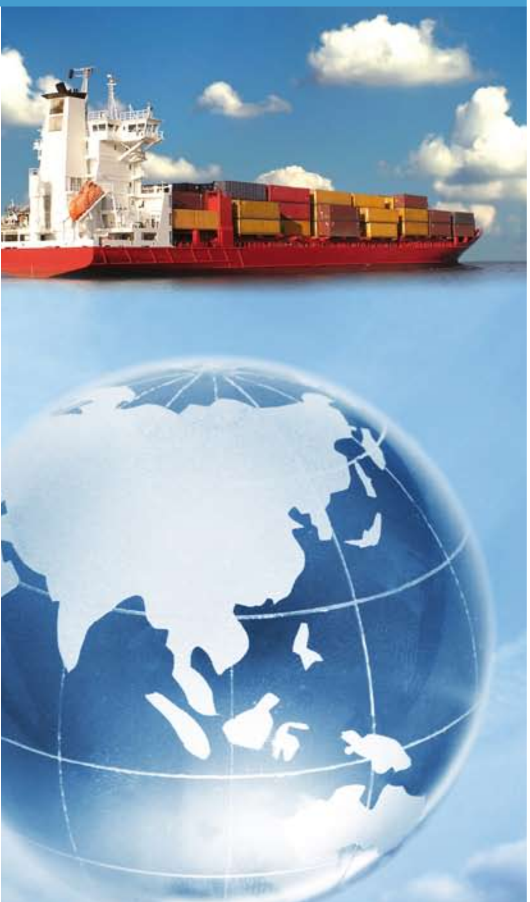
CHASEN™

Chasen Holdings Limited



Riding The Wave of Opportunities

ANNUAL REPORT 2011

OUR VISION

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

Contents

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("Exchange"). The Company's Sponsor has not independently verified the contents of this annual report including the correctness of any of the figures used, statement or opinions made.

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

The contact person for the Sponsor is Ms Foo Quee Yin
Telephone number : 6221 0271

Corporate Profile

SPECIALIST RELOCATION SOLUTIONS

THIRD PARTY LOGISTICS SERVICES

TECHNICAL & ENGINEERING SERVICES

Founded in 1995 as a partnership entity, Chasen was incorporated as a private limited company in November 1999. In February 2007, it was acquired by a company listed on SESDAQ (now known as Catalist) of the Singapore Exchange in a reverse takeover and renamed Chasen Holdings Limited (the "Group" or the "Company"). Chasen is an investment holding company with subsidiaries providing Specialist Relocation Solutions, Third Party Logistics ("3PL") with facilities for packing and warehousing of machinery and equipment and complementary Technical & Engineering services for the region's manufacturing, marine and construction industries.

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

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

Report to Shareholders

Low Weng Fatt
Managing Director and CEO

To ensure the attainment of the Group's growth strategy each business entity strives to be a substantial player in their individual market. The performance of each business unit is measured by its year-on-year profit growth and return on shareholders' fund deployed in each financial year.

Dear Shareholders,

The financial year ended 31 March 2011 ("FY2011) had been an eventful one for the Group as we attained record net profit attributable to shareholders of S$7.3 million and our relocation order book for contracts secured in China hit an all-time high of RMB145.6 million (equivalent to approximately S$27.7 million) in FY2011.

The Group's revenue reduced marginally by 4.5% year-on-year ("y-o-y") from S$75.6 million in FY2010 to S$72.2 million in FY2011, primarily due to the reduction in revenue from Technical & Engineering from S$44.4 million to S$25.5 million. This was however, offset by the surge in revenue contribution from Relocation Services from S$18.7 million in FY2010 to S$30.1 million in FY2011.

Relocation contracts as a niche business, generally command higher margin percentage wise relative to Technical & Engineering and Third Party Logistics ("3PL") projects. Thus, the Group posted higher gross profit and gross profit margin of S$20.6 million and 28.5% in FY2011 as compared to S$18.8 million and 24.9% in FY2010 respectively. As a result net profit attributable to shareholders jumped 14.1% to S$7.3 million in FY2011 as compared to S$6.4 million in the last corresponding period.

Business Review

The Group gained traction in two ways from its contract wins in our specialist relocation services during the financial year under review. Firstly, the established track record of our relocation solutions in the region resulted in the series of recent contract wins particularly in the People's Republic of China ("PRC"). Following the recovery of the global economy the establishment of new manufacturing capacity that were held back at the onset of the recession caused by the bursting of the housing bubble, picked up pace resulting in the release of several major relocation projects in the region. This pace is expected to continue in the immediate future and we are optimistic of further business traction with more contract wins to fill our order book for this segment.

Secondly, subsidiaries in the 3PL and Technical segments were able to provide complementary services as part of the total relocation solutions that the Group can now offer to customers in response to their increasing preference for one-stop service in plant and equipment relocation. This is particularly so when it is their first entry into a new geographical location. This market trend fits in with the Group's intention to develop a comprehensive integrated service capability in the establishment of new manufacturing facilities in the region.

In the financial year under review, the Group added Global Technology Synergy Pte Ltd ("GTS") and its Malaysian subsidiary Towards Green Sdn Bhd ("TG") to its stable of complementary capabilities. GTS is in the business of process engineering and construction of industrial ultra-pure water and waste treatment facilities, which will further strengthen the capabilities of the Group's Technical & Engineering business segment. Led by the strong industry recognition of the Group's relocation solutions and leadership in this market niche, the Group is confident that the integrated service being developed following its acquisition of complementary capabilities within the supply chain would enable the Group to be a substantial player in a wider market niche.

In the meantime the Group continues to enjoy the benefits of a wider and more diversified revenue base as the acquired capabilities serve different industrial sectors. From serving purely the electronics sectors of wafer fabrication, semi-conductor and TFT LCD panel manufacturing, the Group now serves the telecommunications, renewable energy, general warehousing and distribution, water treatment, marine and construction industrial sectors as well. The diversified revenue base enables the Group to straddle business cycles and to deliver Cumulative Annual Growth Rate ("CAGR") of 36.3% in revenue and 40.4% in net profits over the past five financial years since it was listed on the SGX.

To ensure the attainment of the Group's growth strategy each business entity strives to be a substantial player in their individual market. The performance of each business unit is measured by its y-o-y profit growth and return on shareholders fund ("ROF") deployed in each financial year. I am pleased to present the report card of each operating business unit as at the end of the financial year under review, as follows:

Business Unit	Operating / Acquired Since	Achieve y-o-y Growth Target	Achieve Annual ROF Target	Investment Result
Chasen Logistics Services Limited	1995	Yes	Yes	Successful and viable original business.
DNKH Logistics Pte Ltd	2008	Yes	Yes	Investment fully recovered & IRR exceeds objectives.
Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd	2004	Yes	Yes	Investment fully recovered with high growth potential.
Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd	2006	No	Yes	Investment fully recovered; good growth potential.
Chasen Sinology (Beijing) Logistics Co., Ltd	2008	Yes	No	A 'greenfield' business in a new market niche.
REI Technologies Pte Ltd	2006	Yes	Yes	Profitable since inception.
REI Promax Technologies Pte Ltd	2009	No	Yes	NTA is slightly below investment capital but business remains viable.
Goh Kwang Heng Group	2008	No	Yes for one year only	NPV is still positive.
Hup Lian Engineering Pte Ltd	2008	Yes for first 2 years but not last year	Same as y-o-y growth	Investment cost fully recovered.
Chasen Logistics Sdn Bhd	2006	Yes	Yes	Investment fully recovered with good growth potential.
City Zone Express Sdn Bhd	2008	Yes	Yes	Investment fully recovered. Viable business with further growth potential.
Global Technology Synergy Pte Ltd/ Towards Green Sdn Bhd	2010	NA	Yes	Newly acquired business with good growth potential.

Notes: IRR – Internal Rate of Return; NTA – Net Tangible Assets; NPV – Net Present Value

Looking Ahead

Increasing operating costs for manufacturers in the coastal cities in the PRC have spurred companies to relocate their plants further inland opening up a new source of revenue for our Relocation and Technical services within the Chinese domestic market. More TFT LCD manufacturers will be moving into the PRC to leverage on the benefits of the new Five-Year Economic Plan recently announced by the PRC Government. Multinational players in the renewable energy industry have also set up shop to tap into the Chinese market.

The semiconductor industry was reported to be increasing their capital expenditure in the region particularly in Singapore and the PRC. All these would further stimulate investments in the region and create an excellent platform from which the Group can tap on.

With its established track record and regional footprint Chasen is well-positioned to increase its market share presented by these growth opportunities.

Following the completion of the two mega IRs and several other major infrastructure and commercial development projects, growth in the local construction industry slowed as lesser projects came on stream and service providers faced stiffer competition for the reduced opportunities. To overcome this dearth of projects locally, the Group's Engineering subsidiaries are currently sourcing for projects outside of Singapore, particularly in the PRC where opportunities recently opened up for foreign contractors due to new bank lending restrictions to the local property development sector. As such, contribution from this business segment will remain challenging in the next financial year.

As a listed investment holding company, the Group continues to enhance long term shareholders' equity through the achievement of positive sustainable growth. Hence, Management takes a proactive approach in assessing and evaluating the Group's investment to keep it relevant and transparent within its stated investment objectives to…

1) achieve long term sustainable top and bottom line growth for the Company in order to enhance shareholder value;

2) diversify its revenue base that would in the longer term balance out fluctuating industry business cycles; and

3) generate even income growth through enlarging its base for recurring revenue.

To achieve these primary investment objectives, the Group is on an active lookout for existing business or greenfield startups which are complementary to the existing businesses within the supply chain that are able to provide long term growth potential and/or able to provide the Group with an additional meaningful revenue and income stream. Metaphorically-speaking, we shall ride on the wave of opportunities as we sail through the challenging and sometimes unpredictable economic environment.

The Group's growing complementary capabilities and geographical spread will diversify our revenue base both industry and geography wise and strengthen the Group's immunity to fluctuating industry business cycles and economic health of various geographical regions.

Investor Relations

The Group is committed to raising its exposure through continuous communication with its shareholders and the investing community directly and through the appropriate mass media. Through such exposure, the Group hopes to achieve better corporate awareness and improved transparency.

The Company hosted briefing for analysts after the past two quarterly results of FY2011 were released, detailing operational and financial highlights and business outlook through both PowerPoint presentations and question and answer sessions.

The management also participates actively in media supplements and engages the investment community by speaking to the specialist financial business and mainstream media. Our Group businesses were recently featured in The Straits Times, Business Times, Lianhe Zaobao, the online media such as The Edge, Reuters and NextInsight, and most noteworthy, we were mentioned by Channel News Asia in their online news portal.

Corporate Citizenship

Corporate Social Responsibility is increasingly being regarded as an important and integral part of doing business in today's corporate world. The Group has made baby steps towards contributing back to society by being the platinum sponsor for a Charity Car Race organized by Lions Clubs in Singapore for the benefit of aged sick residents of the Lions Home for the Elderly and lonely elderly under the care of Lions Befrienders Association in January 2011. The Group also makes annual donations to the Senior Citizens' Home managed by the Singapore Amalgamated Services Co-operative Organization (SASCO).

Appreciation

Last but not least, I would like to convey my thanks and appreciation to all stakeholders – business partners and associates, customers, employees, intermediaries and professionals for their unwavering support and vote of confidence that have enabled the Group to make FY2011 a record setting year.

LOW WENG FATT
Managing Director and CEO

Geographical Reach

Corporate Milestones

1995 – 2003

- First TFT LCD relocation project & expansion into specialized packing & crating services
- Certified ISO9001

2004 – 2005

- Set-up operations in PRC with first turnkey relocation project to Shanghai
- Relocation projects for TFT LCD plants in Beijing, Shanghai & Kunshan
- Attained ISO14001 & OHSAS18001

2006 – 2008

- Malaysian operation established with first move-in contract
- First Technical & Engineering subsidiary, REI Technologies Pte Ltd established
- Listed on SGX-SESDAQ in 2007
- Acquisition of Goh Kwang Heng Group, Hup Lian Engineering Pte Ltd & Penang-based City Zone Express Sdn Bhd
- Relocation of production plant from Puerto Rico to Malaysia

2009

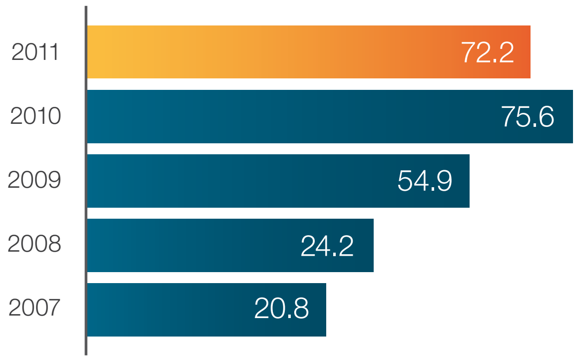
- Extended regional relocation footprint into Vietnam
- First relocation project for solar panel facility in PRC
- Relocation business extended into Chinese cultural relics industry
- Relocation & Engineering subsidiaries secured projects in REC solar panel facility in Tuas, RWS & MBS IRs
- Achieved bizSAFE Enterprise STAR Award

2010

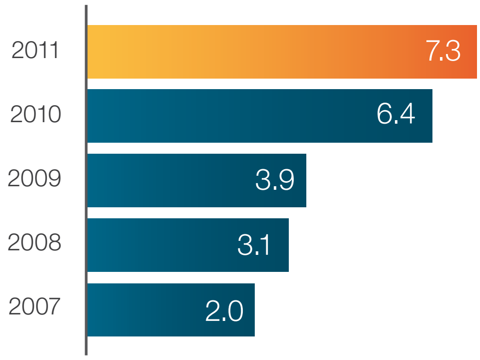
- First turnkey project relocating beverage bottling plant from Singapore to Myanmar involving Relocation, 3PL & Technical subsidiaries
- Relocation of manufacturing plant from Boise, USA to Malaysia
- Relocation of consumer electronic production plants from Singapore & Malaysia to the Czech Republic
- Acquisition of ‘green’ industry companies, Global Technology Synergy Pte Ltd & Towards Green Sdn Bhd

Financial Highlights

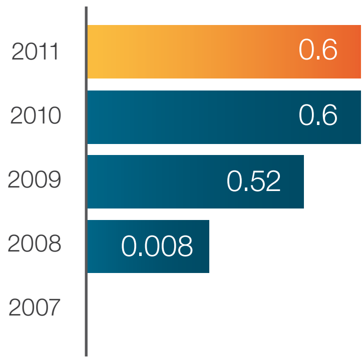
REVENUE ANALYSIS
(S$'MIL)



PROFIT AFTER TAX
(S$'MIL)

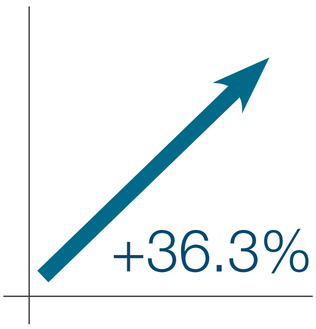


DIVIDEND PER SHARE
(S$'CENTS))



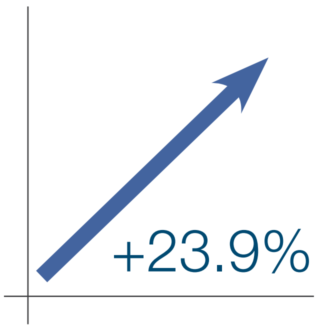
REVENUE CAGR GROWTH

(2007-2011)



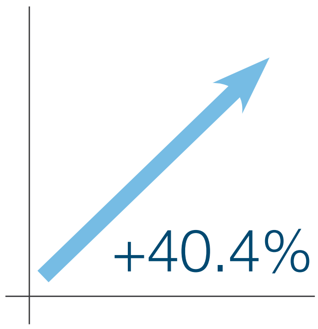
GROSS PROFIT CAGR GROWTH

(2007-2011)



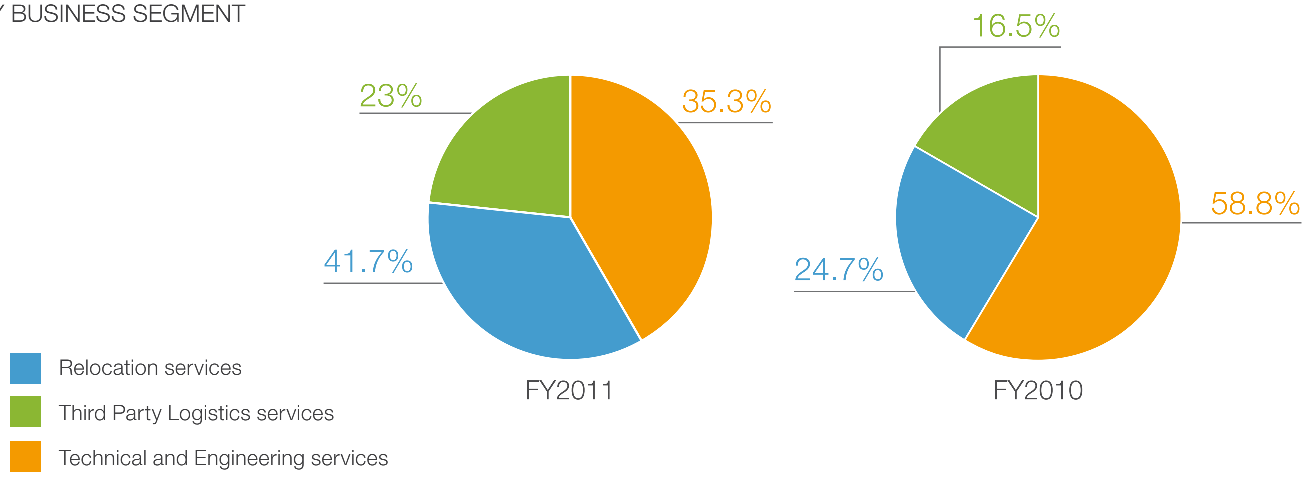
NET PROFIT CAGR GROWTH

(2007-2011)



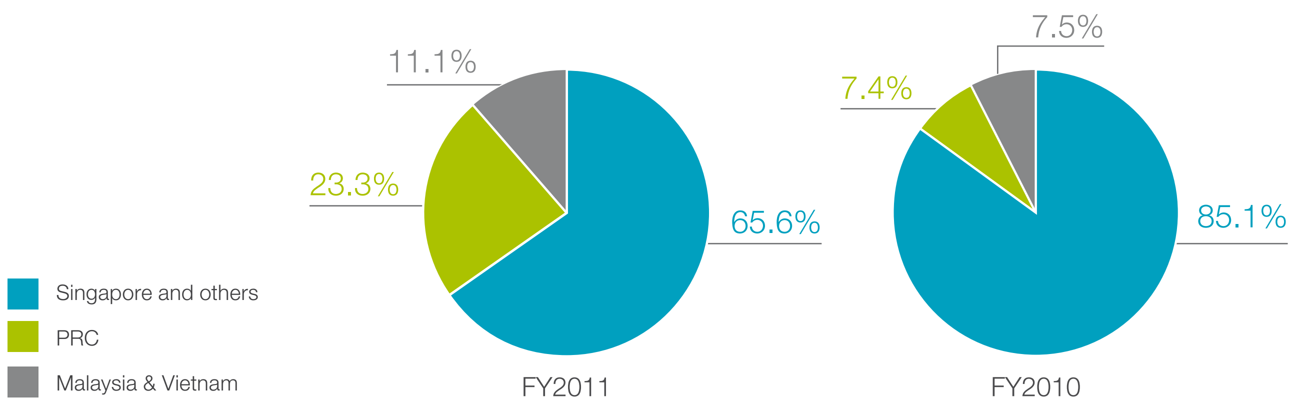
REVENUE BREAKDOWN

BY BUSINESS SEGMENT



REVENUE BREAKDOWN

BY GEOGRAPHICAL



The Group now operates from four geographical locations in Singapore, Malaysia, Vietnam and the PRC from which it is able to execute relocation solutions globally

Operations Review

SPECIALIST RELOCATION SOLUTIONS

THIRD PARTY LOGISTICS SERVICES

TECHNICAL & ENGINEERING SERVICES

In the year under review, the Group posted a marginally reduced revenue from S$75.6 million in FY2010 to S$72.2 million in FY2011. This 4.5% reduction in revenue, attributed to the decrease in revenue from the Technical & Engineering business segment, was offset by the surge in revenue contributed by the Relocation business segment, which increased from S$18.7 million in FY2010 to S$30.1 million in FY2011.

Relocation contracts generally command higher margin relative to Technical & Engineering and Third Party Logistics ("3PL") projects. Thus, the Group posted higher gross profit and gross profit margin of S$20.6 million and 28.5% in FY2011 as compared to S$18.8 million and 24.9% in FY2010 respectively.

The net profit attributable to shareholders jumped 14.1% to S$7.3 million in FY2011 as compared to S$6.4 million in the last corresponding period.

Operations Review

Specialist Relocation Solutions

With more than S$20 million in profits contributed by the four business units in this business segment over the four years since the listing of the Group, the Specialist Relocation business has more than returned the investment in start-up capital and asset acquisition for the conduct of this business in the region. These subsidiaries located in Singapore, Malaysia, Vietnam and the People's Republic of China ("PRC"), are leaders in their respective geographical market. Together the Group now operates on a global scale as demonstrated in recent projects where the Group relocated manufacturing equipment from plants in Singapore and Malaysia to the Czech Republic; from Singapore to Myanmar; and from USA to Malaysia for multinational manufacturing companies.

The 'star' performer in the Relocation segment in the period being reported on is PRC-based Chasen (Shanghai) Hi-Tech Machinery Services Pte Ltd ("Chasen Hi-Tech"), with about S$17 million worth of contracts sitting in its order book. This was a substantial turnaround from an operational loss for the past two financial years caused by the delayed start-up of new factories in the PRC as a result of the unfavourable global economic environment in the electronics industry.

As reported by the CEO in his report card to shareholders for the financial year, the subsidiaries in this business segment except Chasen Sinology (Beijing) Logistics Co., Ltd ("Chasen Sinology") had comfortably achieved or surpassed the set target of 25% annual Return On Shareholders' Funds ("ROF") and the year-on-year ("y-o-y") profit growth target of 15%.

In addition to revenue from relocation projects, Singapore-based Chasen Logistics Services Limited ("CLSL") and Malaysian-based Chasen Logistics Sdn Bhd ("CLSB") have also performed well by generating recurring revenue from its pool of long term customers. This recurring revenue offset the slower pace of new investments from the semi-conductor industry particularly in the Singapore market.

Chasen Sinology, a joint venture start-up with Beijing Xuan Gu Ge Artefact Restoration Technology Co., Ltd that specializes in the provision of artefact digitization, packaging and transportation for both domestic and international art exhibitions and cultural exchanges is still a fledgling entity. This is a specialized niche market, and for the digitization service, it is the only company offering such service in the PRC. In the financial year covered by this report, it has been appointed by the Chinese Society of Museums in Inner Mongolia to conduct research and digitization development work for its artefacts. While the ROF for the past two years had been below the set target, this subsidiary managed to achieve y-o-y revenue growth of 49%. After extensive marketing of its capability to the relevant authorities in the PRC the past year, the Group is confident that the potential of Chasen Sinology would be realised in the near future.

Overall, Chasen has gained strong momentum in relocation contract wins with several major contracts started in the PRC within the year resulting in the Relocation business segment contributing 42% of the Group's total revenue this financial year from 25% last year. The specialist Relocation business remains a very viable niche business with further growth potential globally.

In addition, the Group also provides technical and engineering services that complement its turnkey relocation solutions to customers in the high-tech electronics and renewable energy industries. With a full suite of capabilities, Chasen is more than ready and able to cater to the needs of any potential customer who needs to relocate their highly sophisticated equipment across the globe safely, efficiently and effectively.

With the improved global economy, the prospects for the Group's relocation services continue to be bright. Our relocation division boasts a comprehensive range of turnkey solutions that cater for inbound and outbound projects across borders, the provision of repositioning and maintenance projects within the plant, packing, management and planning services for our customers on a regular or ad hoc basis. With a fleet of well diversified and state-of-the-art specialised transportation vehicles and material handling tools and equipment, our Relocation companies working in tandem with the Group's subsidiaries from other business segments produce the synergy to provide Total Logistics Management for its diversified customer base.

Third Party Logistics Services

The Group's 3PL services comprise packing/crating, warehousing, transportation, freight forwarding, customs brokerage and other logistics supply chain services. The Group has two subsidiaries, namely, DNKH Logistics Pte Ltd ("DNKH") and City Zone Express Sdn Bhd ("CZE") operating out of Singapore and Penang respectively, specifically dedicated to executing these supply chain activities. These subsidiaries had achieved both the y-o-y growth and ROF target set by the Management. The investment capital for both business units has also been fully recovered.

Besides providing goods warehousing facilities, DNKH also specializes inland transportation (within Singapore), air and sea freight services, show logistics and product distribution services. DNKH customizes and tailor-makes operating procedures to cater to customers' specific requirements. A noteworthy example is the selection of DNKH by Singapore National Printers, as the main contractor for the recent General Election logistics, to collect and dispatch the voting slips to polling centers throughout the island in the pre-dawn hours before the polling stations opened.

CZE operates a sizeable truck fleet comprising some 30 units, which are deployed in daily interstate long and short haul overland transportation runs between Singapore, Peninsular Malaysia and Thailand. CZE has from time to time synergized its operations with DNKH to provide a seamless service to their respective customers on both sides of the Causeway. Penang-based CZE serves as the core of Chasen's plan to extend this service throughout Malaysia, from the peninsula to East Malaysia. Both subsidiaries have good potential individually and working in cross-border synergy to increase their share of their respective market. The Group would continue to look for M&A opportunities to grow this business segment.

CLSL also performs some 3PL activities mainly to complement its relocation services for its customers, thus creating additional revenue for its turnkey relocation solutions. It offers special warehousing and crating services that utilizes state-of-the-art packaging material when customers' machinery and equipment require special packing before storage or being transported to and installed at their new locations. With the use of such specialized material handling equipment certified by professional engineers, the Group is able to handle and pack machinery and equipment to the standards of OEM. The Group's warehouses have appropriately constructed floors that allow cranes and heavy trucks access to the storage areas and are fully air-conditioned with humidity control.

Operations Review

Technical & Engineering Services

The subsidiaries under the Group's Technical & Engineering services provide facilities management, supply and installation of steel fabrication, electrical and instrumentation works, parts refurbishment, and process engineering for oil waste and water treatment facilities. Its contract manufacturing capability includes operational facilities in Singapore and the PRC catering to multinational clientele in the electronics, telecommunications and defence industries. This business segment also includes a cryogenic pump refurbishment workshop in Penang, Malaysia. In addition, the Group subsidiaries are also involved in construction projects for customers in the marine, property development, oil and gas and other energy-related industries.

Following the completion of the two mega IRs and several other major infrastructure and commercial projects, growth in the local construction industry slowed as lesser projects come on stream and service providers face stiffer competition for the reduced opportunities. This has thus affected the y-o-y and ROF for Hup Lian Engineering Pte Ltd ("HLE") and the Goh Kwang Heng Group ("GKH"). Though both entities had posted negative growth, the net present value for GKH remains positive while the investment cost for HLE has been fully recovered.

Overall, there is a reduction in revenue from the Technical & Engineering business segment this financial year from S$44.4 million last year to S$25.5 million. To overcome the dearth of projects locally, HLE is currently sourcing for projects outside of Singapore, particularly in the PRC where opportunities recently opened up for foreign contractors due to new bank lending restrictions (for local contractors).

Much like HLE, GKH had recorded a sterling performance during the recent construction boom period but coupled with similarly slower growth in the local marine industry since then, it had not performed as well as the previous year. With more public sector construction projects expected to come on-stream in Singapore, the Group is hopeful that GKH can turn around its fortune in the next financial year.

In the year under review, the Group had acquired a new engineering company, Global Technology Synergy Pte Ltd ("GTS") together with its Malaysian-based subsidiary, Towards Green Sdn Bhd ("TG") that specializes in process engineering and the construction of industrial ultra-pure water and waste oil treatment facilities. Its niche is targeted at the 'green' industry. GTS and TG are also in the business of installation of electrical and mechanical machinery and plants.

The Group's other subsidiaries in this segment namely, REI Technologies Pte Ltd ("REI") and REI Promax Technologies Pte Ltd ("Promax") had also contributed their fair share to the overall Group revenue. REI continues to be profitable since its inception and its growth rate had exceeded the management's targets. In the year under review, REI had secured a facility management contract for three factories of a multinational manufacturing client and has been granted Certified Vendor status. This means REI can bid to manage its client's other operational facilities worldwide. It has also won a plant maintenance service contract with a solar panel manufacturing plant in Tuas. These two contracts thus increased REI's recurring income to 50% of its total revenue. REI had also attained its ISO14001 certification in the last financial year.

Promax, which suffered a decline in its revenue in the last financial year due to the slump in the telecommunications industry in the recent global economic recession, turned around its bottom line in the year reported on. It secured orders from new and existing customers that had suspended earlier orders. Its current order books would be able to sustain their slow but definite growth in the current financial year despite the instability in a North African country that has put a temporary halt to a potential order from a home-grown ordnance company. Though the NTA of Promax is currently slightly less than the Group's capital investment, the Group believes that this subsidiary will be able to tap the potential for business growth in the global telecommunications industry as well.

SYNERGISTIC OPERATIONS

Since the recovery of the economy following the recent global recession, the operating subsidiaries of the Group have been cross selling their services and working in tandem wherever possible to offer customers synergical services in turnkey projects. Here, Technical and 3PL services are offered as part of the turnkey Relocation solution involving door-to-door services where the factory machineries are decommissioned, removed, packed, crated and subsequently moved or relocated to another location where the machineries are uncrated and moved onto the factory floor before they are installed or hooked-up prior to re-commissioning and declared operational for production. The Relocation solution usually involves land transportation if it is within Singapore and mainly by sea for cross border relocation except for time critical operations where equipment are air freighted.

In the financial year reported on there were several projects involving the operating subsidiaries from all three business segments. One project was the relocation of a beverage bottling plant from Singapore to Yangon. This turnkey contract was secured by 3PL subsidiary, DNKH. The project commenced with the decommissioning of the plant and equipment by REI engineers before it was packed and crated by DNKH personnel with the sea freight also coordinated by DNKH. When the cargo arrived at Yangon port, it was transported by DNKH to the factory premises and was subsequently unstuffed, uncrated and moved onto the production floor and placed into position by CLSL relocation personnel before they were hooked up by REI engineers as part of the re-commissioning procedure.

It is a growing trend within the Group that subsidiaries from at least two business segments would combine to tender for a relocation project and this trend would ultimately result in the Group being able to offer all of its capabilities in a single turnkey solution in the establishment of a new manufacturing facility.

CONCLUSION

In the final analysis, the operating subsidiaries of the Group as a whole, have performed creditably well to post positive growth in the Group's earnings for FY2011. It has been an eventful year for the Group as we witnessed a series of contract wins in the specialist Relocation solution segment particularly in the PRC. The Group is of the view that this business segment and the PRC geographical region will be the core revenue driver in the next financial year if the current momentum in the industry is maintained.

We have extended our service capability from Relocation Services to Third Party Logistics, and expanded the Technical & Engineering segment to scale up the supply chain with more value-adding propositions. The Group is now based in four geographical locations of Singapore, Malaysia, Vietnam and the PRC from which it is able to execute relocation solutions globally. These complementary capabilities and regional footprint are part of the total relocation solutions that the Group can now offer to its global customers in response to their increasing preference for one-stop service in plant and equipment relocation. This is particularly so when it is their first entry into a new geographical location.

Moving forward, we can integrate these three business segments to provide one-stop integrated solutions where we have the capability to build the plant, set-up its facilities and relocate and hook-up machines and equipment to ready them for production. The Group's growing complementary capabilities and geographical spread will diversify our revenue base both industry and geography wise and strengthen the Group's immunity to fluctuating industry business cycles and economic health of various geographical regions.

Corporate Structure

Chasen Holdings Limited (Singapore)

- 100% Chasen Logistics & Engineering Services Pte Ltd (Singapore)
  - 100% Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd (PRC)
  - 100% Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd (PRC)
  - 100% Chasen Logistics (Shanghai) Co., Ltd (PRC)
  - 100% Chasen Sinology (Beijing) Logistics Co., Ltd (PRC)
  - 100% Lelecai Pte Ltd (Singapore)
- 100% Chasen Logistics Services Limited (Singapore)
  - 100% DNKH Logistics Pte Ltd (Singapore)
  - 50% Chasen Globus Logistics Pte Ltd (Singapore)
- 100% Ruiheng International Pte Ltd (Singapore)
  - 100% Chasen Logistics Sdn Bhd (Malaysia)
  - 60% City Zone Express Sdn Bhd (Malaysia)
- 100% REI Technologies Pte Ltd (Singapore)
  - 100% REI Hitech Sdn Bhd (Malaysia)
  - 32% REI Promax Technologies Pte Ltd (Singapore)
- 100% CLE Engineering Services Pte Ltd (Singapore)
  - 23% REI Promax Technologies Pte Ltd (Singapore)
    - 100% Suzhou Promax Communication Technology Co., Ltd (PRC)
  - 51% Hup Lian Engineering Pte Ltd (Singapore)
    - 100% HLE International Pte Ltd (Singapore)
    - 100% Shanghai FengChuang M&E Equipment Co., Ltd (PRC)
      - 100% Shanghai FengChuang Enterprise Management Consultant Co., Ltd (PRC)
    - 100% Shanghai ZhuangHe Construction Co., Ltd (PRC)
  - 100% Goh Kwang Heng Pte Ltd (Singapore)
  - 100% Goh Kwang Heng Scaffolding Pte Ltd (Singapore)
  - 100% Global Technology Synergy Pte Ltd (Singapore)
    - 100% Towards Green Sdn Bhd (Malaysia)
- 100% Chasen Leasing Pte Ltd (Singapore)

Legend:
- Investment Holdings Companies
- Relocation Services
- 3rd Party Logistics Services (3PL)
- Technical & Engineering Services

Corporate Information

Board of Directors

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

Audit Committee

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

Remuneration Committee

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

Nominating Commitee

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

Company Secretary

Chew Kok Liang

Registered Office and Principal Place of Business

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

Share Registrar and Share Transfer Office

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

Auditors

LTC LLP
Certified Public Accountants
1 Raffles Place
#20-02 One Raffles Place
Singapore 048616

Partner in charge: Tsang Siu For Thomas
(a member of the Institute of Certified Public Accountants of Singapore)
(appointed since financial year ended 31 March 2007)

Principal Banker

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

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 SGX SESDAQ (now known as Catalist). As Managing Director and CEO, Mr Low is responsible for establishing the general business direction for the Group, providing the leadership to steer the Group through its growth plans in local and regional markets and pioneering its regional investment project plans. He continues to identify new business opportunities for the Group in its post-listing growth strategy.

Mr Low joined Chasen Logistics Services as a Project Manager in 1996. He was responsible for project management, operational and technical support, service consultation and after-sales support. He recognised 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 the specialist relocation business and gradually built up the Group's operational capability, strengthened our efficiency in the third party logistics management services and technical and engineering businesses.

In late 2003, he extended the Group's operations to PRC, and in 2005 into Malaysia where revenue contribution is substantial enough to be classified as a distinct geographical segment. He was instrumental in developing the Group's technical and support services.

Given his vision and experience in the Group's niche industry, Mr Low also continues to expand the scope of its services to include businesses with regular income streams and to grow the Group's revenue.

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 strategic planning and following up new business opportunities, he was also appointed the Managing Director for Hup Lian Engineering Pte Ltd and Global Technology Synergy Pte Ltd.

As Managing Director of these two companies, he is responsible for their overall business performance, setting business goals and general directions in its operations and growth plans.

Mr Siah brings with him over 15 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 the 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)

Lead Independent Director

Mr Ng Jwee Phuan @ Frederick (Eric) was appointed as a Lead Independent Director of Chasen Holdings Limited on 6 February 2007. 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. He also advises on business growth and globalization strategies, capital market and corporate governance issues and is an active capital market intermediary matching capital with business. Mr Ng is also active in various societies and institutions, being a member of the Singapore Institute of Directors and the Singapore Human Resource Institute. He had served as District Governor for Singapore of Lions Clubs International from 2002 to 2003.

Mr Ng is also sitting on the Boards of Greater Bendigo Gold Mines Limited and Richfield International Limited, both listed on ASX (Australian Stock Exchange).

Tan Sin Huat Dennis

Independent Director

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

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

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

Mr Tan also sits on the Boards of Renewable Energy Asia Group Ltd and China Fashion Holdings Ltd.

Executive Officers

Chew Choy Seng
Chief Financial Officer

Mr Chew Choy Seng was appointed as the Chief Financial Officer of Chasen Holdings Limited on 5 April 2010. He is responsible for the Group's overall financial management and internal control reporting and other compliance requirements of the Group. He is also responsible for developing the Group's internal control system. Mr Chew has over 30 years of experience in diversified industries and has held various senior positions in German MNCs like Siemens, Peiniger and Westfalia. He is an Associate Member of the Chartered Institute of Management Accountants, UK and the Institute of Chartered Secretaries and Administrators, UK and Institute of Certified Public Accountants of Singapore.

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

Yap Beng Geok Dorothy
Administration Manager

Ms Yap Beng Geok Dorothy is the Administration Manager of Chasen Holdings Limited and Alternate Director to Mr Yap Koon Bee @ Louis Yap, Non-Executive Director. She is responsible for the day-to-day administrative workflow, human resource matters and the general administration of the Group in Singapore and provides support to our regional operations whenever required. She provided invaluable assistance during the reverse listing of the Chasen Group. Ms Yap joined Chasen Logistics Services in 1995 and over the past 15 years she has been with the Group, she has acquired indepth knowledge of many aspects of the Group's business, including its operation and administration. She was previously in charge of the Group's accounting matters. Prior to joining the Group, Ms Yap worked as an Administrative Officer with a Japanese multinational in Singapore. She is the daughter of Mr Yap Koon Bee @ Louis Yap, a Controlling Shareholder of the Group.

Heads of Business Units

DixzyQuo Nurman
General Manager
Chasen Logistics Services Limited
Chasen Logistics Sdn Bhd
DNKH Logistics Pte Ltd

Mr DixzyQuo Nurman is the General Manager of the Group's regional subsidiaries, Chasen Logistics Services Limited ("CLSL") and Chasen Logistics Sdn Bhd ("CLSB") and DNKH Logistics Pte Ltd. He joined CLSL in 2000 as a Business Planning Manager, responsible for planning and coordinating the business processes, preparing sales reports and market analysis. He was promoted to his current position in 2004 to oversee general management, including sales and marketing for the Specialist Relocation business, general warehousing management services and after-sales support for local and MNC companies in Singapore, Malaysia and Vietnam. He was responsible for the execution of turnkey relocation projects for MNC manufacturing companies where equipment from plants in Singapore and Malaysia were relocated to the Czech Republic, from USA and Europe to PRC and Malaysia. Mr DixzyQuo continues to assist the Managing Director in expanding the Relocation and 3PL business for the Group. He is a *suma cum laude* graduate from the Bandung Institute of Technogy, 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

Mr Cheong Tuck Nang is the General Manager and the legal representative of the Group's PRC subsidiary, Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd. He is responsible for the overall management, sales and marketing including operations and execution of the Relocation business that specialized in the relocation of hi-tech equipment for MNC companies from Singapore, Malaysia, Japan, Korea, USA into the PRC, and within the PRC market. He has been with CLSL since the partnership days of Chasen Logistics Services and he brings along with him more than 20 years of experience in the logistics, warehousing management and Specialist Relocation business. Mr Cheong is a pioneer in the setting up of the Group's PRC operation and is responsible for the execution of major large-scale relocation projects of the Group in the region.

Yeo Seck Cheong
General Manager
Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd
Chasen Sinology (Beijing) Co., Ltd
Chasen Logistics (Shanghai) Co., Ltd

Mr Yeo Seck Cheong is the General Manager and the legal representative of the Group's PRC subsidiaries, Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd, Chasen Sinology (Beijing) Co., Ltd and Chasen Logistics (Shanghai) Co., Ltd. He is responsible for the general management, sales and marketing of the Specialist Relocation business, especially in artefact digitization, packaging and transportation for both domestic and international art exhibitions and cultural exchanges in the PRC market. He joined CLSL in 2000 as a Project Manager responsible for executing relocation projects. Having been in the logistics and relocation industry for more than 12 years, Mr Yeo has also transferred this experience to the PRC and had successfully managed project relocation operations when the Group started operations in the PRC. He currently assists the Group Managing Director and CEO in developing and executing the Group's growth strategy in the PRC market.

Chiang Mun Hoe Alvin
General Manager
REI Technologies Pte Ltd
REI Hitech Sdn Bhd

Mr Chiang Mun Hoe Alvin is the General Manager of the Group's subsidiary, REI Technologies Pte Ltd and REI Hitech Sdn Bhd. He is responsible for steering the growth of the business, successful execution of its service operations and strategic planning for the Singapore and Malaysian business units under his charge.

He joined the Group in May 2006 to set up REI Technologies to provide equipment repair, maintenance and related technical services to complement the Group's relocation logistics business. Mr Chiang was responsible in securing a facility management contract where the MNC granted REI Certified Vendor status.

Prior to joining the Group, he was with a SGX-listed technology company, Ellipsiz Ltd, where he oversaw operations, regional market growth, business development as well as co-ordinated public and investor relations for the company. He was also with TECH Semiconductor (S) Pte Ltd where his responsibilities covered production/material planning and control, equipment maintenance, special device/technology conversion projects and procurement. Mr Chiang holds a Diploma in Mechanical Engineering from the Singapore Polytechnic and graduated from the University of Oklahoma, USA with a Bachelor of Science (Mechanical Engineering) degree.

Goh Koon Kang
General Manager
Goh Kwang Heng Pte Ltd
Goh Kwang Heng Scaffolding Pte Ltd

Mr Goh Koon Kang is the General Manager of the Group's subsidiaries, Goh Kwang Heng Pte Ltd and Goh Kwang Heng Scaffolding Pte Ltd. He is responsible for overall management, sales and operations for the entities under his charge. He is also responsible for the revenue of the scaffolding business. Projects that were successfully executed under the management of Mr Goh include the Concorde Hotel (Skylight), Schering Plough Biotech Facility, the National Library where the company did the hanging scaffolding platform for roof works, the two IRs in Singapore, and the scaffolding works for a solar panel manufacturing plant. Mr Goh has been in the service of providing specialist scaffolding solutions to Singapore and the region since 1984.

Cheng Chee Chai
General Manager
Hup Lian Engineering Pte Ltd
HLE International Pte Ltd
Shanghai FengChuang M&E Equipment Co., Ltd
Shanghai ZhuangHe Construction Co., Ltd
Shanghai FengChuang Enterprise Management Consultant Co., Ltd

Mr Cheng Chee Chai is the General Manager of the Group's subsidiaries, Hup Lian Engineering Pte Ltd, HLE International Pte Ltd, Shanghai FengChuang M&E Equipment Co., Ltd, Shanghai ZhuangHe Construction Co., Ltd and Shanghai FengChuang Enterprise Management Consultant Co., Ltd. He is also a director and controlling shareholder of Hup Lian Engineering Pte Ltd. Mr Cheng is responsible for engineering, design, supervision and project management for the group of companies under his charge. He assists the Managing Director of HLE Group in strategic planning and oversees the company's expansion into overseas markets. He also looks into the marketing and development of the HLE Group's total revenue, extending the Group's outreach into new markets.

Mr Cheng has over 20 years of experience in the construction industry. Prior to joining Hup Lian Engineering, he was a Project Manager with Kay Lim Construction & Trading Pte Ltd. He was also an Engineer with Jurong Town Corporation, Tuffi Coatings Pte Ltd and CH & Associates Consulting Engineers from 1988-1994 where he planned, supervised, coordinated and managed design of various construction works.

Mr Cheng graduated with a Bachelor of Civil Engineering and attained his Masters of Science (Civil Engineering) from the National University of Singapore. He also has a Masters of Applied Science in Computer Engineering (MASCE). Mr Cheng is a certified Professional Engineer and is a Member of the Institute of Engineers Singapore (MIES).

Hein Ke Long
General Manager
REI Promax Technologies Pte Ltd
Suzhou Promax Communication Technology Co., Ltd

Mr Hein Ke Long is the General Manager of the Group's subsidiaries, REI Promax Technologies Pte Ltd and Suzhou Promax Communication Technology Co., Ltd. in the PRC. He is responsible for the overall sales and marketing function of the precision machining business including 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.

He is also responsible for steering the growth of the business, ensuring that the companies under his charge, are able to secure more orders for its operations in Singapore and Suzhou.

Mr Hein has more than 20 years of experience in the precision engineering industry.

Lim Chor Ghee
General Manager
Global Technology Synergy Pte Ltd
Towards Green Sdn Bhd

Mr Lim Chor Ghee is the General Manager of the Group's newly acquired 'green' subsidiaries, Global Technology Synergy Pte Ltd and Towards Green Sdn Bhd. He is responsible for strategic planning, overall management, operations and profitability of the entities under his charge. Mr Lim has more than 13 years of experience in the project management, construction management, operations, design and system start-up for ultra-pure deionize water, acid/caustic scrubber, VOC abatement system, wastewater reclamation, wastewater treatment facilities, waste water treatment system. Mr Lim has managed projects, design lead, production control, quality control, establishing and executing work plans and construction management for MNCs both in Singapore and Malaysia. He also looks into the marketing and development of the Group's total revenue, extending the Group's outreach into new markets in the technical and engineering business.

Mr Lim holds a Bachelor's Degree in Chemical Engineering from the National Taiwan University, Taiwan.

Heng Khim Soon
General Manager
DNKH Logistics Pte Ltd

Mr Heng Khim Soon is the General Manager of the Group's 3PL subsidiary, DNKH Logistics Pte Ltd. He is responsible for the overall management, operations and control of the entity under his charge. He brings with him an extensive wealth of experience accumulated over the past 20 years in the freight forwarding business and third party logistics management services. Mr Heng is tasked with the challenges to ensure the Group enjoys the most competitive rates for shipment to/fro Singapore and within the region. He provides the other business units within the Group with value-added services for their customers who require logistics arrangements for freight forwarding, warehousing, transportation, customs brokerage and other supply chain services. Under the helm of Mr Heng, there is currently a fleet of about 28 units of trucks and some 80 field operation personnel working on the distribution and warehousing business. Mr Heng also assists the Group with strategic expansion plans to strengthen our global network in the freight industry.

S. Pirithivaraj Selvarajoo
General Manager
City Zone Express Sdn Bhd

Mr S. Pirithivaraj Selvarajoo is the General Manager of the Group's Malaysian 3PL subsidiary, City Zone Express Sdn Bhd. He is responsible for the overall management of the entity under his charge where CZE provides freight forwarding, warehousing, transportation, customs brokerage and other logistics supply chain services, operating out of Penang. He is also responsible for the control and operation of a sizeable truck fleet comprising some 30 units, which are deployed for daily interstate long and short haul overland transportation between Singapore, Peninsular Malaysia and Thailand. Mr Raj is spearheading the project to work on a cross-border logistics service to enhance the Group's revenue base. He also assists the Group in identifying business opportunities to grow the Group's business in Malaysia.

Corporate Governance Statement and Financial Contents

CORPORATE GOVERNANCE STATEMENT

The Company is committed to setting in place corporate governance practices which are in line with the recommendations of the Singapore Code of Corporate Governance 2005 (the "Code") to provide the structure through which protection of the interests of its shareholders, stakeholders and investing public is met. This report sets out the Company's corporate governance practices for the year ended 31 March 2011 with specific reference made to each principles of the Code.

BOARD MATTERS

Board's Conduct of its Affairs

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

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

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

- providing entrepreneurial leadership, setting strategic directions, overseeing management effectiveness and ensuring proper conduct of the Group's business;

- providing the overall strategy of the Group;

- ensuring that policies and processes are in place for evaluating the adequacy of internal controls, financial reporting, financial performance, risk management and compliance; and

- assuming responsibility of corporate governance framework of the Group.

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

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

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended	No. of meeting held	No. of meeting attended
Low Weng Fatt	4	4	4*	4*	1	1	1*	1*
Siah Boon Hock	4	3	4*	3*	1*	1*	1*	1*
Yap Koon Bee @ Louis Yap	4	3	4	3	1*	1*	1	1
Ng Jwee Phuan @ Frederick (Eric)	4	4	4	4	1	1	1	1
Tan Sin Huat Dennis	4	4	4	4	1	1	1	1
Yap Beng Geok Dorothy (1)	4	4	4	3	1*	1*	1	1

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

* By Invitation

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

The Board has in place an orientation and training programme for newly appointed Directors in order to familiarize them with the Group's business operations, strategic directions, directors' duties and responsibilities and corporate governance practices. The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of directors' duties and responsibilities. The Directors are also kept abreast of any developments which are relevant to the Group and any developments of relevant new laws and regulations.

BOARD COMPOSITION AND GUIDANCE

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

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

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

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

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

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

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

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

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.

CORPORATE GOVERNANCE STATEMENT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

During the financial year ended 31 March 2011, Low Weng Fatt being the Managing Director and CEO of the Company, has executive responsibility for the Group's businesses. Responsibility for the workings of the Board is jointly held by Low Weng Fatt and the Lead Independent Director Ng Jwee Phuan @ Frederick (Eric) to ensure that procedures are introduced to comply with the Code.

In line with corporate governance best practices, the Board has appointed Ng Jwee Phuan @ Frederick (Eric) as the Lead Independent Director to lead and co-ordinate the activities of the Independent Directors, to act as the principal liaison between the Independent Directors and the Managing Director and CEO on sensitive issues and to hold meetings with Independent Directors when required.

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

The Board has to date not appointed a Chairman. The Lead Independent Director is elected to chair each Board meeting while the Chairman's role to ensure the effectiveness of the Board in all aspects, set its agenda; ensure that the Directors receive accurate, timely and clear information; ensure effective communication with shareholders; encourage constructive relations between the Board and Management; facilitate the effective contribution of Non-Executive Directors in particular; encourage constructive relations between Directors and Non-Executive Directors; and promote high standards of corporate governance, is jointly assumed by Low Weng Fatt and Ng Jwee Phuan @ Frederick (Eric).

BOARD MEMBERSHIP

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

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

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

The Nominating Committee is governed by its written terms of reference. In accordance with the requirement of the Code, the Chairman of the Nominating Committee is also not directly associated with a substantial shareholder of the Company. The Nominating Committee makes recommendation to the Board on all nominations for appointment and re-appointment to the Board, and the Board committees. It ascertains the independence of Directors and evaluates the Board's performance. The Nominating Committee assesses the independence of Directors, based on the guidelines set out in the Code, the Guidebook for Audit Committees in Singapore issued by Audit Committee Guidance Committee and any other salient factors.

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

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

CORPORATE GOVERNANCE STATEMENT

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

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

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

The Nominating Committee has recommended the re-election of Ng Jwee Phuan @ Frederick (Eric) who is retiring at the forthcoming Annual General Meeting to be held on 8 August 2011 (the "forthcoming AGM"). The Board has accepted the recommendation and the retiring Director would be offering himself 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)
Low Weng Fatt	6 February 2007	Not Applicable	Nil
Siah Boon Hock	6 February 2007	30 July 2010	Nil
Yap Koon Bee @ Louis Yap	6 February 2007	30 July 2010*	Nil
Ng Jwee Phuan @ Frederick (Eric)	6 February 2007	24 July 2009	**Listed Companies - Present** 1. Greater Bendigo Gold Mines Limited 2. Richfield International Limited **Listed Companies – Preceding 3 Years** 1. Avaplas Ltd **Major Appointments** Nil
Tan Sin Huat Dennis	31 July 2009	30 July 2010	**Listed Companies - Present** 1. Renewable Energy Asia Group Ltd 2. China Fashion Holdings Ltd **Listed Companies – Preceding 3 Years** 1. Swing Media Technology Group Ltd **Major Appointments** Nil
Yap Beng Geok Dorothy (1)	29 May 2008	Nil	Nil

* Re-appointment as a Director pursuant to Section 153(6) of the Companies Act, Chapter 50

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

CORPORATE GOVERNANCE STATEMENT

BOARD PERFORMANCE

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

The Nominating Committee 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 Nominating Committee had decided unanimously, that the Directors will not be evaluated individually but factors taken into consideration for their re-nomination are 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 Senior Management and Directors' standards of conduct.

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

ACCESS TO INFORMATION

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

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

The Company Secretary or his representatives administer, attend and prepare minutes of Board and committee meetings, and assist the Chairmen in ensuring that proper procedures at such meetings are followed and reviewed so that the Board and committees function effectively. The Company Secretary also attends all Board and committee meetings and assist the Chairmen in ensuring that the Company complies with the requirements of the Companies Act, Cap. 50 and the Listing Manual Section B: Rules of Catalist of the SGX-ST. Directors may seek professional advice in furtherance of their duties and the costs will be borne by the Company.

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

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

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

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

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

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

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

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

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

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

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

LEVEL AND MIX OF REMUNERATION

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

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

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

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

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

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

CORPORATE GOVERNANCE STATEMENT

DISCLOSURE ON REMUNERATION

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

The Company's Directors receiving remuneration from the Group for the financial year ended 31 March 2011 are as follows:

Remuneration Band	**Number of Directors 2011**	**2010**
$500,000 and above	1	0
$250,000 to below $500,000	1	2
Below $250,000	3	3
Total	5	5

A breakdown of each individual director's and key executive's remuneration, in percentage terms showing the level and mix for the financial year ended 31 March 2011, is as follows:

	Fees %	**Salary %**	**Bonus %**	**Other Benefits %**	**Total Compensation %**
Directors					
$500,000 and above					
Low Weng Fatt	14	55	31	–	100
$250,000 to below $500,000					
Siah Boon Hock	16	60	24	–	100
Below $250,000					
Yap Koon Bee @ Louis Yap	91	–	9	–	100
Ng Jwee Phuan @ Frederick (Eric)	96	–	4	–	100
Tan Sin Huat Dennis	96	–	4	–	100
Yap Beng Geok Dorothy	–	–	–	–	–
Key Management					
$250,000 to below $500,000					
–	–	–	–	–	–
Below $250,000					
Chew Choy Seng	–	90	10	–	100
DixzyQuo Nurman	–	64	36	–	100
Cheong Tuck Nang	–	78	22	–	100
Yeo Seck Cheong	–	90	10	–	100
Chiang Mun Hoe Alvin	–	77	23	–	100
Yap Beng Geok Dorothy	–	82	18	–	100

The remuneration of one of the employees related to Yap Beng Geok Dorothy, an Alternate Director of the Company, exceeds $150,000 for the financial year ended 31 March 2011.

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

ACCOUNTABILITY

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

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

This accountability to our shareholders is demonstrated through the presentation of our periodic financial statements as well as announcements and news releases of significant corporate developments and activities so that the shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

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.

AUDIT COMMITTEE

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

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

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

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

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

The Audit Committee will focus principally on assisting the Board in fulfilling its duties by providing an independent and objective review of the financial process, internal controls and the audit function. The 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 with management and external auditors before submission to the Board for approval, focusing in particular on significant financial reporting issues and judgments; changes in accounting policies and practices, major risk areas; significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual Section B: Rules of Catalist 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. 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.

CORPORATE GOVERNANCE STATEMENT

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

(d) Interested Person Transactions

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

(e) 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 to attend its meetings, and has been given reasonable resources to enable it to discharge its function.

In July 2010, the Singapore Exchange Limited and Accounting and Corporate Regulatory Authority 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 Guidance.

The Audit Committee has noted that there were no non-audit services provided by the external auditors and no non-audit fees have been paid to the external auditors during the financial year ended 31 March 2011 and is of the opinion that the external auditors' independence has not been compromised.

The Audit Committee will propose that the nomination of LTC LLP for re-appointment as independent auditors be put forward for shareholders' approval at the forthcoming Annual General Meeting of the Company.

During the financial year ended 31 March 2011, the Audit Committee met with the external auditors without the presence of Management.

As there has been no Interested Person Transactions during the financial year ended 31 March 2011, the Audit Committee is of the opinion that Chapter 9 of the Listing Manual Section B: Rules of Catalist has been complied with. The Audit Committee has nevertheless established the necessary review procedures 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 CONTROLS

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

The Board is responsible for the overall internal control framework and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. The Board recognizes that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Company's external auditors conduct an annual review of the effectiveness of the Company's material internal controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the Audit Committee. The Audit Committee also reviews the effectiveness of the actions taken by the management on the recommendations made by the internal and external auditors in this respect.

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

INTERNAL AUDIT

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

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

Currently the Board outsourced the internal audit function to a specialist professional internal audit firm. In the financial year reported on, the Internal Auditor completed its audit of two Malaysian incorporated subsidiaries. The Internal Auditor reports directly to the Chairman of the Audit Committee and performs its internal audit in accordance with the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

COMMUNICATION WITH SHAREHOLDERS

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

Greater Shareholder Participation

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

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

CORPORATE GOVERNANCE STATEMENT

Communications are made through:

- annual reports that are prepared and issued to all shareholders;
- periodic results announcements;
- media meetings;
- circulars and notices to the shareholders;
- press releases;
- corporate website at http://www.chasen.com.sg; and
- disclosures to the SGX-ST via SGXNET

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

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

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

DEALINGS IN SECURITIES

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

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

INTERESTED PERSON TRANSACTIONS

Details of Interested Person Transactions, if any, for the financial year ended 31 March 2011 are disclosed in the audited financial statements. To ensure compliance with the relevant rules under Chapter 9 of the Listing Manual Section B: Rules of Catalist on interested person transactions, the Board and Audit Committee regularly reviews if the Company will be entering into any interested person transaction and if it does, to ensure that the Company complies with the requisite rules under Chapter 9. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

MATERIAL CONTRACTS

Other than disclosed in the audited financial statements, there are no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholder subsisting at the end of the financial year ended 31 March 2011.

RISK MANAGEMENT

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

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

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

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

Description		**Amount ($'000)**
Net Proceeds from 2010 Rights Shares cum Warrants Issue		9,190
Amount utilized for :-		
(1)	Increase in paid-up capital for China Sinology (Beijing) Logistics Co., Ltd	(1,239)
(2)	Additional consideration in the acquisition of Hup Lian Engineering Pte Ltd	(1,529)
(3)	Increase in paid-up capital for REI Technologies Pte Ltd	(700)
(4)	Assets acquisition	(4,980)
Balance as at 31 March 2011		742

The balance Rights proceeds of $742,000 from the Rights Shares cum Warrants Issue raised in May 2010 was transferred to working capital as at 31 March 2011.

CATALIST SPONSOR

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. With effect from 1 April 2011, the Company has appointed Asian Corporate Advisors Pte. Ltd. in place of KW Capital Pte. Ltd. as its continuing sponsor. For the purposes of Rule 1204(20) of the Rules of Catalist, there was no non-sponsor fee paid to KW Capital Pte. Ltd. by the Company for the year ended 31 March 2011. However, the total amount of fees paid to the affiliates of KW Capital Pte. Ltd., namely KhattarWong and KW Corporate Advisory Pte. Ltd. for legal work and corporate secretarial work done respectively for the year ended 31 March 2011 was approximately $151,000.

REPORT OF THE DIRECTORS

The directors present their report to the members together with the audited consolidated financial statements of Chasen Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position of the Company for the financial year ended 31 March 2011.

1. DIRECTORS

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

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

2. LISTING ON THE CATALIST BOARD

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

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

4. DIRECTORS' INTERESTS IN SHARES, WARRANTS OR DEBENTURES

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

	Shareholdings registered in the name of the Director		**Shareholdings in which a director is deemed to have an interest**	
The Company	**At 1 April 2010 or date of appointment**	**At 31 March 2011**	**At 1 April 2010 or date of appointment**	**At 31 March 2011**
Number of ordinary shares				
Ordinary shares:				
Low Weng Fatt [1]	35,834,689	50,513,708	110,000	165,000
Siah Boon Hock [2]	4,622,051	10,374,401	–	–
Yap Koon Bee @ Louis Yap [3]	22,066,669	34,910,083	–	–
Ng Jwee Phuan @ Frederick (Eric) [4]	169,500	283,250	–	–
Yap Beng Geok Dorothy [5]	38,500	86,750	5,155,275	7,790,912
Tan Sin Huat Dennis	–	8,000	–	–

Notes:-

(1) Low Weng Fatt holds 7,281,509 warrants, pursuant to Rights Shares cum Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of $0.30 each. He is deemed to be interested in the 165,000 shares and 27,500 warrants held by his spouse.

(2) Siah Boon Hock holds 2,832,675 warrants, pursuant to Rights Shares cum Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of $0.30 each. 2,000,000 shares are held by Hong Leong Finance Nominees Pte Ltd.

(3) Yap Koon Bee @ Louis Yap holds 6,407,207 warrants, pursuant to Rights Shares cum Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of $0.30 each.

(4) Ng Jwee Phuan @ Frederick (Eric) holds 42,375 warrants, pursuant to Rights Shares cum Warrants Issue, entitling him to subscribe for an equivalent number of shares at the exercise price of $0.30 each.

(5) Yap Beng Geok Dorothy holds 9,625 warrants, pursuant to Rights Shares cum Warrants Issue, entitling her to subscribe for an equivalent number of shares at the exercise price of $0.30 each. She is deemed to be interested in the 7,790,912 shares and 1,288,818 warrants held by her spouse, Cheong Tuck Nang.

The Directors' interests in the ordinary shares of the Company as at 21 April 2011 were the same as those as at 31 March 2011.

5. DIRECTORS' CONTRACTUAL BENEFITS

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

6. CHASEN PERFORMANCE SHARE PLAN

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

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

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

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

From the commencement of the Plan to 31 March 2011, awards comprising an aggregate of 4,051,112 shares have been granted.

REPORT OF THE DIRECTORS

As at end of 31 March 2011, 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	(612,500)	(95,000)	262,500
27 July 2009	189,000	(189,000)	Nil	Nil
22 February 2010	1,346,912	(1,003,142)	(17,400)	326,370
31 March 2011	1,069,200	Nil	Nil	1,069,200

Note: As at 31 March 2011, the total number of share awards granted to the Directors and employees of the company and its subsidiaries during FY2011 and since the commencement of the Plan to the end of FY2011 are 1,069,200 and 4,051,112 respectively. During FY2011, no director or employee of the company and its subsidiaries receive 5% or more of the total number of awards available to all directors and employees of the company and its subsidiaries under the Plan.

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

Name of participant	Awards granted during financial year under review	Aggregate Awards granted since commencement of Plan to end of financial year under review	Aggregate Awards vested since commencement of Plan to end of financial year under review	Aggregate Awards outstanding as at end of financial year under review
Low Weng Fatt*	140,000	500,000	(270,000)	230,000
Siah Boon Hock	105,000	375,000	(202,500)	172,500
Yap Koon Bee @ Louis Yap*	35,000	125,000	(67,500)	57,500
Ng Jwee Phuan @ Frederick (Eric)	35,000	125,000	(67,500)	57,500
Yap Beng Geok Dorothy	35,000	125,000	(67,500)	57,500
Tan Sin Huat Dennis	35,000	55,000	(8,000)	47,000

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

Note : As at 31 March 2011, there are no participants receiving 5% or more of the total number of share awards available under the Plan.

7. WARRANTS

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

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

Date of Grant of Warrants	Warrants Issued	Warrants Exercised	Warrants Outstanding
6 May 2010	36,373,444	(80,492)	36,292,952

8. STOCK OPTIONS

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

9. AUDIT COMMITTEE

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

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

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

In performing those functions, the Committee reviewed:

a. The scope and the results of internal audit procedures with the internal auditor;

b. The audit plan of the Company's independent auditor and its report on the weakness of internal accounting controls arising from the statutory audit;

c. The assistance given by the Company's management to the independent auditor; and

d. The statement of financial position and the statement of changes in equity of the Company as at 31 March 2011 and the consolidated financial statements of the Group as at 31 March 2011 before their submission to the Board of Directors, as well as the independent auditor's report on the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group.

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

The AC will propose that the nomination of LTC LLP for re-appointment as independent auditors be put forward for shareholders' approval at the forthcoming Annual General Meeting of the Company.

REPORT OF THE DIRECTORS

10. INDEPENDENT AUDITOR

The independent auditor, LTC LLP, have expressed its willingness to accept re-appointment.

On behalf of the directors

Low Weng Fatt
Director

Siah Boon Hock
Director

Singapore, 18 July 2011

STATEMENT BY DIRECTORS

In the opinion of the directors,

(i) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 46 to 104 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2011 and of the results of the business, changes in equity and cash flows of the Group for the financial year ended; and

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

On behalf of the directors

Low Weng Fatt
Director

Siah Boon Hock
Director

Singapore, 18 July 2011

INDEPENDENT AUDITOR'S REPORT

To the Members of Chasen Holdings Limited
For the financial year ended 31 March 2011

Report on the Financial Statements

We have audited the accompanying financial statements of Chasen Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 46 to 104, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

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 (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 unauthorised use or disposition, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 qualified audit opinion.

Bases for Qualified Opinion

1. As disclosed in note 18 to the financial statements, the Group had recognized an intangible asset - software development, which was carried at $1,848,000 in the consolidated statements of financial position as at 31 March 2010 and at $739,000 as at 31 March 2011.

   We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves whether the intangible asset - software development satisfies the recognition criteria of Singapore Financial Reporting Standards. In addition, we were unable to obtain sufficient appropriate audit evidence to assess the assumptions and estimates used in ascertaining the recoverable amount of the intangible asset - software development, which was carried at $739,000 as at 31 March 2011.

   The Group's records indicate that had the Group not recognized the intangible asset - software development, intangible assets, total assets, net profit, and shareholders' equity would each have been reduced by $1,848,000 for the financial year ended 31 March 2010. Consequent to that, for the financial year ended 31 March 2011, intangible assets, total assets and shareholders' equity would have been reduced by $739,000, $739,000 and $1,848,000 respectively and net profit would have been increased by $1,109,000.

2. As disclosed in note 16(i) to the financial statements, on 30 September 2010, CLE Engineering Services Pte Ltd acquired 100% of the issued share capital of Global Technology Synergy Pte Ltd and its subsidiary, Towards Green Sdn. Bhd. (collectively called "GTS Group") for a purchase consideration of $4,000,000 which was satisfied by way of issuance of 10,476,689 ordinary shares of the Company and an additional sum of $500,000 which will be paid as contingent consideration when the specific conditions are met. Management had estimated that the aggregate fair values of the identifiable net assets of the GTS Group acquired were $794,000. Goodwill arising from the acquisition was assessed by management to be $3,706,000.

The management had not carried out an appropriate purchase price allocation exercise for the business combination in accordance with the requirements of FRS 103 Business Combinations. As a result, we were unable to determine whether the fair values allocated to the identifiable assets and liabilities of GTS Group acquired as stated in note 16(i) to the financial statements were appropriate, and whether there were any other identifiable assets (including intangible assets), liabilities and contingent liabilities which need to be separately identified and recognized at the date of the acquisition. Therefore, we were unable to obtain sufficient appropriate audit evidence to determine whether any adjustments were necessary in respect of the fair values of the identifiable assets (including intangible assets), liabilities and contingent liabilities acquired and the amount of the goodwill as at the date of acquisition on 30 September 2010.

3. As disclosed in note 14 to the financial statements, the Group had recognized financial assets, available-for-sale which was carried at $3,861,000 in the consolidated statements of financial position as at 31 March 2010 and at $1,920,000 as at 31 March 2011.

   We had reassessed the evidence and the circumstance during the financial year and were unable to obtain sufficient appropriate audit evidence to determine whether the financial assets, available-for-sale should have been classified as investment in an associated company on initial recognition as at 31 March 2010.

   The Group's records indicate that had management stated the investment cost as investment in an associated company, the investment in an associated company would have been increased by $3,861,000, and financial assets, available-for-sale would have been reduced by $3,861,000 as at 31 March 2010. Consequent to that, for the financial year ended 31 March 2011, the investment in an associated company would have been increased by $1,920,000 and financial assets, available-for-sale would have been reduced by $1,920,000; and the net profit and other comprehensive loss would each have been reduced by $1,941,000.

4. As disclosed in note 24 to the financial statements, the Group had a deposit of $905,000 paid to a financial brokerage institution for the purpose of raising funds for the China infrastructure projects as at 31 March 2011. We were unable to obtain sufficient appropriate audit evidence to satisfy ourselves that the carrying amount of the deposit as at 31 March 2011 does not exceed its recoverable amount and thus, whether there are any expenses to be recognized in the statement of comprehensive income to reflect the amount of deposit utilised as expenditure for the projects for the financial year ended 31 March 2011. Consequently, we were unable to determine whether any adjustments to the carrying amount of the deposit and expenses were necessary.

5. As disclosed in note 23 (ii) to the financial statements, the Group had an outstanding amount owed by a customer of $856,000 as at 31 March 2011. This amount arose from variation orders recorded in the Group's technical and engineering services in the financial year ended 31 March 2010. The amount of the variation orders has yet to be finalized with the customer. We were unable to obtain sufficient appropriate audit evidence to determine the recoverability of the same receivable from the customer recorded as at 31 March 2011.

Qualified Opinion

In our opinion, except for the possible effects of the matters described in the Bases for Qualified Opinion paragraphs, the consolidated financial statements of the Group and the statement of financial position 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 state of affairs of the Group and of the Company as at 31 March 2011 and the results, changes in equity and cash flows of the Group 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 auditor, have been properly kept in accordance with the provisions of the Act.

LTC LLP
Public Accountants and
Certified Public Accountants

Singapore, 18 July 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2011

	Note	2011 $'000	2010 $'000
Revenue	4	72,185	75,562
Cost of sales		(51,625)	(56,800)
Gross profit		20,560	18,762
Other operating income	5	3,975	1,628
Distribution and selling expenses		(5,071)	(3,739)
Administrative expenses		(9,037)	(8,094)
Other operating expenses		(1,862)	(127)
Finance costs	6	(682)	(411)
Profit before income tax	7	7,883	8,019
Income tax expense	9	(577)	(1,586)
Net profit for the financial year		7,306	6,433
Other comprehensive income:			
Change in fair value of financial assets, available-for-sale		(2,171)	–
Currency translation differences arising from consolidation		(1,415)	(1,147)
Other comprehensive loss, net of tax		(3,586)	(1,147)
Total comprehensive income		3,720	5,286
Net profit attributable to:			
Equity holders of the Company		7,443	4,690
Non-controlling interests		(137)	1,743
		7,306	6,433
Total comprehensive income attributable to:			
Equity holders of the Company		3,951	3,589
Non-controlling interests		(231)	1,697
		3,720	5,286
Earnings per share for net profit attributable to equity holders of the Company (in cents)			
Basic	10	3.41	3.22
Diluted	10	3.40	3.20

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2011

	Note	Group 2011	Group 2010 (Restated)	Group 2009 (Restated)	Company 2011	Company 2010 (Restated)	Company 2009 (Restated)
		$'000	$'000	$'000	$'000	$'000	$'000
ASSETS							
Non-current assets							
Investment properties	11	6,765	–	–	–	–	–
Property, plant and equipment	12	17,454	15,309	14,491	–	–	–
Fixed deposit	13	1,000	1,000	1,000	1,000	1,000	1,000
Financial assets, available-for-sale	14	2,710	4,336	3,861	2,710	4,336	3,861
Club membership	15	38	56	74	25	43	60
Other receivables, deposits and prepayments	24	926	1,829	3,091	398	1,819	1,381
Investments in subsidiaries	16	–	–	–	38,075	37,375	37,372
Investment in an associated company	17	1,000	1,000	–	200	200	–
Intangible assets	18	1,103	2,293	–	–	–	–
Goodwill arising on consolidation	19	7,178	3,382	2,191	–	–	–
		38,174	29,205	24,708	42,408	44,773	43,674
Current assets							
Non-current asset, held-for-sale	20	359	–	–	–	–	–
Gross amount due from customers on work-in-progress	21	554	161	3,604	–	–	–
Inventories	22	1,302	755	238	–	–	–
Trade receivables	23	34,273	28,890	21,071	–	–	–
Amount due from subsidiaries		–	–	–	23,336	12,028	10,883
Other receivables, deposits and prepayments	24	8,493	4,095	5,337	2,676	1,134	2,099
Cash and bank balances	25	8,651	6,957	8,948	67	115	672
		53,632	40,858	39,198	26,079	13,277	13,654
LIABILTIES							
Current liabilities							
Bank overdraft		354	204	12	–	–	–
Bank loans (secured)	26	5,686	5,754	1,650	1,857	1,928	1,004
Trade payables	27	11,235	7,518	14,780	–	–	–
Other payables and accruals	28	7,985	6,291	3,945	525	400	334
Deferred income	29	1	19	21	–	–	–
Obligations under hire purchase contracts	30	1,081	1,159	1,137	–	–	–
Income tax payable		565	1,552	814	37	37	–
		26,907	22,497	22,359	2,419	2,365	1,338
Net current assets		26,725	18,361	16,839	23,660	10,912	12,316
Non-current liabilities							
Bank loans (secured)	26	5,014	4,490	2,845	–	947	2,016
Deferred income	29	–	14	48	–	–	–
Obligations under hire purchase contracts	30	1,629	1,237	1,573	–	–	–
Deferred income tax liabilities	31	498	339	297	–	–	–
		7,141	6,080	4,763	–	947	2,016
NET ASSETS		57,758	41,486	36,784	66,068	54,738	53,974

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

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2011

		Group			Company		
	Note	2011	2010 (Restated)	2009 (Restated)	2011	2010 (Restated)	2009 (Restated)
		$'000	$'000	$'000	$'000	$'000	$'000
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital	32	36,947	23,737	23,737	66,475	53,265	53,265
Capital reserve		69	–	–	–	–	–
Treasury shares	33	(9)	(358)	(534)	(9)	(358)	(534)
Currency translation reserve		(1,289)	32	1,133	–	–	–
Performance share plan reserve		96	160	154	96	160	154
Fair value reserve	11	(2,171)	–	–	(2,171)	–	–
Retained profits		18,631	13,040	9,103	1,677	1,671	1,089
		52,274	36,611	33,593	66,068	54,738	53,974
Non-controlling interests		5,484	4,875	3,191	–	–	–
Total equity		57,758	41,486	36,784	66,068	54,738	53,974

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2011

Group	Share capital $'000	Capital reserve $'000	Treasury shares $'000	Currency translation reserve $'000	Performance share plan reserve $'000	Fair value reserve $'000	Retained profits $'000	Attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
Balance as at 1 April 2010	23,737	–	(358)	32	160	–	13,040	36,611	4,875	41,486
Increase in share capital arising from rights issue (Note 32)	9,186	–	–	–	–	–	–	9,186	–	9,186
Increase in share capital arising from acquisition of subsidiary (Note 32)	4,000	–	–	–	–	–	–	4,000	–	4,000
Increase in share capital arising from warrants issue (Note 32)	24	–	–	–	–	–	–	24	–	24
Transfer of treasury shares to performance share plan reserve (Note 33)	–	–	349	–	(349)	–	–	–	–	–
Cost of share-based payments	–	–	–	–	285	–	–	285	–	285
Final dividend for the previous year paid (Note 40)	–	–	–	–	–	–	(1,310)	(1,310)	–	(1,310)
Acquisition of a subsidiary	–	69	–	–	–	–	–	69	–	69
Increase in minority interest	–	–	–	–	–	–	–	–	298	298
Effect on change in parent's ownership interest in a subsidiary	–	–	–	–	–	–	(542)	(542)	542	–
Total comprehensive Income / (expense)	–	–	–	(1,321)	–	(2,171)	7,443	3,951	(231)	3,720
Balance as at 31 March 2011	36,947	69	(9)	(1,289)	96	(2,171)	18,631	52,274	5,484	57,758
Balance as at 1 April 2009	23,737	–	(534)	1,133	154	–	9,103	33,593	3,191	36,784
Purchase of treasury shares (Note 33)	–	–	(19)	–	–	–	–	(19)	–	(19)
Transfer of treasury shares to performance share plan reserve (Note 33)	–	–	195	–	(195)	–	–	–	–	–
Cost of share-based payments	–	–	–	–	201	–	–	201	–	201
Final dividend for the previous year paid (Note 40)	–	–	–	–	–	–	(753)	(753)	–	(753)
Acquisition of minority interest (Note 16)	–	–	–	–	–	–	–	–	(13)	(13)
Total comprehensive Income / (expense) for the financial year	–	–	–	(1,101)	–	–	4,690	3,589	1,697	5,286
Balance as at 31 March 2010	23,737	–	(358)	32	160	–	13,040	36,611	4,875	41,486

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2011

	2011 $'000	2010 $'000
Cash flows from operating activities: -		
Profit before income tax	7,883	8,019
Adjustments for:		
Depreciation of property, plant and equipment	3,940	3,653
Gain on disposal of plant and equipment, net	(155)	(85)
Plant and equipment written off	138	82
Cost of share-based payments	285	201
Negative goodwill arising from acquisition of non-controlling interest	–	(10)
Investment written off	2	45
Impairment loss on intangible assets	739	–
Allowance for doubtful trade receivables	167	92
Amortization of club membership	18	18
Amortization of deferred income	(32)	(36)
Amortization of intangible assets	423	–
Fair value gain on investment properties	(3,162)	–
Interest income	(15)	(44)
Interest expense	626	398
Operating profit before working capital changes	10,857	12,333
Trade and other receivables	(8,619)	(4,362)
Gross amount due from customers on work-in-progress	(393)	1,651
Inventories	(531)	(517)
Trade and other payables	1,523	(4,916)
Cash generated from operations	2,837	4,189
Income tax paid	(1,466)	(806)
Net cash generated from operating activities	1,371	3,383
Cash flows from investing activities: -		
Acquisition of subsidiaries, net of cash acquired (Note 16)	785	(1,191)
Investment in an associated company (Note 17)	–	(1,000)
Investment in financial assets, available-for-sale	(545)	(475)
Prepayment in investing activities*	–	(1,546)
Purchase of plant and equipment **	(4,987)	(4,053)
Proceeds from disposal of plant and equipment	192	148
Acquisition of minority interest (Note 16)	–	(3)
Interest received	15	44
Net cash used in investing activities	(4,540)	(8,076)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2011

	2011 $'000	2010 $'000
Cash flows from financing activities: -		
Interest paid	(624)	(398)
Proceeds from right issue, net	9,186	–
Proceeds from warrant issue	24	
Proceeds from bank loans	6,346	7,001
Repayment of bank loans	(6,400)	(1,253)
Repayments of hire purchase contracts	(1,315)	(1,219)
Dividend paid to equity holders of the Company	(1,310)	(753)
Placement of pledged fixed deposits with banks	(8)	(326)
Purchase of treasury shares	–	(19)
Net cash from financing activities	5,899	3,033
Net increase/(decrease) in cash and cash equivalents	2,730	(1,660)
Cash and cash equivalents at beginning of financial year	5,341	7,850
Effect of exchange rate changes on cash and cash equivalents	(1,194)	(849)
Cash and cash equivalents at end of financial year (Note 25)	6,877	5,341
Cash and cash equivalents comprise:		
Cash and bank balances	7,231	5,545
Fixed deposits	1,420	1,412
	8,651	6,957
Less: Fixed deposits pledged	(1,420)	(1,412)
Bank overdraft	(354)	(204)
	6,877	5,341

* During the financial year, the Group made prepayments for potential business opportunities amounting to $nil (2010: $1,546,000).

** During the financial year, the Group acquired plant and equipment with an aggregate cost of $6,604,000 (2010: $4,957,000) of which $1,617,000 (2010: $904,000) was acquired by means of finance leases. Cash payments of $4,987,000 (2010: $4,053,000) were made to purchase plant and equipment.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

1. GENERAL INFORMATION

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

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

The principal activities of the Company are those of an investment holding company. The principal activities of the subsidiaries are stated in Note 16 to the financial statements.

The consolidated financial statements of the Group for the financial year ended 31 March 2011 and the statement of financial position of the Company as at that date were authorized for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) Basis of presentation

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

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

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

(II) Interpretations and amendments to published standards effective in the year

On 1 April 2010, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

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

The revised FRS 103 introduces a number of changes to the accounting for business combinations that will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Changes in significant accounting policies resulting from the adoption of the revised FRS 103 include:

- transaction costs would no longer be capitalized as part of the cost of acquisition but will be expensed immediately;
- consideration contingent on future events are recognized at fair value on the acquisition date and any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognized in profit or loss;

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

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

(i) FRS 103 (revised) *Business Combinations* (effective for annual periods beginning on or after 1 July 2009) (cont'd)

- the Group elects for each acquisition of a business, to measure non-controlling interest at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, and this impacts the amount of goodwill recognized; and

- when a business is acquired in stages, the previously held equity interests in the acquiree is remeasured to fair value at the acquisition date with any corresponding gain or loss recognized in profit or loss, and this impacts the amount of goodwill recognized.

  As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognized in the financial statements.

The following summarizes the impact of adopting FRS 103 (revised) on the acquisition of GTS Group and HLE Group:

Contingent consideration

Fair value of contingent consideration amounting to $569,000 has been recognized at the acquisition date. The contingent consideration would not have been recognized under the previous Group's accounting policy as the payment is not probable.

Acquisition-related costs

Acquisition-related costs of $65,000 have been recognized in profit or loss. Previously, this cost would have been included in goodwill.

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

Changes in significant accounting policies resulting from the adoption of the revised FRS 27 include:

- a change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss recognized in profit or loss;

- losses incurred by a subsidiaries are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity; and

- when control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognized in profit or loss.

As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognized in the financial statements. There were no transactions with non-controlling interests in the current financial year. Accordingly, these changes do not have any impact on the financial statements for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

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

(III) New or revised accounting standards and FRS interpretation

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2011 or later periods and which the Group has not early adopted. The Group's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Group is set out below:

- Amendments to FRS 24 – Related party disclosures (effective for annual periods (beginning on or after 1 January 2011)

The amendment removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It also clarifies and simplifies the definition of a related party. However, the revised definition of a related party will also mean that some entities will have more related parties and will be required to make additional disclosures.

Management is currently considering the revised definition to determine whether any additional disclosures will be required and has yet to put systems in place to capture the necessary information. It is therefore not possible to disclose the financial impact, if any, of the amendment on the related party disclosures.

(IV) Group accounting

(a) Subsidiaries

(i) Consolidation

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

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

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

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

(IV) Group accounting (cont'd)

(a) Subsidiaries (cont'd)

(ii) **Acquisition of businesses**

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to the paragraph "Goodwill on acquisitions" for the subsequent accounting policy on goodwill.

(iii) **Disposals of subsidiaries or businesses**

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognized. Amounts recognized in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognized in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) Transactions with non-controlling interests

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognized in a separate reserve within equity attributable to the equity holders of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

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

(IV) Group accounting (cont'd)

(c) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any. Investments in associated companies are initially recognized at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associate over the Group's share of the fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognized in profit or loss and its share of post-acquisition other comprehensive income is recognized in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognize further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealized gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Gains and losses arising from partial disposals or dilutions in investments in associated companies are recognized in profit or loss.

Investments in associated companies are derecognized when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognized in profit or loss.

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investments in associated companies in the separate financial statements of the Company.

(d) Joint ventures

The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. The Group's interest in joint ventures is accounted for in the consolidated financial statements using proportionate consolidation.

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

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

(IV) Group accounting (cont'd)

(d) Joint ventures (cont'd)

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

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

Please refer to the paragraph "Investments in subsidiaries, associated companies and joint ventures" for the accounting policy on investment in joint ventures in the separate financial statements of the Company.

(V) Property, plant and equipment

(a) Measurement

(i) **Property, plant and equipment**

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

(ii) **Components of costs**

The cost of an item of property, plant and equipment initially recognized includes its purchase price and any cost that is 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. The projected cost of dismantlement, removal or restoration is recognized as part of the cost of property, plant and equipment if such obligation is incurred either when the item is acquired or as a consequence of using the asset during a particular year for purposes other than to produce inventories during that year.

(b) Depreciation

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

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

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

(c) Subsequent expenditure

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

(d) Disposal

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

(VI) Currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Translation of Group entities' financial statements

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

(i) Assets and liabilities are translated at the closing exchange rate at the reporting date;

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

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

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

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

(VII) Income taxes

(a) Current income tax

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

(b) Deferred income tax

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

A deferred income tax liability is recognized on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred income tax is measured:

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

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

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

(VIII) Leases

The Group leases certain property, plant and equipment from third parties.

(a) Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognized on the statements of financial position as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

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

(VIII) Leases (cont'd)

(a) Finance leases (cont'd)

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognized in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

(b) Operating leases

Leases where substantially all risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognized in profit or loss on a straight-line basis over the year of the lease.

When the operating lease is terminated before the lease year expires, any payment made by the Group as penalty is recognized as an expense when termination takes place.

(IX) Revenue recognition

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

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

Rendering of services

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

Interest income

Interest income is recognized using the effective interest method.

Contract income

Revenue from construction contracts for the current financial year ended 31 March 2011 is recognized as disclosed in Note 2.XXIV "Construction contracts".

Sale of goods

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

Rental income

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

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

(X) Cash and cash equivalents

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

(XI) Employee compensation

Defined contribution plans

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

Short-term compensated absences

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

Share-based compensation

Employee performance share plan allows Group employees to acquire shares of the Company. The fair value of shares is recognized as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the vesting period during which the employees become unconditionally entitled to the shares. At the end of each reporting period, 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.

(XII) Provisions

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

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

(XIII) Impairment of non-financial assets

(a) Goodwill

Goodwill recognized separately an intangible assets is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

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

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

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

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

(b) Club membership
Property, plant and equipment
Investments in subsidiaries, associated companies and joint-ventures

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

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

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

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

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

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

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

(XIV) Financial assets

(a) Classification

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

(i) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except those maturing later than 12 months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "trade receivables", "other receivables, and deposits", "fixed deposit" and "cash and bank balances" on the statements of financial position.

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

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

(b) Recognition and derecognition

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

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

(c) Initial measurement

Financial assets are initially recognized at fair value plus transaction costs.

(d) Subsequent measurement

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

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

(XIV) Financial assets (cont'd)

(e) Impairment

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

(i) **Loans and receivables**

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

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

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

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

In addition to the objective evidence of impairment described in Note XIV(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

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

(XV) Trade and other payables

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

(XVI) Loans and borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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

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

(XVII) Share capital and treasury shares

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

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

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained 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 Chasen Performance Share Plan, 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.

(XVIII) Financial guarantees

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

Financial guarantee contracts are initially recognized at their fair values plus transaction costs in the Company's statement of financial position.

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

Intra-group transactions are eliminated on consolidation.

(XIX) Dividend to Company's shareholders

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

(XX) Segment reporting

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

(XXI) Club membership

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

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

(XXII) Fair value estimation of financial assets and liabilities

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

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

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

(XXIII) Borrowing costs

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

(XXIV) Construction contracts

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

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

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

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

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

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

(XXV) Inventories

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

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

(XXVI) Intangible assets

(i) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisitions of subsidiaries prior to 1 January 2010 represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets acquired.

Goodwill on subsidiaries is recognized separately as intangible assets and carried at cost less accumulated impairment losses.

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

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognized in profit or loss on disposal.

(ii) Know-how

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

(iii) Software development cost

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

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

(XXVI) Intangible assets (cont'd)

(iv) Subsequent expenditure

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

(v) Amortization

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

Know-how	8 years
Software development costs	5 years

(XXVII) Investment properties

Investment properties include those portions of office buildings that are held for long term rental yields and/or for capital appreciation and land under operating leases that is held for long-term capital appreciation or for a currently indeterminate use. Investment properties include properties that are being constructed or developed for future use as investment properties.

Investment properties are initially recognized at cost and subsequently carried at fair value, determined annually by independent professional valuers on the highest and-best-use basis. Changes in fair values are recognized in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalized and the carrying amounts of the replaced components are recognized in profit or loss. The cost of maintenance, repairs and minor improvements is recognized in profit or loss when incurred.

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

(XXVIII) Non-current assets (or disposal groups) held-for-sale and discontinued operations

Non-current assets (or disposal groups) are classified as assets held for sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortized while they are classified as held for sale. Any impairment loss on initial classification and subsequent measurement is recognized as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognized) is recognized in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held for sale and:

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

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

(XXIX) Grants related to Job Credit Scheme

Grants related to Job Credit Scheme ("Job Credit") is a cash grant introduced in the Singapore Budget 2009 to help businesses preserve jobs in the economic downturn. The Job Credit will be paid to eligible employers and the amount an employer can receive would depend on the fulfilment of the conditions as stated in the scheme. Grants related to Job Credit Scheme are included in other income. The Job Credit is recognized on a cash receipt basis.

(XXX) Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries associated companies and joint ventures are carried at cost, less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries associated companies and joint ventures, the difference between disposal proceeds and the carrying amounts of the investments are recognized in profit or loss.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

(i) Estimated impairment of goodwill

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

Details of goodwill assessment of impairment are disclosed in Note 19.

(ii) Income taxes

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

(iii) Depreciation of property, plant and equipment

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

(iv) Construction contracts

The Group recognizes contract revenue and contract costs using the percentage-of-completion method by reference to professional survey of work performed. 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 in past experience.

The carrying amount of the construction contract work-in-progress as at the balance sheet date can be subjected to uncertainty in respect of the variation works and estimation of future costs. The Group adopts a conservation approach in evaluating these uncertainties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

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

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

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

The Group follows the guidance of FRS 39 in determining when an investment is other-than-temporary impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its costs, the financial health of and near-term business outlook for the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. There is no indication of impairment loss for the current year, as disclosed in Note 14.

(ii) Impairment of trade and other receivables

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

Impairment loss of the Group amounting approximately $167,000 (2010: $92,000) is made during the financial year as disclosed in Note 23. The carrying amount of trade receivables of the Group as at 31 March 2011 is approximately $34,273,000 (2010: $28,890,000).

4. REVENUE

	Group	
	2011	**2010**
	$'000	**$'000**
Relocation services	30,090	18,659
Third party logistics services	16,596	12,490
Technical & engineering services	25,499	44,413
	72,185	75,562

5. OTHER OPERATING INCOME

	Group	
	2011	**2010**
	$'000	**$'000**
Bank interest income	15	44
Reimbursement of costs	218	169
Gain on foreign exchange differences, net	–	177
Negative goodwill arising from acquisition of non-controlling interest	–	10
Fair value gain on investment property	3,162	–
Gain on disposal of plant and equipment	158	99
Allowance for doubtful debt no longer required	67	3
Amortization of deferred income	32	36
Other income	323	1,090
	3,975	1,628

Grants related to Job Credit Scheme are included in other income.

6. FINANCE COSTS

	Group 2011 $'000	Group 2010 (Restated) $'000
Hire purchase interest	184	146
Bank loans interest	419	206
Factoring interest and charge	56	13
Bank overdraft interest	23	46
	682	411

7. PROFIT BEFORE INCOME TAX

This is determined after charging/(crediting):

	Group 2011 $'000	Group 2010 $'000
Depreciation of property, plant and equipment	3,940	3,653
Directors' fee:		
- directors of holding company	400	400
- directors of subsidiaries	5	12
Directors' remuneration:		
- directors of subsidiaries	1,048	1,090
Loss/(Gain) on foreign exchange differences, net	194	(177)
Gain on disposal of plant and equipment, net	(155)	(85)
Operating lease expense		
- land and building	2,575	2,526
- equipment	1,231	1,216
- motor vehicles	767	2,076
Plant and equipment written off	138	82
Reversal of allowance for doubtful trade receivables	(67)	(3)
Allowance for doubtful trade receivables	167	92
Investment written off	2	45
Impairment loss on intangible assets	739	–
Amortization of club membership	18	18
Amortization of intangible assets	423	–
Amortization of deferred income	(32)	(36)
Negative goodwill arising from acquisition of non-controlling interests	–	(10)
Fair value gain on investment property	(3,162)	–
Bad debts written off	142	37
Inventories written off	23	–
Loss of disposal of a subsidiary	31	–

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8. EMPLOYEE COMPENSATION

	Group	
	2011 $'000	2010 $'000
Wages and salaries and other staff related expenses	17,966	15,976
Employers' contribution to defined contribution plan	1,661	1,165
Directors' remuneration:		
- directors of subsidiaries	1,048	1,090
Staff welfare	2,138	700
	22,813	18,931

9. INCOME TAXES

	Group	
	2011 $'000	2010 $'000
Current income tax expense:		
Singapore	298	1,549
Foreign	240	260
Over provision of prior year taxation	(124)	(318)
Deferred income tax expense	163	95
	577	1,586

The income tax expense varied from the amount of income tax expense by applying the Singapore income tax rate of 17% (2010: 17%) to profit before tax as a result of the following differences:

	Group	
	2011 $'000	2010 $'000
Profit before income tax	7,883	8,019
Income tax expense at statutory tax rate	1,340	1,363
Tax effects on non-allowable items	962	517
Tax effects on non-taxable items	(189)	(393)
Over provision of prior year taxation	(98)	(318)
Tax effect on exemption scheme and rebates in other country	(305)	(135)
Tax effects of different tax schemes in other country	–	(6)
Deferred tax (assets)/liabilities unrecognized in previous year	(951)	33
Utilization of tax losses and capital allowance brought forward	(641)	(116)
Others	459	641
	577	1,586

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

9. INCOME TAXES (cont'd)

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

At the end of the reporting period, the aggregate amount of temporary differences associated with the undistributed earnings of the subsidiaries for which deferred tax liabilities have not been recognized is approximately $1,124,000 (RMB5,681,000) [2010: $33,000 (2010: RMB155,000)]. 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. EARNINGS PER SHARE

(a) Basic earnings per share

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

	Group	
	2011	**2010**
Net profit attributable to equity holders of the Company ($'000)	7,443	4,690
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	218,212	145,711
Basic earnings per share (cents)	3.41	3.22

(b) Diluted earnings per share

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

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

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

	Group	
	2011	**2010**
Net profit attributable to equity holders of the Company ($'000)	7,443	4,690
Weighted average number of ordinary shares in calculation of basic earnings per share ('000)		
Adjusted for - weighted average number of unissued ordinary shares from:	218,212	145,711
- shares under Performance Share Plan ('000)	627	725
Weighted average number of ordinary shares in issue (diluted) ('000)	218,839	146,436
Fully diluted earnings per share (cents)	3.40	3.20

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For the financial year ended 31 March 2011

11. INVESTMENT PROPERTIES

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
As at beginning of year	–	–	–	–
Addition during the year	3,603	–	–	–
Net fair value gain recognized in profit or loss (Note 7)	3,162	–	–	–
As at end of year	6,765	–	–	–

The investment properties are leasehold factories located at 6 Tuas Avenue 20, Singapore 638820 and 36 Tuas West Road, Singapore 638384 with remaining lease term of 42 years and 44 years respectively.

Investment properties are carried at fair values at the end of the reporting period as determined by independent professional valuers. Valuations are made annually based on the Direct Market Comparison Method.

Singapore Land Authority has issued Notice of Acquisition of the piece of land along 36 Tuas West Road in January 2011.

12. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings $'000	Transportation equipment $'000	Tools and equipment $'000	Furniture, fittings, and office equipment $'000	Total $'000
Cost					
As at 1 April 2010	4,152	8,937	15,779	1,588	30,456
On acquisition of subsidiaries	464	157	2	114	737
On disposal of a subsidiary	–	–	–	(14)	(14)
Additions	75	3,254	2,910	365	6,604
Disposals	(117)	(109)	(340)	(109)	(675)
Reclassified to non-current asset, held-for-sale	(390)	–	–	–	(390)
Currency translation differences	(50)	(228)	(326)	(47)	(651)
As at 31 March 2011	4,134	12,011	18,025	1,897	36,067
Accumulated depreciation					
As at 1 April 2010	1,577	4,686	7,978	906	15,147
On acquisition of subsidiaries	27	77	2	76	182
On disposal of a subsidiary	–	–	–	(6)	(6)
Depreciation charge for the year	390	1,243	2,014	293	3,940
Disposals	(29)	(88)	(168)	(62)	(347)
Reclassified to non-current asset, held-for-sale	(31)	–	–	–	(31)
Currency translation differences	(16)	(98)	(136)	(22)	(272)
As at 31 March 2011	1,918	5,820	9,690	1,185	18,613
Carrying amount					
As at 31 March 2011	2,216	6,191	8,335	712	17,454

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

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

For the financial year ended 31 March 2011:

(i) The Group purchased $1,617,000 of assets under hire purchase (2010: $904,000).

(ii) The carrying amounts of transportation equipment, tools and equipment and office equipment of the Group purchased under hire purchase are approximately $3,631,000 (2010: transportation equipment $3,437,000).

(iii) The leasehold buildings of the Group are mortgaged to banks for certain credit facilities granted including the bank loans (Note 26).

13. FIXED DEPOSIT

	Group 2011 $'000	Group 2010 $'000	Company 2011 $'000	Company 2010 $'000
At cost:				
As at beginning/end of the year	1,000	1,000	1,000	1,000

This is a long term fixed deposit in the form of unit trusts at fixed term for 5 years and it matures on 21 December 2012. Interest payment is variable upon the index movement of quoted shares held in the basket. The effective interest rate for the financial year ended is nil (2010: 0.137%). The fixed deposit is principal protected.

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14. FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
At cost:				
Unquoted equity shares and convertible notes				
As at beginning of year	4,336	3,861	4,336	3,861
Addition during the year	545	475	545	475
Fair value loss recognized in other comprehensive income	(2,171)	–	(2,171)	–
As at end of year	2,710	4,336	2,710	4,336

On 3 August 2009, the Company had announced that it had invested into Greater Bendigo Gold Mines Limited ("GBM"). Through a private placement, the Company acquired 13,500,000 shares representing approximately 12.18% of the enlarged shareholding in GBM for a cash consideration of A$405,000 (equivalent to $475,000).

On 16 April 2010, the Company had announced it subscribed 16,875,000 new shares in GBM for a cash consideration of A$422,000 (equivalent to $545,000). The subscription was made pursuant to a non-renounceable rights issue ("GBM Rights Issue") on the basis of 5 new share 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 was 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.

The Company has classified this investment since financial year 2009 as financial asset-available for sale accordingly to FRS 39. Changes in this financial asset will be recognized and charged to statement of changes in equity accordingly. At the end of the reporting period, this accounting treatment continues to be valid as:-

1. The Company holds only 19.96% equity shares in Far Pacific Capital Ltd ("FPC").
2. The Company has been allocated by 2 of the 4 board seat by the grace of the major shareholder of FPC. According to the constitution of the FPC, the Company directors can be removed by the major shareholder at any time.
3. FPC is an investment holding company. Its only investment since the Company representatives join the Board has been its investment in Greater Bendigo Gold Mines Limited, a company listed on ASX, held through its subsidiary Far Pacific Resources Ltd. There has been no other investment to be considered by the Board.
4. Since the Company representatives joined the Board of FPC, there has not been any board meeting held as there has been no issue to be considered by the Board and no resolution raised except for routine filing purposes.
5. The management accounts available from FPC was as at 30 June 2010.

As such, the Company considers that FRS 28: Investment in Associates is not applicable as there were no changes from date of the last audited financial statements for the year ended 31 March 2010. There is no reason to change the classification from financial asset-available for sale to investment in associates as nothing has changed in this category during the financial year. This is in line with the consistency of applying FRS.

The Company and the Group use the unaudited financial statements of FPS as at 30 June 2010 to determine the fair value of the unquoted shares of FPC.

15. CLUB MEMBERSHIP

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Carrying amount:				
As at beginning of year	56	74	43	60
Less: Amortization for the year	(18)	(18)	(18)	(17)
As at end of year	38	56	25	43

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

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

16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2011	2010
	$'000	$'000
Unquoted equity share , at cost	37,375	37,372
Additions during the year	700	3
	38,075	37,375

Details of the subsidiaries are as follows:

Name of company (Country of incorporation/place of business)	Principal activities	Effective Percentage of equity held	
		2011	2010
		%	%
Held by the Company			
Chasen Logistics Services Limited [i] (Singapore)	Relocation services, industrial packing, warehousing, transportation, freight forwarding and shipping	100	100
Chasen Logistics & Engineering Services Pte Ltd [i] (Singapore)	Investment Holding	100	100
Ruiheng International Pte Ltd [i] (Singapore)	Investment Holding	100	100
REI Technologies Pte Ltd [i] (Singapore)	Engineering services	100	100
CLE Engineering Services Pte Ltd [i] (Singapore)	Investment Holding	100	100
Chasen Leasing Pte Ltd [i] (Singapore)	Leasing of equipment	100	100

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For the financial year ended 31 March 2011

16. INVESTMENTS IN SUBSIDIARIES (cont'd)

Name of company (Country of incorporation/place of business)	Principal activities	Effective Percentage of equity held 2011 %	2010 %
Held by Chasen Logistics & Engineering Services Pte Ltd			
Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd (ii) (PRC)	General activities relating to high value machinery and equipment	100	100
Chasen Sino-Sin (Beijing) Hi Tech Services Private Ltd (iv) (PRC)	General activities relating to high tech machinery and equipment, and relocation services	100	100
Chasen Logistics (Shanghai) Co. Ltd (ii) (PRC)	Provision of relocation, packaging and warehousing services	100	100
Chasen Logistics (Xi'An) Co. Ltd (vii) (PRC)	Provision of warehousing services	100	100
Chasen Sinology (Beijing) Logistics Co. Ltd (iv) (PRC)	Provision of artifact packaging and transportation services	100	100
Lelecai Pte Ltd (i) (Singapore)	Provision of management consultancy services	100	100
Held by Ruiheng International Pte Ltd			
Chasen Logistics Sdn Bhd (iii) (Malaysia)	Provider of logistics and transportation services	100	100
City Zone Express Sdn Bhd (iii) (Malaysia)	Provider of third party logistics services, transporting and warehousing service	60	60
Held by REI Technologies Pte Ltd			
REI Hitech Sdn Bhd (iii) (Malaysia)	Providing services on cryogenic pump	100	100
REI Promax Technologies Pte Ltd (i) (Singapore)	Precision manufacturing of machine tool accessories	32	32

16. **INVESTMENTS IN SUBSIDIARIES (cont'd)**

Name of company (Country of incorporation/place of business)	Principal activities	Effective Percentage of equity held 2011 %	2010 %
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
Hup Lian Engineering Pte Ltd (i) (Singapore)	Engineering and structural steel fabrication supplier and installer	51	60
REI Promax Technologies Pte Ltd (i) (Singapore)	Precision manufacturing of machine tool accessories	23	23
Global Technology Synergy Pte Ltd (i) (Singapore)	General building engineering service, process engineering and construction	100	–
Held by Chasen Logistics Services Limited			
DNKH Logistics Pte Ltd (i) (Singapore)	Provider of freight forwarding, logistics, transportation and general warehousing services	100	100
Held by REI Promax Technologies Pte Ltd			
Suzhou Promax Communication Co., Ltd (v) (PRC)	Contract manufacturing	100	100
Held by Hup Lian Engineering Pte Ltd			
HLE International Pte Ltd (i) (Singapore)	Investment holding	100	100
Shanghai FengChuang Enterprise Management Consultant Co., Ltd (vi) (PRC)	Management consultancy	100	–
Shanghai ZhuangHe Construction Co., Ltd (vi) (PRC)	Construction and engineering works	100	–
Shanghai FengChuang M & E Equipment Co., Ltd (vi) (PRC)	Design, engineering, installation of machinery and equipment	100	–
Held by Global Technology Synergy Pte Ltd			
Towards Green Sdn Bhd (iii) (Malaysia)	Engineering and contracting work	100	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

16. INVESTMENTS IN SUBSIDIARIES (cont'd)

(i) Audited by LTC LLP, Singapore.

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

(iii) Audited by Grant Thornton, Malaysia.

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

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

(vi) Audited by ShineWing Certified Public Accountants for group consolidation purposes.

(vii) The Group deconsolidated its indirect 100% subsidiary, Chasen Logistics (Xi'An) Co. Ltd, which has been voluntarily de-registered during the financial year ended 31 March 2011.

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

(i) On 30 September 2010, CLE Engineering Services Pte Ltd acquired 100% equity interest in Global Technology Synergy Pte Ltd and Towards Green Sdn Bhd (collectively known as "GTS Group"), the former company incorporated in Singapore and the latter incorporated in Malaysia, for a purchase consideration of $4,500,000. The provisional fair value of the net identifiable assets of GTS Group was $794,000.

	September 2010 $'000
Net assets acquired:	
Property, plant and equipment	555
Trade and other receivables	442
Trade and other payables	(988)
Cash and bank balances	785
Group's share of net assets acquired	794
Total consideration	4,500
Goodwill on acquisition	3,706

(a) GTS Group is a newly acquired group of subsidiaries during the financial year. According to FRS 103: Business Combinations, all identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at fair value on the date of acquisition. A comprehensive financial due diligence was conducted by an independent accounting firm to determine the fair value of assets and liabilities as at 30 June 2010. The due diligence report determined that no other assets or liabilities are not taken up in the financial statements. In addition, the Group has conducted assessment on the fair value of property as at 31 March 2011 by obtaining market value from independent professional property valuers. FRS103 further provides that provisional amount is adjusted for within 12 months from the date of acquisition. The Group therefore will be adjusting the provisional amount of the net assets acquired during the next financial year before the 12 months period expires.

(b) Revenue and profit contribution

The acquired business contributed revenue of $3,000,000 and net profit of $459,000 to the Group for the period from 1 October 2010 to 31 March 2011.

If GTS Group has been consolidated from 1 April 2010, the consolidated revenue and consolidated profit for the year ended 31 March 2011 would have been $76,093,000 and $7,444,000 respectively.

16. INVESTMENTS IN SUBSIDIARIES (cont'd)

(c) Purchase consideration

	$'000
Share issuance	4,000
Contingent consideration (Note (e) below)	500
Total purchase consideration	4,500

(d) Effect on cash flows of the Group

	$'000
Cash paid (as above)	–
Less: cash and cash equivalents in subsidiaries acquired	(785)
Cash inflow on acquisition	785

(e) Contingent consideration

The Group is required to pay the former owners of GTS Group $500,000 in cash if GTS Group achieves a net profit after tax of $1,000,000 for the period from 1 January 2010 to 31 December 2010.

The contingent consideration of $500,000 approximates its fair value.

The goodwill of $3,706,000 arising from the acquisition is attributable to the expertise in water treatment, business networks in Singapore and Malaysia and the synergies expected to arise from the economies of scale in combining the other operations of the Group.

(ii) On 12 June 2010, Hup Lian Engineering Pte Ltd ("HLE") issued 375,000 new shares to acquire the remaining 16% interest in a joint-venture company, Shanghai FengChuang Enterprise Management Consultant Co., Ltd. ("SFEMC"). The new shares were issued at an issue price of $0.44 per consideration share. Additionally, HLE is to pay the former owner of SFEMC $69,000 through issuance of 156,250 shares if SFEMC achieves a profit guarantee of $1,000,000 for the first 3 years of SFEMC operation.

On 15 June 2010, HLE acquired 100% interest in Shanghai ZhuangHe Construction Co., Ltd and Shanghai FengChuang M & E Equipment Co., Ltd (collectively known as the "HLE Group"), both companies incorporated in the People's Republic of Singapore ("PRC"), for a purchase consideration of S$21,000 (RMB100,000). The fair value of the net identifiable assets of HLE Group was negligible. (Note 37)

(iii) For the financial year ended 31 March 2010, Chasen Holdings Limited acquired the balance 1% equity interest in REI Technologies Pte Ltd ("REI"), a company incorporated in Singapore, for a cash consideration of $3,000 from a minority shareholder.

The non-controlling interest's share of net assets of REI acquired by Chasen Holdings Limited during the financial year ended 31 March 2010 was as follows:

	$'000
Non-controlling interest's share of net assets	13
Total consideration	3
Negative goodwill on acquisition of non-controlling interest (Note 7)	(10)

NOTES TO THE FINANCIAL STATEMENTS

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17. INVESTMENT IN AN ASSOCIATED COMPANY

	Group		Company	
	2011	2010 (Restated)	2011	2010 (Restated)
	$'000	$'000	$'000	$'000
Equity investment at cost:				
At cost	1,000	1,000	200	200
Share of (losses)/profits	–	–	–	–
End of the financial year	1,000	1,000	200	200
The summarized financial information of associated company are as follows:				
- Assets	1	–	–	–
- Liabilities	(5)	–	–	–
- Revenue	–	–	–	–
- Net loss	(2)	–	–	–

Details of the associated company are as follow:

Name of company (Country of incorporation/place of business)	Principal activities	Effective Percentage of equity held	
		2011	2010
		%	%
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

(i) Audited by Kit Yee & C., Singapore.

The figures as disclosed in the summarized financial information of the associated company are based on management report.

18. INTANGIBLE ASSETS

	Know-how* $'000	Software development** $'000	Total $'000
Cost			
As at 1 April 2010	445	1,848	2,293
Currency translation differences	(28)	–	(28)
As at 31 March 2011	417	1,848	2,265
Accumulated amortization			
Addition during the year	53	370	423
As at 31 March 2011	53	370	423
Accumulated impairment			
Impairment charge during the year	–	739	739
As at 31 March 2011	–	739	739
Carrying amount			
As at 31 March 2011	364	739	1,103
Cost			
As at 1 April 2009	–	–	–
Additions during the year	445	1,848	2,293
As at 31 March 2010	445	1,848	2,293
Accumulated amortization			
As at 1 April 2009 and As at 31 March 2010	–	–	–
Carrying amount			
As at 31 March 2010	445	1,848	2,293

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

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

Investment in paperless gaming software

The Group recognized an intangible asset – software which was carried at $1,848,000 in the consolidated statements of financial position as at 31 March 2010 and at $739,000 as at 31 March 2011 by way of discharging a loan given to a third party. The current (also the first) year result of the intangible asset - software had been well below expectation and the significant variance between the actual result and management's expectation was caused by changes in circumstances which occurred during the financial year ended 31 March 2011. On the other hand, the Company is of the view that its investment of $1,848,000 to develop a software platform for the conduct of paperless gaming for a client in the Peoples' Republic of China ("PRC") would be worth much more than its investment cost should it decides to divest itself of this product. It based its view on the fact that two other Singapore listed companies that also signed agreements to enter this industry in the PRC had to invest more than $50 million in each case according to their separate public announcements made at the time the agreements were signed. One was signed at about the same time the Company began developing the software, the other a year or two after the Company's investment.

That one of the two companies subsequently decided not to proceed with the investment does not detract from the fact that an amount of around $50 million is needed to be a player in this industry in the PRC. As such, the Company is of the view that its strategy to develop the software platform to enable its PRC client to conduct the paperless gaming business is a less costly entry to a $29 billion (RMB149 billion) industry annually as estimated by the PRC Ministry of Finance.

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For the financial year ended 31 March 2011

18. INTANGIBLE ASSETS (cont'd)

Investment in paperless gaming software (cont'd)

Following the completion of the software development, the Company estimated that its client would need two years to market its paperless gaming portal to achieve commercial success for the Company to derive the returns to its investment in accordance with their service agreement. However, the first year result has been well below expectation. As such, despite the Company's estimated disposal value of the software to be well above its initial cost of $1,848,000, management has decided to adopt a conservative approach by writing off half of the unamortized value of $739,000 of the investment in the software in the financial year being reported on.

Impairment test for know-how

The recoverable amount of the know-how 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 15% (2010: nil) 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 9% (2010: nil) and has been applied to the cash flow projections.

19. GOODWILL ARISING ON CONSOLIDATION

	Group	
	2011	**2010**
	$'000	**$'000**
At the beginning of year	3,382	2,191
Goodwill arising from acquisition of a subsidiary*	–	1,191
Goodwill arising from acquisition of subsidiaries	3,796	–
As at end of year	7,178	3,382

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

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

	Group	
	2011	**2010**
	$'000	**$'000**
- GKH Group	1,311	1,311
- Hup Lian Engineering Pte Ltd	2,005	2,005
- Chasen Logistics (Shanghai) Co., Ltd	66	66
- GTS Group (Note 16i)	3,706	–
- Shanghai ZhuangHe Construction Co., Ltd (Note 16ii)	21	–
- Shanghai FengChuang Enterprise Management Construction Co., Ltd (Note 16ii)	69	–
	7,178	3,382

Impairment test for goodwill

The recoverable amount of the goodwill was determined based on value in use calculation. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 4% (2010: 5%) per annum. The growth rate used is based on management expectation of growth in the marine, construction and logistics industry in which the subsidiary companies operate. The discount rate is 6% (2010: 5%) and has been applied to the cash flow projections.

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.

20. NON-CURRENT ASSET, HELD-FOR-SALE

	Group 2011 $'000	Group 2010 $'000
Non-current asset, held-for-sale	359	–

The subsidiary, Chasen Logistics Services Limited, has appointed an agent as at March 2011 to sell the warehouse located at 194 Pandan Loop #04-06 Pantech Business Hub. Following the appointment, the warehouse has been reclassified from property, plant and equipment to non-current asset, held-for-sale on the statement of financial position. The transaction is expected to be completed by August 2011.

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

	Group		Company	
	2011 $'000	2010 (Restated) $'000	2011 $'000	2010 $'000
Aggregated costs incurred and recognized profits (less recognized losses) to date on uncompleted construction contracts	2,644	681	–	–
Less: Progress billing	(2,090)	(520)	–	–
	554	161	–	–
Presented as:				
Gross amount due from customers on work-in-progress	554	161	–	–
Retention sums on construction contracts work-in-progress (included as part of retention receivables as disclosed in Notes 23)	79	40	–	–

The amount of contract revenue recognized as revenue is included in the technical & engineering services.

22. INVENTORIES

	Group 2011 $'000	Group 2010 $'000
Raw materials	249	297
Work in progress	367	183
Finished goods	606	235
Consumables	80	40
	1,302	755

The cost of inventories recognized as an expense and included in "cost of sales" amount to $2,246,000 (2010: $651,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

23. TRADE RECEIVABLES

	Group	
	2011	2010 (Restated)
	$'000	$'000
Outside parties	33,332	27,449
Retention receivable	1,166	1,669
Less: Allowances for doubtful trade receivables	(225)	(228)
	34,273	28,890

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

	Group	
	2011	2010
	$'000	$'000
Balance at beginning of year	228	191
Addition during the year	167	92
Amount written off	(103)	(52)
Reversal of allowance no longer required	(67)	(3)
Balance at end of year	225	228

(i) A claim amount of $7,497,000 (2010: $7,497,000) inclusive 7% GST for work done has been submitted for Arbitration during the financial year in accordance with the conditions in the contract of award for the Dreamworld project executed by the Group. The total claim submitted for arbitration is $9 million of which an amount of $6,219,000 (2010: $6,219,000) has been booked as trade receivable. A further sum of $650,000 (2010: $650,000) has been set aside as provision for contract cost (back claims) for this project. The other party has counter claimed a sum of $2,119,000 (2010: $1,751,000) against the Group for alleged overpayment of contract sum.

The Group lawyer in his report dated 19 May 2011 opined that the Group's claim for Variation Works is well-supported by the evidence disclosed thus far and is confident based on the present evidence that it is a good claim to prosecute. In the event the Group is successful in its claim, the counter claim would be completely diminished.

In view of the provision already provided for this claim and the lawyer's opinion on the expected outcome, the Group is of the view that no further provision is required at this stage.

(ii) Included in revenue of technical & engineering services for the financial year ended 31 March 2010 was an amount of $1 million being an estimation of variation works and claims recognized to the extent that it is probable to be recovered from a customer. A corresponding receivable from the customer was recorded as at 31 March 2010. A remaining outstanding sum of $856,000 was bought forward as at 31 March 2011. The amount of the variation orders has yet to be finalised with the customer.

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

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

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

24. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Deposits paid	1,243	781	–	–
Dividend received	–	–	1,000	1,000
Loan to an associated company	496	–	214	–
Other receivables & prepayment	7,680	5,143	1,860	1,953
	9,419	5,924	3,074	2,953
Less: Non-current portion	(926)	(1,829)	(398)	(1,819)
	8,493	4,095	2,676	1,134

Included in other receivables & prepayment is an amount of $905,000 being prepayment paid by the Company to a financial brokerage institution for the purpose of raising funds for our China infrastructure projects (2010: $1,546,000 being prepayment paid by the Group and Company in anticipation of potential business opportunities) and an amount of $408,000 being advance to the associated company (2010 : nil).

There were no expense claims submitted as at the end of reporting date. All future claims are subject to the Company's agreement to reimbursement of such expenses and these cannot be measured reliably at the reporting date.

The loan to an associated company is non-trade related, unsecured, interest-free, and has no fixed-terms of repayment. The loan is considered to be part of the Group's and Company's net investment in the associated company.

25. CASH AND BANK BALANCES

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Cash and bank balances	7,231	5,545	67	115
Fixed deposits placed with banks	1,420	1,412	–	–
	8,651	6,957	67	115

Included in the fixed deposits of the Group is an amount of approximately $1,420,000 (2010: $1,412,000) pledged to banks as securities for the bank facilities.

Fixed deposits of the Group bear interest rates ranging from 0.1000% to 0.9250% per annum (2010: ranging from 0.1000% to 0.9250% per annum) with maturity dates within one month to twelve months (2010: one month to twelve months) from the end of the financial year.

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

The weighted average effective interest rates of cash at bank and fixed deposits at the end of the reporting period are as follows:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Singapore Dollar	0.53%	0.17%	–	–
United States Dollar	0.04%	–	–	–
Chinese Yuan	0.35%	1.90%	–	–

The exposure of bank and cash balances to interest rate risks is disclosed in Note 39(c).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

25. CASH AND BANK BALANCES (cont'd)

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

	Group	
	2011 $'000	2010 $'000
Cash and bank balances	8,651	6,957
Less: Fixed deposits - pledged	(1,420)	(1,412)
Bank overdraft	(354)	(204)
Cash and cash equivalents per consolidated statement of cash flows	6,877	5,341

26. BANK LOANS (SECURED)

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Bank loans	10,700	10,244	1,857	2,875
Current portion of bank loans	(5,686)	(5,754)	(1,857)	(1,928)
Non-current portion of bank loans	5,014	4,490	–	947
Bank loans repayable:				
Within one year	5,686	5,754	1,857	1,928
Within two to five years	4,663	4,237	–	947
After five years	351	253	–	–
	10,700	10,244	1,857	2,875

The bank loans are secured by the following:

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

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

c) pledge of fixed deposits amounting to about $1,420,000 (2010: $1,412,000).

d) personal guarantee from certain directors of these subsidiaries (2010: personal guarantee from a director of a subsidiary).

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

f) assignment of contract proceeds from specific projects undertaken by two subsidiaries.

g) legal mortgage over certain plant and machinery.

h) assignment of insurance rights and benefits duly executed by a subsidiary.

i) joint and several guarantees of certain directors of the Group.

The bank loans are repayable from 6 months to 20 years (2010: 6 months to 20 years). Interest is charged at range from 2.11% to 10.88% per annum (2010: 1.00% to 13.75% per annum).

27. TRADE PAYABLES

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Outside parties	11,235	7,518	–	–

28. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Accrual	3,802	3,418	444	383
Amounts due to directors*	201	90	–	–
Deposits received	1	4	–	–
Others	3,981	2,779	81	17
	7,985	6,291	525	400

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

29. DEFERRED INCOME

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Balance at beginning of year/date of acquisition of subsidiaries	33	69	–	–
Amount amortized during the year	(32)	(36)	–	–
Balance at end of year	1	33	–	–
Current portion	(1)	(19)	–	–
Non-current portion	–	14	–	–

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

30. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

The Group leases certain plant and equipment, and motor vehicles from non-related parties under hire purchase. The hire purchase agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	Group	
	2011	**2010**
	$'000	**$'000**
Minimum lease payments payable:		
Within one year	1,235	1,293
Within two to five years	1,797	1,237
After five years	2	162
	3,034	2,692
Less: Future finance charges	(324)	(296)
Present value of minimum lease payments	2,710	2,396

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

	Group	
	2011	**2010**
	$'000	**$'000**
Within one year	1,081	1,159
Later than one year:		
Within two to five years	1,628	1,210
After five years	1	27
	1,629	1,237
Total	2,710	2,396

The rates of interest range from 2.4% to 11.97% per annum (2010: 2.20% to 17.97% per annum).

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

All assets acquired under hire purchase contracts are secured. The net carrying value of the plant and equipment acquired under hire purchase contracts is disclosed in Note 12.

31. DEFERRED INCOME TAX LIABILITIES

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

	Group	
	2011 $'000	2010 $'000
At beginning of year	339	297
Charge to income for the year	153	42
On acquisition of subsidiaries	6	–
At end of year	498	339

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

	Group	
	2011 $'000	2010 $'000
Tax effect of:		
Deferred tax liabilities:		
Excess of capital allowances over depreciation	501	349
Deductible timing differences in respect of revenue and expenses	(3)	(10)
	498	339

32. SHARE CAPITAL

	Group		Company	
Issued share	**No of ordinary shares '000**	**$'000**	**No of ordinary shares '000**	**$'000**
At 1 April 2009/2010	146,994	23,737	146,994	53,265
New shares issued arising from right issue (1)	72,747	9,186	72,747	9,186
New shares issued arising from acquisition of subsidiary (2)	10,477	4,000	10,477	4,000
New shares issued arising from warrants (3)	80	24	80	24
At 31 March 2011	230,298	36,947	230,298	66,475

(1) Issue of 72,747,081 consideration shares at $0.13 per share, pursuant to a rights issue exercise in May 2010. All issued ordinary shares are fully paid. The transaction cost for the exercise amounted to $271,000.

(2) Issue of 10,476,689 consideration shares at $0.38 per share. All issued ordinary shares are fully paid.

(3) Issue of 80,312 consideration shares at $0.30 per share. All issued ordinary shares are fully paid.

Chasen Performance Share Plan (the "Plan")

From the commencement of the Plan to 31 March 2011, awards comprising an aggregate of 4,051,112 shares prior to share consolidation have been granted.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

32. SHARE CAPITAL (cont'd)

As at end of 31 March 2011, 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	(612,500)	(95,000)	262,500
27 July 2009	189,000	(189,000)	Nil	Nil
22 February 2010	1,346,912	(1,003,142)	(17,400)	326,370
31 March 2011	1,069,200	Nil	Nil	1,069,200

33. TREASURY SHARES

	Group and Company			
	2011		2010	
	Number of ordinary shares	$'000	Number of ordinary shares	$'000
As at beginning of year	1,499,944	358	2,219,444	534
Repurchased during the year	–	–	96,000	19
Transferred during the year	(1,465,142)	(349)	(815,500)	(195)
As at end of year	34,802	9	1,499,944	358

In 2009, the Company acquired 96,000 of its own shares through purchase on the Singapore Exchange during the year. The total amount paid was $19,000 and had been deducted from shareholders' equity. The shares were held as "Treasury shares".

During the financial year ended 31 March 2011, the Company has released 1,465,142 (2010: 815,500) shares pursuant to the vesting of 1,465,142 out of the 2,981,912 (2010: 1,635,000) performance shares awarded by transferring of treasury shares to the eligible participants.

34. RELATED PARTY TRANSACTIONS

Disclosure on related party transactions

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

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

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

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

(a) Significant transactions with related parties:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Advances from directors	–	100	–	–

(b) Key management personnel compensation:

	Group		Company	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Wages and salaries and other related expenses*	2,246	1,947	–	–
Employers' contribution to defined contribution plan	81	92	–	–
	2,327	2,039	–	–

* inclusive of directors' fees and remuneration

(c) Significant transactions with subsidiaries:

	Company	
	2011	**2010**
	$'000	**$'000**
Funds transferred to subsidiaries	7,079	900

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

(d) Significant transactions with an associated company:

	Company	
	2011	**2010**
	$'000	**$'000**
Loan to an associated company	496	–

The loan to an associated company is non-trade related, unsecured, interest-free have no fixed-terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

35. FINANCIAL GUARANTEES

The Company has given corporate guarantees up to $25,988,000 (2010: $6,843,000) to certain banks and financial institution for credit facilities granted to the subsidiaries mainly for the subsidiaries which have projects in China and required project financial. The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that the consequential benefit derived from its guarantees to the banks and financial institution with regard to the subsidiaries is minimal. The subsidiaries for which the guarantees were provided are in favourable equity positions and are profitable.

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

36. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had outstanding commitments for non-cancellable operating lease payments in respect of the leasehold buildings and warehouse. The non-cancellable leases have remaining lease terms from 2 months to 12 years (2010: 3 months to 14 years). Future minimum lease payments payable under non-cancellable lease are as follows:

	Group		Company	
	2011 $'000	**2010 $'000**	**2011 $'000**	**2010 $'000**
Lease payable:				
Within one year	2,894	1,751	–	–
Within two to five years	2,270	2,674	–	–
After five years	1,252	2,215	–	–
	6,416	6,640	–	–

37. CAPITAL COMMITMENT

	Group		Company	
	2011 $'000	**2010 $'000**	**2011 $'000**	**2010 $'000**
Capital commitments contracted but not provided for				
a. Plant and equipment	232	1,113	–	–
b. Incorporation of a joint-venture company by way of certain plant and equipment as capital contribution	–	5,135	–	–
c. Acquisition of an associated company*	4,000	4,000	–	–
d. Capital contribution on the incorporation of a joint-venture company**	–	1,011	–	–
e. Acquisition of a subsidiary (Note 42)	6,000	–	–	–

* During the financial year ended 31 March 2010, the Company and its subsidiary, HLE had entered into a sale and purchase agreement with Caitong Investments Pte Limited ("CTI") to acquire 30% equity interest in CTI for a consideration of $5,000,000 of which $1,000,000 has been paid and classified as an investment in an associate company as at 31 March 2011 and 31 March 2010. The acquisition of CTI shares is to facilitate the combination of complementary capabilities of the Company and CTI to pursue, secure and execute infrastructure related project in the PRC (Note 17).

** During the financial year ended 31 March 2010, the subsidiary, HLE, incorporated a joint-venture company with Shanghai FengChuang M & E Equipment Co., Ltd. The capital contribution made by HLE was US$722,400 (equivalent to $1,010,638). In June 2011, the joint-venture company became a wholly-owned subsidiary of HLE (Note 16).

38. SEGMENT INFORMATION

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

The principal business activities are:-

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

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

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

Segment revenue and expense are the operating revenue and expense reported in the Group's income statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

Segment assets consist principally of fixed assets and trade receivables that are directly attributable to a segment.

Unallocated items comprise property, plant and equipment, other receivables, deposits and prepayments, fixed deposits, cash and bank balances, bank loan and overdraft, trade payables, other payables and provisions, deferred taxation, provision for taxation, obligations under hire purchase contracts, other operating income and operating expense.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

38. SEGMENT INFORMATION (cont'd)

For the financial year ended 31 March 2011:

	Relocation services $'000	Thirty Party Logistics services $'000	Technical & Engineering services $'000	Total $'000
Revenue				
External sales	30,090	16,596	25,499	72,185
Results				
Gross profit	14,699	3,389	2,472	20,560
Unallocated other operating income				3,975
Unallocated expenses				(15,970)
Profit from operations				8,565
Finance costs				(682)
Profit before income tax				7,883
Income tax expense				(577)
Net profit for the financial year				7,306
Other information				
Segment assets – trade receivable	10,315	5,689	18,269	34,273
Segment assets – fixed assets	8,439	2,502	6,513	17,454
Segment assets – Unallocated				40,079
Total assets				91,806
Segment liabilities – Unallocated				(34,048)
Capital expenditure – Unallocated				6,604
Depreciation	1,386	303	1,727	3,416
Depreciation – unallocated				524
Total depreciation				3,940

38. SEGMENT INFORMATION (cont'd)

For the financial year ended 31 March 2010:

	Relocation services $'000	Thirty Party Logistics services $'000	Technical & Engineering services $'000	Total (Restated) $'000
Revenue				
External sales	18,659	12,490	44,413	75,562
Results				
Gross profit	8,033	3,132	7,597	18,762
Unallocated other operating income				1,628
Unallocated expenses				(11,960)
Profit from operations				8,430
Finance costs				(411)
Profit before income tax				8,019
Income tax expense				(1,586)
Net profit for the financial year				6,433
Other information				
Segment assets – trade receivable	7,175	4,762	16,953	28,890
Segment assets – fixed assets	6,263	2,870	6,176	15,309
Segment assets – Unallocated				25,864
Total assets				70,063
Segment liabilities – Unallocated				(28,577)
Capital expenditure – Unallocated				4,957
Depreciation	1,252	574	1,377	3,203
Depreciation – unallocated				450
Total depreciation				3,653

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

38. SEGMENT INFORMATION (CONT'D)

Geographical Segment

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

	2011 $'000	2010 $'000
Singapore and others	47,360	64,294
PRC	16,853	5,612
Malaysia and Vietnam	7,972	5,656
Total	72,185	75,562

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

	Carrying amounts of segment assets		Capital expenditure	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Singapore and others	69,233	55,654	1,835	3,941
PRC	17,263	10,292	4,234	544
Malaysia and Vietnam	5,310	4,117	535	472
	91,806	70,063	6,604	4,957

39. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) Credit risk

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

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

39. FINANCIAL RISK MANAGEMENT (cont'd)

(a) Credit risk (cont'd)

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

Company	2011 $'000	2010 $'000
Financial guarantees	25,988	6,843

Financial assets that are neither past due nor impaired

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

Financial assets that are past due and/or impaired.

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

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

Group	2011 $'000	2010 $'000
Past due 0-30 days	3,249	2,415
Past due 31-60 days	1,014	591
Past due 61-90 days	4,863	1,021
More than 90 days	9,460	447
Total	18,586	4,474

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

(b) Foreign exchange risk

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

39. FINANCIAL RISK MANAGEMENT (cont'd)

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

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

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

	SGD $'000	RMB $'000	MYR $'000	USD $'000	YEN $'000	EURO $'000	BAHT $'000	Total $'000
The Group								
At 31 March 2011								
Financial assets								
Cash balances and Bank	4,712	2,169	656	2,099	15	–	–	9,651
Trade and other receivables	22,273	14,122	3,481	3,805	–	11	–	43,692
	26,985	16,291	4,137	5,904	15	11	–	53,343
Financial liabilities								
Other liabilities	11,529	6,434	992	243	–	–	22	19,220
Net financial assets / (liabilities)	15,456	9,857	3,145	5,661	15	11	(22)	34,123
Less: Net financial assets denominated in the respective entities' functional currencies	15,456	9,857	3,145	–	–	–		28,458
Net financial assets	–	–	–	5,661	15	11	(22)	5,665

	SGD $'000	RMB $'000	MYR $'000	USD $'000	YEN $'000	EURO $'000	BAHT $'000	Total $'000
The Group								
At 31 March 2010 (Restated)								
Financial assets								
Cash balances and Bank	6,410	632	239	662	14	–	–	7,957
Trade and other receivables	25,035	5,632	2,354	1,793	–	–	–	34,814
	31,445	6,264	2,593	2,455	14	–	–	42,771
Financial liabilities								
Other liabilities	9,602	3,429	574	204	–	–	–	13,809
Net financial assets / (liabilities)	21,843	2,835	2,019	2,251	14	–	–	28,962
Less: Net financial assets denominated in the respective entities' functional currencies	21,843	2,835	2,019	–	–	–	–	26,697
Net financial assets	–	–	–	2,251	14	–	–	2,265

39. FINANCIAL RISK MANAGEMENT (cont'd)

(b) Foreign exchange risk (cont'd)

If the USD varies against the SGD by 10.00% (2010: 10%), the YEN varies against SGD by 10.00% (2010: 10.00%), the EURO varies against SGD by 10% (2010: nil) and with all other variables including tax rate being held constant, the effects from the net financial asset position will be as follows:

	Net Profit	
	2011	**2010**
	$'000	**$'000**
USD against SGD		
- strengthen	566	225
- weaken	(566)	(225)
YEN against SGD		
- strengthen	2	1
- weaken	(2)	(1)
EURO against SGD		
- strengthen	1	–
- weaken	(1)	–

(c) Interest rate risk

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

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

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

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

	Variable Rates less than 12 months	Variable Rates more than 12 months	Fixed Rates less than 12 months	Total
	$'000	**$'000**	**$'000**	**$'000**
The Group				
At 31 March 2011				
Assets				
Long term fixed deposits	–	1,000	–	1,000
Cash and cash equivalents	7,231	–	1,420	8,651
Liabilities				
Borrowings	–	9,700	1,000	10,700

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

39. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Interest rate risk (cont'd)

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

The Company's borrowings at variable rates are denominated mainly in SGD and USD. If the interest rates increase by 0.5% (2010: 0.5%) with all other variables including tax rate being held constant, the net profit will be lower by $54,000 (2010: $51,000) as a result of higher interest expense on these borrowings.

(d) Liquidity risk

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

(e) Capital risk

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

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

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

(f) Fair values of financial assets and financial liabilities

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

40. DIVIDENDS

	Group and Company 2011 $'000	Group and Company 2010 $'000
Declared and paid during the year:		
Dividends on ordinary shares:		
Final exempt (one-tier) dividend for 2009 at $0.0052 per share	–	753
Final exempt (one-tier) dividend for 2010 at $0.0060 per share	1,310	–
Proposed but not recognized as a liability as at 31 March 2011/2010		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
Final exempt (one-tier) dividend for 2011 at $0.0060 (2010: $0.0060 per share)	1,395	1,310

41. RESTATEMENT AND RECLASSIFICATION OF COMPARATIVE FIGURES

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

The items were reclassified as follows:

	Previously reported $'000	After reclassification $'000
2010		
Presented in the consolidated statement of comprehensive income:		
Administrative expenses	8,023	8,094
Finance cost	482	411
Bank loans interest	252	206
Bank overdraft interest	–	46
Presented in the statements of financial position:		
Investment in an associated company	–	1,000
Gross amount due from customers on work-in-progress	162	161
Trade receivables	28,951	28,890
Other receivables, deposits and prepayments - current	4,033	4,095
Other receivables, deposits and prepayments - non-current	2,829	1,829
2009		
Presented in the statements of financial position:		
Gross amount due from customer on work-in-progress	1,751	3,604
Trade receivables	22,924	21,071

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2011

42. SUBSEQUENT EVENTS

(1) Subsequent to the financial year, the subsidiary, Ruiheng International Pte Ltd acquired 100% stake in Liten Logistics Services Pte Ltd for a consideration up to a maximum of $6,000,000. The Company has issued the 1st tranche of 2,554,278 Chasen shares valued at $800,000 in April 2011.

(2) Subsequent to the financial year, the subsidiary, Chasen Logistics Services Limited sold the warehouse located at 194 Pandan Loop #04-06 Pantech Business Hub, for a consideration of of $635,000.

STATISTICS OF SHAREHOLDINGS

As at 14 July 2011

SHAREHOLDERS' INFORMATION

Class of equity securities	Number of equity securities	Voting Rights
Ordinary Shares	232,566,844*	One vote per share (excluding treasury shares)
Treasury Shares	285,802	Nil

* Excludes non-voting treasury shares

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholding		Number of Shareholders	%	Number of Shares	%
1	- 999	2,118	35.01	651,941	0.28
1,000	- 10,000	3,228	53.37	11,327,408	4.87
10,001	- 1,000,000	685	11.32	34,400,686	14.79
1,000,001	and above	18	0.30	186,186,809	80.06
		6,049	100.00	232,566,844	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Low Weng Fatt	50,513,708	21.72
2.	Yap Koon Bee @ Louis Yap	34,910,083	15.01
3.	United Overseas Bank Nominees Pte Ltd	27,878,071	11.99
4.	Yeo Seck Cheong	15,061,165	6.48
5.	Siah Boon Hock	8,374,401	3.60
6.	Cheong Tuck Nang (Zhang Deneng)	7,790,912	3.35
7.	HSBC (Singapore) Nominees Pte Ltd	7,066,087	3.04
8.	Hong Leong Finance Nominees Pte Ltd	6,384,000	2.75
9.	Poon Wai Ling	4,752,345	2.04
10.	Cho Pei Lin (Zhu Peilin)	4,500,000	1.93
11.	Tan See Tee	4,227,820	1.82
12.	Lim Chor Ghee	3,417,344	1.47
13.	Mayban Nominees (S) Pte Ltd	3,230,000	1.39
14.	Kim Eng Securities Pte. Ltd.	2,471,264	1.06
15.	Lim Chin Hock	1,526,331	0.66
16.	Yeo Loo Eng	1,464,000	0.63
17.	Tay Geok Tin	1,326,000	0.57
18.	Lim Wui Liat	1,293,278	0.56
19.	CIMB Securities (Singapore) Pte Ltd	966,782	0.42
20.	DBS Nominees Pte Ltd	922,582	0.40
	Total:	188,076,173	80.89

STATISTICS OF SHAREHOLDINGS

As at 14 July 2011

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Low Weng Fatt [(1)]	50,513,708	21.72	165,000	0.07
Yap Koon Bee @ Louis Yap	34,910,083	15.01	–	–
Yeo Seck Cheong	15,061,165	6.48	–	–

Notes:

(1) Mr Low Weng Fatt is deemed to be interested in the 165,000 shares held by his spouse.

(2) Based on the total issued and paid-up ordinary share capital of 232,566,844 Shares excluding treasury shares of 285,802 as at the Latest Practicable Date.

STATISTICS OF WARRANTHOLDINGS

As at 14 July 2011

DISTRIBUTION OF WARRANTHOLDINGS

Size of Shareholding		Number of Warrantholders	%	Number of Warrants	%
1	- 999	1,100	39.20	291,034	0.80
1,000	- 10,000	1,584	56.45	3,278,954	9.03
10,001	- 1,000,000	115	4.10	8,582,718	23.65
1,000,001	and above	7	0.25	24,140,246	66.52
		2,806	100.00	36,292,952	100.00

TWENTY LARGEST WARRANTHOLDERS

No.	Name of Shareholders	Number of Shares	%
1.	Low Weng Fatt	7,281,509	20.06
2.	Yap Koon Bee @ Louis Yap	6,407,207	17.65
3.	United Overseas Bank Nominees Pte Ltd	3,732,060	10.28
4.	Siah Boon Hock	2,832,675	7.81
5.	Yeo Seck Cheong	1,333,772	3.68
6.	Cheong Tuck Nang (Zhang Deneng)	1,288,818	3.55
7.	Tan Yee Kiang	1,264,205	3.48
8.	David Tan Chao Hsiung	780,000	2.15
9.	Lim Poh Hee	620,000	1.71
10.	Cheng Wa Sing	539,000	1.49
11.	Tan See Tee	409,205	1.13
12.	Lee Teck Lim	409,000	1.13
13.	Mak Yeow Seng	369,000	1.02
14.	DBS Vickers Securities (S) Pte Ltd	347,646	0.96
15.	Yeo Loo Eng	220,000	0.61
16.	Chong Lai Fun Katherine	215,000	0.59
17.	Kim Eng Securities Pte. Ltd.	195,803	0.54
18.	Lin Yucheng	169,500	0.47
19.	Yew Sam Ju	167,000	0.46
20.	CIMB Securities (Singapore) Pte Ltd	152,995	0.42
	Total:	28,734,395	79.19

SHAREHOLDING HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 14 July 2011, approximately 48.75% 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 Section B: Rules of Catalist.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **CHASEN HOLDINGS LIMITED** ("the Company") will be held at the Raffles Lounge (Level 2), Raffles Country Club, 450 Jalan Ahmad Ibrahim, Singapore 639932 on the 8th day of August 2011 at 11.30 a.m. for the purposes of considering and if thought fit, passing the following resolutions as Ordinary Resolutions, with or without any modifications:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company and of the Group for the financial year ended 31 March 2011 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a one-tier tax exempt final dividend of $0.006 per share for the financial year ended 31 March 2011 (2010: $0.006 per share). **(Resolution 2)**

3. To re-elect Ng Jwee Phuan @ Frederick (Eric), a Director of the Company retiring pursuant to Article 110 of the Articles of Association of the Company.
[See Explanatory Note (i)] **(Resolution 3)**

4. To re-appoint Yap Koon Bee @ Louis Yap, a Non-Executive Director of the Company retiring under Section 153(6) of the Companies Act, Chapter. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.
[See Explanatory Note (ii)] **(Resolution 4)**

5. To approve the payment of Directors' fees of $400,000 for the financial year ended 31 March 2011.
(2010: $400,000). **(Resolution 5)**

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

7. To transact any other ordinary business which may 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:

8. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited – Section B: Rules of Catalist**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") - Section B: Rules of Catalist, the Directors of the Company be authorized 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 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

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

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

 (b) new shares arising from exercising share options or vesting of share awards outstanding and 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 – Section B: Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (iii)] **(Resolution 7)**

9. That the proposed grant to Low Weng Fatt, an Executive Director and a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award up to a maximum of 200,000 shares for the year ending 31 March 2012, in the share capital of the Company, in accordance with the Chasen Performance Share Plan ("Plan") be and is hereby approved.
[See Explanatory Note (iv)] **(Resolution 8)**

10. That the proposed grant to Yap Koon Bee @ Louis Yap, a Non-Executive Director and a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award up to a maximum of 50,000 shares for the year ending 31 March 2012, in the share capital of the Company, in accordance with the Plan be and is hereby approved.
[See Explanatory Note (v)] **(Resolution 9)**

11. That the proposed grant to Yap Beng Geok Dorothy, an Associate of a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award up to a maximum of 50,000 shares for the year ending 31 March 2012, in the share capital of the Company, in accordance with the Plan be and is hereby approved.
[See Explanatory Note (vi)] **(Resolution 10)**

By Order of the Board

CHEW KOK LIANG
Company Secretary
Singapore, 23 July 2011

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the Annual General Meeting is entitled to appoint up to two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

2. 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 holding of the Annual General Meeting.

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

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

5. This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("Sponsor"), Asian Corporate Advisors Pte. Ltd., for compliance with the relevant rules of the SGX-ST. The Company's sponsor has not independently verified the contents of this notice including the correctness of any of the figures used, statements or opinions made.

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

   The contact person for the Sponsor is Ms Foo Quee Yin.
   Telephone number: 6221 0271

Explanatory Notes:

(i) Mr Ng Jwee Phuan @ Frederick (Eric), upon re-election as a Director of the Company, remains as the Chairman of Audit Committee and Remuneration Committee and a member of the Nominating Committee. Mr Ng Jwee Phuan @ Frederick (Eric) will be considered independent pursuant to Rule 704(7) of the Listing Manual of the SGX-ST – Section B: Rules of Catalist

(ii) The effect of the Resolution 4 above is to re-appoint a director of the Company who is over 70 years of age. Mr Yap Koon Bee @ Louis Yap will, upon re-appointment as a Non-Executive Director of the Company, remain as a member of the Audit and Remuneration Committees and will be considered non-independent.

(iii) Resolution 7, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 50% may be issued other than on a pro rata basis to existing members 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.

(iv) Resolution 8 above, if passed, will empower the Directors to grant to Mr Low Weng Fatt, who is an Executive Director and a Controlling Shareholder (as defined in the Listing Manual of the SGX-ST – Section B: Rules of Catalist), an award up to a maximum of 200,000 shares in the share capital of the Company. Mr Low Weng Fatt is the Managing Director and CEO of the Company and is responsible for the overall management and strategic growth direction of the Group.

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

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

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

During the year in review Mr Low successfully implemented the strategy to extend the scope of the Group's capability and to diversify its revenue base to other high growth industries such as solar energy, marine and construction in Singapore. He identified the new businesses and led in the negotiation to acquire them. The results of the Group's performance for the financial year ended 31 March 2011 which saw an increase in Profit After Tax by more than 13.6% from last financial year is testimony to the success of the corporate growth strategy.

The participation of and grant of awards to Mr Low Weng Fatt under the Plan has been approved in principle by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. This resolution seeks for the above-stated reasons, shareholders approval for the Directors decision to grant an award up to a maximum of 200,000 shares to Mr Low Weng Fatt in accordance with the Plan.

(v) Resolution 9 above, if passed, will empower the Directors to grant to Mr Yap Koon Bee @ Louis Yap, who is a Non-Executive Director and a Controlling Shareholder, an award up to a maximum of 50,000 shares in the share capital of the Company.

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

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

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

The participation of and grant of awards to Mr Yap Koon Bee @ Louis Yap under the Plan has been approved in principle by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. For the above-stated reasons, the Directors propose to grant an award up to a maximum of 50,000 shares, as the case may be, to Mr Yap Koon Bee @ Louis Yap in accordance with the Plan.

(vi) Resolution 10 above, if passed, will empower the Directors to grant to Ms Yap Beng Geok Dorothy, who is an Associate of a Controlling Shareholder, an award up to a maximum of 50,000 shares in the share capital of the Company.

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

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

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

The participation of and grant of awards to Ms Yap Beng Geok Dorothy under the Plan has been approved in principle by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. For the above-stated reasons, the Directors propose to grant an award up to a maximum of 50,000 shares, to Ms Yap Beng Geok Dorothy in accordance with the Plan.

BRIEF INFORMATION ON THE CHASEN PERFORMANCE SHARE PLAN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CHASEN HOLDINGS LIMITED

(Company Registration No. 199906814G)
(Incorporated In the Republic of Singapore)

IMPORTANT:

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

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____

of ____

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

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Raffles Lounge (Level 2), Raffles Country Club, 450 Jalan Ahmad Ibrahim, Singapore 639932 on 8th August 2011 at 11.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

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

No.	Resolutions relating to:	For	Against
1.	Directors' Report and Audited Accounts for the financial year ended 31 March 2011		
2.	Payment of proposed one-tier tax exempt final dividend of $0.006 per share for financial year ended 31 March 2011		
3.	Re-election of Mr Ng Jwee Phuan @ Frederick (Eric) as a Director		
4.	Re-appointment of Mr Yap Koon Bee @ Louis Yap as a Director		
5.	Approval of Directors' fees for financial year ended 31 March 2011		
6.	Re-appointment of Messrs LTC LLP as Auditors		
7.	Authority to issue additional shares pursuant to Section 161 of the Companies Act Cap. 50		
8.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Mr Low Weng Fatt		
9.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Mr Yap Koon Bee @ Louis Yap		
10.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Ms Yap Beng Geok Dorothy		

Dated this ____________ day of __________________ 2011

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

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

*Delete where inapplicable

Notes:

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

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

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

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

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

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

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

General:

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

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