


Second Quarter Results * Financial Statement And Related Announcement

* Asterisks denote mandatory information

Name of Announcer *	CHASEN HOLDINGS LIMITED
Company Registration No.	199906814G
Announcement submitted on behalf of	CHASEN HOLDINGS LIMITED
Announcement is submitted with respect to *	CHASEN HOLDINGS LIMITED
Announcement is submitted by *	CHEW KOK LIANG
Designation *	COMPANY SECRETARY
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>> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-09-2010
Description	Please see attached.

Attachments

CHL_Sep10_announcement_2Q2H.pdf
 Total size = **105K**
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Chasen Holdings Limited
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199906814G)

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

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

The contact person for the Sponsor is: -

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SECOND QUARTER FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2010

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

The directors of Chasen Holdings Limited (“our Company” or “we”) are pleased to announce the unaudited operating results for the second quarter and half-year ended 30 September 2010.

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

	2Q	2Q	Increase/ (Decrease)	1H	1H	Increase/ (Decrease)
	FY2011	FY2010	%	FY2011	FY2010	%
	\$'000	\$'000		\$'000	\$'000	
Revenue	17,757	20,417	(13)	34,782	36,911	(6)
Cost of sales	(12,437)	(15,619)	(20)	(24,262)	(28,202)	(14)
Gross profit	5,320	4,798	11	10,520	8,709	21
Other operating income	419	799	(48)	549	1,222	(54)
Distribution and selling expenses	(1,155)	(954)	21	(2,316)	(1,709)	36
Administrative expenses	(2,676)	(1,907)	40	(4,750)	(3,863)	23
Other operating expenses	-	17	NM	-	(34)	NM
Finance costs	(246)	(113)	118	(407)	(218)	87
Profit before income tax	1,662	2,640	(37)	3,596	4,107	(12)
Income tax expense	(44)	(449)	(90)	(402)	(744)	(46)
Net profit for the financial period	<u>1,618</u>	<u>2,191</u>	(26)	<u>3,194</u>	<u>3,363</u>	(5)
Net profit attributable to :						
Equity holders of the Company	1,619	1,818	(11)	2,951	2,474	19
Minority interest	(1)	373	NM	243	889	(73)
	<u>1,618</u>	<u>2,191</u>	(26)	<u>3,194</u>	<u>3,363</u>	(5)



	2Q FY2011	2Q FY2010	1H FY2011	1H FY2010
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Earnings per share attributable to equity holders of the Company (cents) [see item 6]				
- basic	1.02	1.25	1.86	1.70
- diluted	1.02	1.24	1.86	1.69

Statement of Comprehensive Income for the Second Quarter and Half-Year ended 30 September 2010

	2Q FY2011	2Q FY2010	Increase/ (Decrease)	1H FY2011	1H FY2010	Increase/ (Decrease)
	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
Net profit for the financial period	1,618	2,191	(26)	3,194	3,363	(5)
Other comprehensive income:						
Currency translation differences arising from consolidation	(690)	(424)	63	(702)	(1,133)	(38)
Other comprehensive income/(expense) for the period, net of tax	(690)	(424)	63	(702)	(1,133)	(38)
Total comprehensive income	928	1,767	(47)	2,492	2,230	12
Total comprehensive income attributable to:						
Equity holders of the Company	929	1,394	(33)	2,249	1,341	68
Minority interests	(1)	373	NM	243	889	(73)
	928	1,767	(47)	2,492	2,230	12

* NM - not meaningful

1(a)(ii) Profit before income tax is determined after charging / (crediting):

	2Q FY2011	2Q FY2010	1H FY2011	1H FY2010
	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>	<u>\$'000</u>
Depreciation of property, plant and equipment	932	824	1,881	1,657
(Gain)/Loss on disposal of property, plant and equipment	-	(4)	3	(72)
Property, plant and equipment written off	-	-	-	10
Unrealised foreign exchange loss/(gain)	(186)	(12)	(175)	95
Realised foreign exchange (gain)/loss	39	(5)	52	(61)
Interest income	(4)	(14)	(5)	(32)
Interest expense on bank borrowings	106	62	208	112
Finance lease interest	47	33	85	65

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

	Group		Company	
	30 Sep 10 \$'000	31 Mar 10 \$'000	30 Sep 10 \$'000	31 Mar 10 \$'000
ASSETS				
Non-current assets				
Property, plant and equipment	14,930	15,309	-	-
Fixed deposits	1,000	1,000	1,000	1,000
Financial assets, available-for-sale	4,881	4,336	4,881	4,336
Club membership	47	56	34	43
Other receivables, deposits and prepayments	2,495	2,829	1,273	2,019
Investment in subsidiaries	-	-	38,075	37,375
Intangible assets	2,124	2,293	-	-
Goodwill on consolidation	3,844	3,382	-	-
Total non-current assets	29,321	29,205	45,263	44,773
Current assets				
Gross amount due from customers on work-in-progress	689	162	-	-
Inventories	1,063	755	-	-
Trade receivables	33,566	28,951	-	-
Amount due from subsidiaries	-	-	17,638	12,028
Other receivables, deposits and prepayments	7,054	4,033	1,806	1,134
Cash and bank balances	9,525	6,957	1,427	115
Total current assets	51,897	40,858	20,871	13,277
LIABILITIES				
Current liabilities				
Bank overdraft	256	204	-	-
Bank loan (secured)	4,496	5,754	1,434	1,928
Trade payables	4,982	7,518	-	-
Other payables and accruals	10,136	6,291	318	400
Deferred income	23	19	-	-
Obligations under hire purchase contracts	932	1,159	-	-
Income tax payable	1,245	1,552	37	37
Total current liabilities	22,070	22,497	1,789	2,365
Net current assets	29,827	18,361	19,082	10,912
Non-current liabilities				
Bank loan (secured)	4,617	4,490	894	947
Deferred income	-	14	-	-
Obligations under hire purchase contracts	1,794	1,237	-	-
Deferred income tax liabilities	310	339	-	-
Total non-current liabilities	6,721	6,080	894	947
NET ASSETS	52,428	41,486	63,451	54,738

	Group		Company	
	30 Sep 10 \$'000	31 Mar 10 \$'000	30 Sep 10 \$'000	31 Mar 10 \$'000
EQUITY				
Capital and reserve attributable to equity holders of the Company				
Share capital	32,947	23,737	62,475	53,265
Treasury Shares	(358)	(358)	(358)	(358)
Currency translation reserve	(671)	32	-	-
Performance share plan reserve	160	160	160	160
Retained profits/(Accumulated losses)	14,681	13,040	1,174	1,671
Total shareholder's funds	46,759	36,611	63,451	54,738
Minority interest	5,669	4,875	-	-
Total equity	52,428	41,486	63,451	54,738

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

	30 Sep 10 \$'000	31 Mar 10 \$'000
Amount repayable in one year or less or on demand		
Secured	5,428	6,913
Unsecured	-	-
	<u>5,428</u>	<u>6,913</u>
Amount repayable after one year		
Secured	6,411	5,727
Unsecured	-	-
	<u>6,411</u>	<u>5,727</u>
Total	<u>11,839</u>	<u>12,640</u>

Details of any collateral

The bank loans are secured by legal mortgage of the leasehold building (as at 30 September 2010), debenture with a fixed charge on certain plant and equipment, corporate guarantee from Chasen Holdings Limited and Chasen Logistics Services Limited, pledge of fixed deposits amounting to \$1,414,426 and assignment of contract proceeds from a subsidiary's job project. They are repayable over a period of 6 months to 20 years. Interest is charged at range from 1.58% to 10.88% per annum (31 March 2010: 2.34% to 13.75%).

The above bank borrowing includes the Group's utilized finance leases to acquire equipment and motor vehicles.



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

	2Q FY2011 \$'000	2Q FY2010 \$'000	1H FY2011 \$'000	1H FY2010 \$'000
Cash flows from operating activities:-				
Profit before income tax	1,662	2,640	3,596	4,107
Adjustments for:				
Depreciation for property, plant and equipment	932	824	1,881	1,657
Loss/(gain) on disposal of property, plant and equipment	-	(4)	3	(72)
Property, plant and equipment written off	-	-	-	10
Cost of share-based payments	-	80	-	147
Negative goodwill arising from acquisition of subsidiary	-	-	-	(20)
Amortisation of club membership	4	-	9	(1)
Amortisation of deferred income	-	-	(5)	-
Amortisation of intangible assets	150	-	150	-
Interest income	(4)	(14)	(5)	(32)
Interest expense	153	95	293	177
Operating profit before working capital changes	2,897	3,621	5,922	5,973
Trade and other receivables	(2,428)	(1,601)	(7,302)	4,613
Gross amount due from customers on work-in-progress	(312)	(882)	(527)	(2,256)
Inventories	(89)	(214)	(308)	(321)
Trade and other payables	(212)	953	1,309	(4,820)
Cash generated from operations	(144)	1,877	(906)	3,189
Income tax paid	(492)	51	(739)	(322)
Net cash (used in)/from operating activities	(636)	1,928	(1,645)	2,867
Cash flows from investing activities:-				
Investment in financial assets, available-for-sale	-	(474)	(545)	(474)
Purchase of plant and equipment	(1,121)	(893)	(1,596)	(1,690)
Proceeds from disposal of plant and equipment	6	7	38	101
Interest received	4	14	5	32
Net cash used in investing activities	(1,111)	(1,346)	(2,098)	(2,031)
Cash flows from financing activities:-				
Proceeds from rights issue, net	-	-	9,190	-
Proceeds from warrants issue	20	-	20	-
Interest paid	(153)	(95)	(293)	(177)
Proceeds from bank loans	1,000	2,115	3,152	1,735
Repayment of bank loans	(3,181)	-	(4,283)	-
Proceeds from hire purchase contracts	-	-	167	-
Repayment of hire purchase contracts	611	(320)	(5)	(604)
Dividend paid to equity holders of the Company	(1,310)	(753)	(1,310)	(753)
Placement of pledged fixed deposits with banks	(2)	(501)	(2)	(325)
Net cash (used in)/from financing activities	(3,015)	446	6,636	(124)



	2Q FY2011 \$'000	2Q FY2010 \$'000	1H FY2011 \$'000	1H FY2010 \$'000
Net (decrease)/increase in cash and cash equivalents	(4,762)	1,028	2,893	712
Cash and cash equivalents at beginning of period	13,051	7,113	5,341	7,850
Effect of exchange rate changes on balances in foreign currencies	(422)	(241)	(379)	(662)
Cash and cash equivalents at end of period	7,855	7,900	7,855	7,900
Cash and cash equivalents comprise:				
Cash and bank balances	8,111	7,280	8,111	7,280
Fixed deposits	1,414	2,031	1,414	2,031
	9,525	9,311	9,525	9,311
Less: Fixed deposits pledged	(1,414)	(1,411)	(1,414)	(1,411)
Bank overdraft	(256)	-	(256)	-
	7,855	7,900	7,855	7,900

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

Consolidated statement of changes in equity for the periods ended 30 September 2010 and 30 September 2009 - Group

	Attributable to equity holders of the Company							
	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Performance share plan reserve \$'000	Retained profits \$'000	Total \$'000	Minority 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	9,190	-	-	-	-	9,190	-	9,190
Increase in minority interest	-	-	-	-	-	-	731	731
Total comprehensive income / (expense) for the period	-	-	(12)	-	1,331	1,319	244	1,563
Balance as at 30 June 2010	32,927	(358)	20	160	14,371	47,120	5,850	52,970
Increase in share capital arising from warrants issue	20	-	-	-	-	20	-	20
Final dividend for the previous year paid	-	-	-	-	(1,310)	(1,310)	-	(1,310)
Total comprehensive income / (expense) for the period	-	-	(691)	-	1,620	929	(181)	748
Balance as at 30 September 2010	32,947	(358)	(671)	160	14,681	46,759	5,669	52,428
Balance at 1 April 2009	23,737	(534)	1,072	154	8,989	33,418	3,120	36,538
Cost of share-based payments	-	-	-	67	-	67	-	67
Total comprehensive income / (expense) for the period	-	-	(709)	-	656	(53)	516	463
Balance as at 30 June 2009	23,737	(534)	363	221	9,645	33,432	3,636	37,068

	Attributable to equity holders of the Company							
	Share capital \$'000	Treasury shares \$'000	Currency translation reserve \$'000	Performance share plan reserve \$'000	Retained profits \$'000	Total \$'000	Minority interests \$'000	Total Equity \$'000
Transfer of treasury shares to performance share plan reserve	-	111	-	(111)	-	-	-	-
Cost of share-based payments	-	-	-	79	-	79	-	79
Final dividend for the previous year paid	-	-	-	-	(753)	(753)	-	(753)
Total comprehensive income / (expense) for the period	-	-	(424)	-	1,818	1,394	373	1,767
Balance as at 30 September 2009	23,737	(423)	(61)	189	10,710	34,152	4,009	38,161

	Share capital \$'000	Treasury shares \$'000	Performance share plan reserve \$'000	(Accumulated losses)/ Retained profits \$'000	
				Total Equity \$'000	
Balance as at 1 April 2010	53,265	(358)	160	1,671	54,738
Increase in share capital arising from rights issue	9,190	-	-	-	9,190
Total comprehensive income / (expense) for the period	-	-	-	43	43
Balance as at 30 June 2010	62,455	(358)	160	1,714	63,971
Increase in share capital arising from warrants issue	20	-	-	-	20
Final dividend for the previous year paid	-	-	-	(1,310)	(1,310)
Total comprehensive income / (expense) for the period	-	-	-	770	770
Balance as at 30 September 2010	62,475	(358)	160	1,174	63,451
Balance as at 1 April 2009	53,265	(534)	154	1,089	53,974
Cost of share-based payments	-	-	67	-	67
Total comprehensive income / (expense) for the period	-	-	-	(245)	(245)
Balance as at 30 June 2009	53,265	(534)	221	844	53,796
Transfer of treasury shares to performance share plan expense	-	111	(111)	-	-
Cost of share-based payments	-	-	79	-	79
Final dividend for the previous year paid	-	-	-	(753)	(753)
Total comprehensive income / (expense) for the period	-	-	-	(298)	(298)
Balance as at 30 September 2009	53,265	(423)	189	(207)	52,824

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

	Group	
	2QFY2011	2QFY2010
Balance at 1 July	218,241,423	144,774,662
Transfer of treasury shares to performance share plan	-	465,500
Conversion of 75,312 warrants shares	75,312	-
Balance at 30 September	218,316,735	145,240,162

As at 30 September 2010, the number of outstanding warrants is 36,297,952 (30 September 2009 – nil) and the number of awards granted (not vested) under the Chasen Performance Share Plan is 819,500 (30 September 2009 – 1,169,500).

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

	Group	
	30 Sep 2010	31 Mar 2010
Total number of ordinary issued shares	218,316,735	145,494,162

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

	Group	
	2Q FY2011	2Q FY2010
Balance at 1 July	1,499,944	2,219,444
Transfer of treasury shares to performance share plan	-	(465,500)
Balance at 30 September	1,499,944	1,753,944

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

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

Not applicable.

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

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

The Group has adopted the new and revised Singapore Financial Reporting Standards (“FRSs”) that are mandatory for financial years beginning on and after 1 January 2009, where applicable. The adoption of these standards did not result in substantial changes to the Group’s accounting policies, and there is no material impact on the retained earnings of the Group as at 30 September 2010.

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

Not applicable.

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

Earning per ordinary shares (EPS)	Group			
	2QFY2011	2QFY2010	1HFY2011	1HFY2010
EPS based on average number of shares (cents)	1.02	1.25	1.86	1.70
EPS on a fully diluted basis (cents)	1.02	1.24	1.86	1.69
Weighted average number of shares ('000)	158,333	145,467	158,333	145,467
Weighted average number of shares – diluted ('000)	159,058	146,561	159,058	146,561

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

Net asset value (NAV)	Group		Company	
	30 Sep 10	31 Mar 10	30 Sep 10	31 Mar 10
Number of shares ('000)	218,317	145,494	218,317	145,494
NAV (cents)	24.0	28.5	29.1	37.6

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

Revenue

The Group's revenue for the 1st half financial year ended 30 September 2010 ("1HFY2011") decreased by about 6% to approximately \$34.8 million from approximately \$36.9 million in the 1st half financial year ended 30 September 2009 ("1HFY2010").

Of this, the Relocation Services Business Segment contributed \$16.8m which is 71% increase over that of the same period in the last financial year which stood at \$9.8m. Similarly, the revenue of Third Party Logistics Services Business Segment also increased 71% this year from \$3.5m in last financial year to \$6.0m in this financial year. The revenue from Engineering Business Segment however reduced from \$23.7m in the corresponding period last year to \$12.0m this year. This was due to the completion of most projects in the fourth quarter of the last financial year and delayed commencement of new projects, particularly in the PRC, for the period reported on.

Gross Profit Margin

The Group's gross profit for 1HFY2011 increased by 21% to approximately \$10.5 million from approximately \$8.7 million in 1HFY2010. It recorded an increase in gross profit margin of 30% in 1HFY2011 compared with a gross profit margin of 24% in 1HFY2010. This is mainly due to the change in sales mix, as the gross profit margin particularly from the Relocation Business Segment is generally higher than the Engineering Business Segment.

Other Income

Other income decreased by about \$0.8 million from \$1.2 million in 1HFY2010 to \$0.4 million in 1HFY2011. In the corresponding period in last financial year, there was a bad debt recovery, rental of equipment as well as disposal of fixed assets.

Operating Expenses

The increase in distribution and selling expenses was in tandem with the increase in revenue from our People's Republic of China's operations.

Overall, the administrative expenses in this 1st half of the financial year increased 23% to \$4.8 million from \$3.9 million in the same corresponding period for the last financial year. The increase was mainly due to payment of bonus in the quarter and professional fees payable on successful acquisitions.

Profit after tax

As a result of the abovementioned, the Group recorded a decrease in profit after tax of 5% from \$3.4 million in 1HFY2010 to \$3.2 million in 1HFY2011.

Balance Sheet Analysis

The increase of \$2.7 million in other receivables, deposits and prepayments was mainly due to prepayment for acquisition of assets.

The increase of \$4.6 million in the trade receivables represented about 26% of the turnover of the quarter. The current high receivables were due to delayed projects billing. The management is

following closely on the collections of the trade receivables as well as the increased frequency of project billings.

The decrease of \$2.5 million in the trade payables was mainly due to payments to the suppliers in accordance with the agreed credit terms.

The increase of \$3.8 million in the other payables and accruals was mainly due to accrual of project costs.

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

There were no variances between the prospect statement disclosed previously and the actual results.

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

The commencement of several relocation projects in the People's Republic of China ('PRC'), as reported in the last result announcement as well as new projects secured in the quarter have contributed to the significant increase in revenue from the Relocation Business Segment for the first half of this financial year. This segment will continue to contribute a major portion of total group revenue for the second half year.

The substantial reduction in revenue and profit contribution from the Engineering Business Segment was due to keener competition in the local construction market that resulted in fewer projects being secured and lower margin from successful ones. This trend is expected to continue into the second half of the financial year.

The Group completed the acquisition of Global Technology Synergy Pte Ltd and its subsidiary, Towards Green Sdn Bhd and this business is expected to contribute positively to its revenue and profitability.

Barring unforeseen circumstances, the Group expects revenue contribution from its Relocation Services and Third Party Logistics Business Segments as highlighted. Hence, the Group is optimistic that it would continue to be profitable.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on? No

(b) Corresponding period of the immediately preceding financial year

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

No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

Not applicable.

By Order of the Board

Low Weng Fatt
Managing Director
12 November 2010

**Confirmation by the Board
Pursuant to Rule 705(5)**

We, Low Weng Fatt and Siah Boon Hock, being two directors of Chasen Holdings Limited (“Company”), do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial results for the second quarter ended 30 September 2010 to be false or misleading in any material aspect.

On behalf of the board of directors

**Low Weng Fatt
Managing Director**

**Siah Boon Hock
Executive Director**

**Singapore
12 November 2010**