \$11.6 million
Recently acquired scaffolding business in February 2008 and engineering fabrication business in Apr 2008 contributed approximately \$2.1m and approximately \$9.5m respectively to the top line.
2. Organic growth from existing business
Relocation business in Singapore grew by approximately \$1.3 m which accounted for the main growth in the existing business.

Gross Profit

Group's gross profit increased by approximately 40% to approximately \$7.5 million from approximately \$5.4 million mainly due to increased Group revenue. Included in cost of sales is depreciation expense which has increased significantly as a result of the acquisition of capital assets use directly in the operations.

Gross profit margin was at approximately 31% as compared to approximately 44% in the same period last year, mainly due to the relatively lower gross margin inherent in the other services as compared to the niche relocation business.

Other Income

Increase in other operating income is mainly from the new engineering fabrication business.

Operating Expenses

In line with the enlarged group operations and higher revenue, distribution & selling expenses increased by about \$0.4 million (approximately 42% increase) and general & administrative expenses increased by about \$1.9 million (approximately 111% increase). Major cost increases were due to (a) approximately \$1.3 million expenses from the new businesses, (b) approximately \$0.3 million higher corporate cost, (c) approximately \$0.2 million start-up costs for operations in China and (d) approximately \$0.2 million in payroll related expenses.

Profit before tax

Correspondingly, the Group's profit before tax increased approximately 32% to approximately \$3.5 million from approximately \$2.7 million.

Profit after tax

As a result of the utilization of approximately \$0.3 million unabsorbed tax losses and the under-provision of approximately \$0.3 million income taxes in the previous corresponding period, the

Group's profit after tax increased approximately 48% to approximately \$3.0 million from approximately \$2.1 million.

Major balance sheet movements

Other than the relative increase from the acquisition of new businesses, the increase in the balance sheet items relates to the following:-

The increase in the financial assets available-for-sale was due to the approximately \$3.2 million investment in the intermodal terminal business in Australia.

The increase in goodwill resulted mainly from the acquisition of the engineering fabrication business in April 2008.

The increase in work-in-progress was from the new engineering fabrication business.

The increase in other receivables, deposits and prepayments was mainly due to the prepayments made for investing activities totaling approximately \$1.6 million that comprised of (a) approximately \$0.7 million advance payments made in anticipation of potential business opportunities in Singapore and Malaysia, and (b) approximately \$0.9 million additional down-payment for the purchase of an industrial property in Singapore.

The increase in trade receivables and trade payables were in line with the larger group activities and the higher revenue achieved in this financial period. Trade receivable turnover was at 70 days as compared to 89 days in the last financial period due to the changes in business mix.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has extended its services from being a specialist relocation solution provider to include technical services in 2006, bonded warehousing services in 2007 and engineering services to the construction industry in 2008. The financial performance of the Group for this period reflected the initial results from the acquisition of new businesses made in the past year.

The Group continues to expand its revenue base through acquisitions and establishment of new businesses in all the regions that it operates in, which is in line with the Group's investment strategy to enhance shareholders' value.

Barring unforeseen circumstances, the Directors expect the Group to be profitable in the current financial year.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

To be announced.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period immediately preceding financial period?

Name of dividend	Interim
Dividend type	Cash
Dividend amount per share	\$0.00004 per ordinary share
Tax status	One-Tier Tax-Exempt

(c) Date payable

To be announced.

(d) Books closure date

To be announced.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segment (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediate preceding year.

Not applicable.

14. In the review of the performance, the factors leading to material changes in contributions to turnover and earnings by the business or geographical segments (of the group) in the form presented in the issuer's most recently audited financial statements, with comparative information for the immediate preceding year.

Not applicable.

15. A breakdown of sales as follows:

Not applicable.

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous year as follows:

Not applicable.

By Order of the Board

Justin Low Weng Fatt
Managing Director
11 November 2008

Confirmation by the Board Pursuant to Rule 705(5)

We, Low Weng Fatt and Ng Jwee Phuan @ Frederick (Eric), being two directors of Chasen Holdings Limited ("Company"), do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the first half financial period ended 30 September 2008 to be false or misleading in any material aspect.

On behalf of the board of directors

**Low Weng Fatt
Managing Director**

**Ng Jwee Phuan @ Frederick (Eric)
Independent Director**

**Singapore
11 November 2008**