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Responses to SGX Queries :: On Financial Statements :: RESPONSE TO SGX'S QUERIES REGARDING AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010

* Asterisks denote mandatory information


Name of Announcer *	CHASEN HOLDINGS LIMITED
Company Registration No.	199906814G
Announcement submitted on behalf of	CHASEN HOLDINGS LIMITED
Announcement is submitted with respect to *	CHASEN HOLDINGS LIMITED
Announcement is submitted by *	CHEW KOK LIANG
Designation *	COMPANY SECRETARY
Date & Time of Broadcast	15-Jul-2010 18:19:24
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>> Announcement Details

The details of the announcement start here ...

Announcement Title *	RESPONSE TO SGX'S QUERIES REGARDING AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2010
Subject of Query *	On Financial Statements
Description	Please see attached.

Attachments

 [Annct_SGX_query_regarding_FY2010_audited_accounts.pdf](#)
 Total size = **28K**
 (2048K size limit recommended)

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

**RESPONSE TO SGX'S QUERIES REGARDING AUDITED FINANCIAL RESULTS FOR
THE YEAR ENDED 31 MARCH 2010**

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 details of the contact person for the Sponsor is: -

*Name: Ms Tan Siew Hong (Registered Professional, KW Capital Pte. Ltd.)
Address: 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624
Tel: 6238 3377*

In response to the queries raised by Singapore Exchange Securities Trading Limited ("SGX") in connection with the Company's announcement on 9 July 2010 concerning the emphasis of matter set out in the Auditors' Report dated 9 July 2010 for the year ended 31 March 2010, the Board of Directors of the Company wishes to provide additional information as set out below:

Query 1

To provide more information on the disclosure in note 3(a)(iv) of the financial statements concerning significant judgements.

Company's Response to Query 1

A1: Note 3 of the audit report concerns critical accounting estimates, assumptions and judgements made by management that are based on historical experience and expectation of future events that are believed to be reasonable under the circumstances. Note 3(a)(iv) refers to the specific case that resulted in the emphasis of matter.

A subsidiary of the Company has recognized as revenue variation orders of over S\$7 million for additional work done in the relevant projects and claimable against the customers. The variation orders were based on facts as explained in paragraph (2) rather than an exercise of commercial judgement.

The emphasis of matter was due to the high value of variation orders booked as revenue relative to total sales of the subsidiary as a result of the project completion coinciding with our financial year end for which costs incurred in carrying out the additional works had been recognized.

Query 2

To state the bases used by the Company in estimating the variation orders recorded in the Group's technical and engineering business, given that the variation orders have yet to be finalised with the customers.

Company's Response to Query 2

A2: The variation orders were for additional scope of work based on technical drawings provided by the customer and substantiated by acknowledgement of supply and installation of materials on site. The variation orders were determined by the actual weight of the materials supplied measured in tons of steel and cost of labour both of which were charged at the unit rates stated in the project contracts.

Query 3

Are there issues with collectability of the outstanding receivables of \$7.95 million?

Company's Response to Query 2

A3: No.

ON BEHALF OF THE BOARD

Low Weng Fatt
Managing Director

15 July 2010