

CHASEN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Company registration number: 199906814G

**THIRD QUARTER (“Q3FY2017”) AND NINE MONTH (“9MFY2017”) FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2016**
**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR
ANNOUNCEMENT**

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

Consolidated Income Statement

	Group			Group		
	Three months ended		Change %	Nine months ended		Change %
	31-Dec-16 S\$'000	31-Dec-15 S\$'000		31-Dec-16 S\$'000	31-Dec-15 S\$'000	
Revenue	29,738	21,113	41%	73,888	68,506	8%
Cost of sales	(23,285)	(18,195)	-28%	(57,719)	(56,551)	-2%
Gross profit	6,453	2,918	121%	16,169	11,955	35%
Other operating income	1,045	1,591	-34%	1,781	3,212	-45%
Distribution and selling expenses	(2,117)	(1,358)	-56%	(4,339)	(3,466)	-25%
Administrative expenses	(3,309)	(2,447)	-35%	(9,419)	(8,128)	-16%
Other operating expenses	(133)	(378)	65%	(718)	(1,432)	50%
Finance expenses	(301)	(299)	-1%	(952)	(935)	-2%
Share of results of associates	5	10	-50%	(86)	80	N.M
Profit before income tax	1,643	37	N.M.	2,436	1,286	89%
Income tax credit/(expense)	(342)	76	N.M.	(832)	(307)	-171%
Net profit for the financial period	1,301	113	N.M.	1,604	979	64%
Profit attributable to:						
Equity holders of the Company	1,282	58	N.M	1,348	723	86%
Non-controlling interests	19	55	-65%	256	256	0%
Net profit for the financial period	1,301	113	N.M	1,604	979	64%

Note: N.M. - Not meaningful

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1(a)(ii) A statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year
Consolidated Statement of Comprehensive Income

	Group			Group		
	Three months ended		Change	Nine months ended		Change
	31-Dec-16	31-Dec-15		31-Dec-16	31-Dec-15	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net profit for the financial period	1,301	113	N.M.	1,604	979	64%
Other comprehensive (loss)/income:						
Currency translation differences arising from consolidation	823	(616)	N.M.	(194)	(1,114)	N.M.
Other comprehensive loss for the period, net of tax	823	(616)	N.M.	(194)	(1,114)	N.M.
Total comprehensive (loss)/income for the period	2,124	(503)	N.M.	1,410	(135)	N.M.
Total comprehensive (loss)/income attributable to:						
Owners of the Company	1,875	(507)	N.M.	990	(212)	N.M.
Non-controlling interests	249	4	N.M.	420	77	N.M.
Total comprehensive (loss)/income for the period	2,124	(503)	N.M.	1,410	(135)	N.M.

Note: N.M. - Not meaningful

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1(a)(iii) Profit before income tax is arrived at after charging/(crediting) the following:

	<u>Group</u>			<u>Group</u>		
	<u>Three months ended</u>		<u>Change</u>	<u>Nine months ended</u>		<u>Change</u>
	<u>31-Dec-16</u>	<u>31-Dec-15</u>		<u>31-Dec-16</u>	<u>31-Dec-15</u>	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Written back of allowance for doubtful other receivables	(31)	-	N.M.	(67)	(3)	2143%
Amortisation of intangible assets	49	50	-2%	146	149	-2%
Bad debts written-off	-	26	-100%	-	26	-100%
Depreciation of property, plant and equipment	1,370	1,603	-15%	4,238	4,762	-11%
Interest income	(6)	(11)	N.M.	(26)	(25)	N.M.
Finance expenses	301	299	1%	952	935	2%
Net loss/(gain) on disposal of property, plant and equipment	(37)	(14)	166%	(62)	(13)	379%
Realised foreign exchange (gain)/loss	(25)	(72)	N.M.	(12)	(133)	N.M.
Unrealised foreign exchange (gain)/loss	(227)	17	-1435%	(88)	390	-123%

Note: N.M. - Not meaningful

* Less than S\$1,000

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

Statements of Financial Position

	Group		Company	
	As at 31-Dec-16 S\$'000	As at 31-Mar-16 S\$'000	As at 31-Dec-16 S\$'000	As at 31-Mar-16 S\$'000
ASSETS				
Non-current assets				
Investment property	950	950	-	-
Property, plant and equipment	34,272	32,372	-	-
Investments in subsidiaries	-	-	38,075	38,075
Investment in associates	1,028	1,116	200	200
Goodwill on consolidation	10,559	10,559	-	-
Intangible assets	193	340	-	-
Club membership	6	7	-	-
Available-for-sale financial assets	625	625	625	625
Deferred tax assets	1,163	1,163	-	-
Other receivables, deposits and prepayments	408	414	214	221
	49,204	47,546	39,114	39,121
Current assets				
Inventories	3,615	4,009	-	-
Gross amount due from customers on contract work-in-progress	610	2,000	-	-
Trade receivables	45,552	38,212	-	-
Other receivables, deposits and prepayments	19,820	15,380	45	50
Amount due from subsidiaries	-	-	44,800	43,694
Cash and cash equivalents	9,576	11,800	216	2,406
	79,173	71,401	45,061	46,150
Total assets	128,377	118,947	84,175	85,271
EQUITY AND LIABILITIES				
Equity				
Share capital	50,876	50,876	80,404	80,404
Treasury shares	(135)	(116)	(135)	(116)
Other reserves	(1,552)	(1,332)	(3,108)	(3,108)
Retained profits	13,090	12,047	2,838	2,478
Equity attributable to owners of the Company	62,279	61,475	79,999	79,658
Non-controlling interests	4,305	3,945	-	-
Total equity	66,584	65,420	79,999	79,658

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Statements of Financial Position (Cont'd)

	Group		Company	
	As at 31-Dec-16 S\$'000	As at 31-Mar-16 S\$'000	As at 31-Dec-16 S\$'000	As at 31-Mar-16 S\$'000
Non-current liabilities				
Bank loans	4,685	7,096	1,960	3,153
Finance lease payables	2,364	2,576	-	-
Deferred tax liabilities	838	846	-	-
			-	-
	7,887	10,518	1,960	3,153
Current liabilities				
Bank overdrafts	-	1,072	-	-
Bank loans	23,675	19,905	1,577	1,496
Finance lease payables	2,322	2,231	-	-
Trade payables	18,195	12,398	-	-
Other payables and accruals	8,801	6,591	639	964
Income tax payable	913	812	-	-
	53,906	43,009	2,216	2,460
Total liabilities	61,793	53,527	4,176	5,613
Total equity and liabilities	128,377	118,947	84,175	85,271

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1(b)(ii) In relation to the aggregate amount of group's borrowing and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the preceding year:-

- (A) the amount repayable in one year or less, or on demand;**
- (B) the amount repayable after one year;**
- (C) whether the amounts are secured or unsecured; and**
- (D) details of any collaterals.**

	As at 31-Dec-16		As at 31-Mar-16	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	19,513	6,260	16,815	6,393
Amount repayable after one year	3,938	3,335	4,255	5,417
Total	23,451	9,595	21,070	11,810

Details of collateral

The banking facilities are secured by the following:

- (a) legal mortgage of the Group's investment property and leasehold buildings;
- (b) corporate guarantee by the Company and its subsidiary, Chasen Logistics Services Limited;
- (c) pledge of fixed deposits amounting to \$0.4 million (31 March 2016: \$1.4 million);
- (d) personal guarantee from directors of certain subsidiaries that are not wholly-owned by the Company;
and
- (e) assignment of contract proceeds from specific projects undertaken by a subsidiary.

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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

Consolidated Statement of Cash Flows

	Group		Group	
	Three months ended		Nine months ended	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before income tax	1,643	37	2,436	1,286
Adjustments for:				
Allowance for doubtful trade receivables, net	-	-	-	-
Writtten back of allowance for doubtful other receivables	(31)	-	(67)	(3)
Amortisation of club membership *	1	1	1	1
Amortisation of intangible assets	49	50	146	149
Bad debts written-off	-	26	-	26
Depreciation of property, plant and equipment	1,370	1,603	4,238	4,762
Interest income	(6)	(11)	(26)	(25)
Finance expenses	301	299	952	935
Net loss/(gain) on disposal of property, plant and equipment	(41)	(14)	(66)	(13)
Property, plant and equipment written-off	-	-	-	-
Share-based payment expenses	-	-	-	-
Share of results of associates	(5)	(10)	86	(80)
Operating cash flows before working capital changes	3,281	1,981	7,700	7,038
Movement in working capital:				
Inventories	466	(200)	395	(338)
Gross amount due from customers on contract work-in-progress	370	(752)	1,390	491
Trade and other receivables	(8,772)	2,151	(11,703)	1,513
Trade and other payables	6,201	(1,512)	8,007	54
Cash generated from operations	1,546	1,668	5,789	8,758
Income tax paid	(234)	(203)	(739)	(1,025)
Net cash generated from operating activities	1,312	1,465	5,050	7,733

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Consolidated Statement of Cash Flows (Cont'd)

	Group		Group	
	Three months ended		Nine months ended	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from investing activities				
Interest received	6	11	26	25
Acquisition of subsidiary, net of cash acquired	-	-	-	(900)
Purchase of property, plant and equipment	(3,558)	(1,682)	(4,415)	(5,960)
Proceeds from disposal of property, plant and equipment	65	53	111	59
Effect of foreign currency re-alignment on investing activities	26	(1,370)	(378)	(1,494)
Net cash flows used in investing activities	(3,461)	(2,988)	(4,656)	(8,270)
Cash flows from financing activities				
Dividend paid to equity holders of the Company	(167)	(292)	(167)	(292)
Dividend paid to non-controlling interests	-	-	(60)	(40)
Interest paid	(301)	(299)	(952)	(935)
Proceeds from bank loans	10,113	21,202	21,304	68,721
Proceeds from warrants conversion	-	-	-	-
Purchase of treasury shares	-	-	(19)	(8)
Repayment of bank loans	(7,418)	(18,678)	(19,849)	(66,080)
Repayment of finance lease payables	102	(534)	(2,052)	(1,958)
Pledge of or (release of pledged) fixed deposits with banks	(400)	2,517	617	2,516
Net cash flows generated from/(used in) financing activities	1,929	3,916	(1,178)	1,924
Net (decrease)/increase in cash and cash equivalents				
Effects of exchange rates changes on cash and cash equivalents	321	(383)	249	(173)
Cash and cash equivalents as at beginning of the period	8,708	7,778	9,344	8,573
Cash and cash equivalents as at end of the period	8,809	9,787	8,809	9,787

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Note to Statement of Cash Flows:

Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following amounts:

	Group	
	Three months and nine months ended	
	31-Dec-16	31-Dec-15
	S\$'000	S\$'000
Cash and bank balances	7,666	9,741
Fixed deposits	1,910	2,340
	9,576	12,081
Less		
Fixed deposits pledged	(767)	(1,382)
Bank overdrafts	-	(912)
	8,809	9,787

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Statements of Changes in Equity

	Total equity	Attributable to owners of the Company									Non-controlling interests	
		Total	Share capital	Treasury shares	Retained profits	Other reserves, Total	Capital reserve	Warrant reserve	Foreign currency translation reserve	Performance share plan reserve		Fair value adjustment reserve
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2015	69,740	65,004	49,995	(101)	17,049	(1,939)	1,140	783	1,115	-	(4,977)	4,736
Profit for the financial period	113	58	-	-	58	-	-	-	-	-	-	55
<u>Other comprehensive income / (loss) for the period</u>												
Exchange differences on translating foreign operations	(616)	(565)	-	-	-	(565)	-	-	(565)	-	-	(51)
Other comprehensive income / (loss) for the period, net of tax	(616)	(565)	-	-	-	(565)	-	-	(565)	-	-	(51)
Total comprehensive income / (loss) for the period	(503)	(507)	-	-	58	(565)	-	-	(565)	-	-	4
<u>Contributions by and distributions to owners</u>												
Dividend paid	(292)	(292)	-	-	(292)	-	-	-	-	-	-	-
Total contributions by and distributions to owners	(292)	(292)	-	-	(292)	-	-	-	-	-	-	-
Balance as at 31 December 2015	68,945	64,205	49,995	(101)	16,815	(2,504)	1,140	783	550	-	(4,977)	4,740

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Statements of Changes in Equity

Group	Total equity	Attributable to owners of the Company										Non-controlling interests
		Total	Share capital	Treasury shares	Retained profits	Other reserves, Total	Capital reserve	Warrant reserve	Foreign currency translation reserve	Performance share plan reserve	Fair value adjustment reserve	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2016	65,420	61,475	50,876	(116)	12,047	(1,332)	1,848	1,487	(72)	-	(4,595)	3,945
Profit for the financial period	1,604	1,210	-	-	1,210	-	-	-	-	-	-	394
Other comprehensive income / (loss) for the period												
Exchange differences on translating foreign operations	(194)	(220)	-	-	-	(220)	-	-	(220)	-	-	26
Other comprehensive income / (loss) for the period, net of tax	(194)	(220)	-	-	-	(220)	-	-	(220)	-	-	26
Total comprehensive income / (loss) for the period	1,410	990	-	-	1,210	(220)	-	-	(220)	-	-	420
Contributions by and distributions to owners												
Purchases of treasury shares	(19)	(19)	-	(19)	-	-	-	-	-	-	-	-
Dividend paid	(227)	(167)	-	-	(167)	-	-	-	-	-	-	(60)
Total contributions by and distributions to owners	(246)	(186)	-	(19)	(167)	-	-	-	-	-	-	(60)
Balance as at 31 December 2016	66,584	62,279	50,876	(135)	13,090	(1,552)	1,848	1,487	(292)	-	(4,595)	4,305

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Statements of Changes in Equity

Group	Total equity	Attributable to owners of the Company										Non-controlling interests
		Total	Share capital	Treasury shares	Retained profits	Other reserves, Total	Capital reserve	Warrant reserve	Foreign currency translation reserve	Performance share plan reserve	Fair value adjustment reserve	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2015	70,320	65,425	49,995	(93)	16,384	(861)	1,848	783	1,485	-	(4,977)	4,895
Profit for the financial period	979	723	-	-	723	-	-	-	-	-	-	256
Other comprehensive income / (loss) for the period												
Exchange differences on translating foreign operations	(1,114)	(935)	-	-	-	(935)	-	-	(935)	-	-	(179)
Other comprehensive loss for the period, net of tax	(1,114)	(935)	-	-	-	(935)	-	-	(935)	-	-	(179)
Total comprehensive income / (loss) for the period	(135)	(212)	-	-	723	(935)	-	-	(935)	-	-	77
Changes in ownership interest in subsidiary												
Acquisition of non controlling interest in subsidiary	(900)	(708)	-	-	-	(708)	(708)	-	-	-	-	(192)
	(900)	(708)	-	-	-	(708)	(708)	-	-	-	-	(192)
Contributions by and distributions to owners												
Shares issued pursuant to exercise of warrants	-	-	-*	-	-	-	-	-	-	-	-	-
Purchases of treasury shares	(8)	(8)	-	(8)	-	-	-	-	-	-	-	-
Dividend paid	(332)	(292)	-	-	(292)	-	-	-	-	-	-	(40)
Total contributions by and distributions to owners	(340)	(300)	-	(8)	(292)	-	-	-	-	-	-	(40)
Balance as at 31 December 2015	68,945	64,205	49,995	(101)	16,815	(2,504)	1,140	783	550	-	(4,977)	4,740

Note: * less than \$1,000

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Statements of Changes in Equity

Company	Total equity	Share capital	Treasury shares	Retained profits	Other reserves, Total	Warrant reserve	Fair value adjustment reserve
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2016	80,145	80,404	(135)	2,984	(3,108)	1,487	(4,595)
Profit for the financial period	21	-	-	21	-	-	-
<u>Other comprehensive income for the period</u>							
	-	-	-	-	-	-	-
Total comprehensive income for the period	21	-	-	21	-	-	-
<u>Contributions by and distributions to owners</u>							
Dividend paid	(167)	-	-	(167)	-	-	-
Total contributions by and distributions to owners	(167)	-	-	(167)	-	-	-
Balance as at 31 December 2016	79,999	80,404	(135)	2,838	(3,108)	1,487	(4,595)

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Statements of Changes in Equity

Company	Total equity	Share capital	Treasury shares	Retained profits	Other reserves, reserves, Total	Warrant reserve	Fair value adjustment reserve
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 October 2015	76,299	79,523	(101)	1,071	(4,194)	783	(4,977)
Loss for the financial period	(82)	-	-	(82)	-	-	-
<u>Other comprehensive income / (loss) for the period</u>							
	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	(82)	-	-	(82)	-	-	-
<u>Contributions by and distributions to owners</u>							
Dividend paid	(292)	-	-	(292)	-	-	-
Total contributions by and distributions to owners	(292)	-	-	(292)	-	-	-
Balance as at 31 December 2015	75,925	79,523	(101)	697	(4,194)	783	(4,977)

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Statements of Changes in Equity

Company	Total equity S\$'000	Share capital S\$'000	Treasury shares S\$'000	Retained profits S\$'000	Other reserves, reserves, Total S\$'000	Warrant reserve S\$'000	Fair value adjustment reserve S\$'000
Balance as at 1 April 2016	79,658	80,404	(116)	2,478	(3,108)	1,487	(4,595)
Profit for the financial period	193	-	-	193	-	-	-
<u>Other comprehensive income for the period</u>	-	-	-	-	-	-	-
Total comprehensive income for the period	193	-	-	193	-	-	-
<u>Contributions by and distributions to owners</u>	(19)	-	(19)	-	-	-	-
Purchase of Treasury shares	(19)	-	(19)	-	-	-	-
Dividend paid	167	-	-	167	-	-	-
Total contributions by and distributions to owners	148	-	(19)	167	-	-	-
Balance as at 31 December 2016	79,999	80,404	(135)	2,838	(3,108)	1,487	(4,595)

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Statements of Changes in Equity

Company	Total equity	Share capital	Treasury shares	Retained profits	Other reserves, Total	Warrant reserve	Fair value adjustment reserve
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2015	76,400	79,523	(93)	1,164	(4,194)	783	(4,977)
Loss for the financial period	(175)	-	-	(175)	-	-	-
<u>Other comprehensive income / (loss) for the period</u>							
	-	-	-	-	-	-	-
Total comprehensive income / (loss) for the period	(175)	-	-	(175)	-	-	-
<u>Contributions by and distributions to owners</u>							
Shares issued pursuant to exercise of warrants	-	-*	-	-	-	-	-
Purchase of Treasury shares	(8)	-	(8)	-	-	-	-
Dividend paid	(292)	-	-	(292)	-	-	-
Total contributions by and distributions to owners	(300)	-	(8)	(292)	-	-	-
Balance as at 31 December 2015	75,925	79,523	(101)	697	(4,194)	783	(4,977)

Note: * less than \$1,000

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1(d)(ii) Details of any changes in the company's share capital arising from rights issue, 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 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.

Warrant 170320

On 25 March 2014, the Company issued 100,566,756 warrants, pursuant to Chasen Warrants Issue.

On 29 January 2016, pursuant to Rights Cum Warrant Issue, 8,506,657 of Chasen Warrants Issue, was issued in accordance with Condition 5(B) (iv) of the Offer Information Statement dated 26 February 2014. The exercise price of all the unexercised warrants has been adjusted downward accordingly to \$0.11.

As of 31 December 2016, 6,987,886 warrants were exercised to acquire 6,987,886 ordinary shares. There was no warrant exercised during the three months ended 31 December 2016 and corresponding period last year.

Warrant 180201

On 2 February 2016, the Company issued 62,098,630 warrants, pursuant to Rights cum Warrants Issue. As of 31 December 2016, 12,054,600 warrants were exercised to acquire 12,054,600 ordinary shares. There was no warrant exercised during the three months ended 31 December 2016.

	2016	2015
Issued and paid up capital excluding treasury shares		
As at 1 October and 31 December	<u>333,967,211</u>	<u>291,849,296</u>
Treasury shares		
As at 1 October and 31 December	<u>1,641,107</u>	<u>665,107</u>
Number of warrants outstanding		As at
	31-Dec-16	31-Dec-15
Warrant 170320	102,085,527	93,578,870
Warrant 180201	50,044,030	-
	<u>152,129,557</u>	<u>93,578,870</u>

Chasen Performance Share Plan ("CPSP")

No share award was granted during the three and nine months ended 31 December 2016. As at 31 December 2016, no share was outstanding under CPSP.

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

	As at	
	31-Dec-16	31-Mar-16
Total number of issued shares	335,608,318	335,608,318
Less: Treasury shares	(1,641,107)	(1,091,107)
Total number of issued shares excluding treasury shares	333,967,211	334,517,211

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.

	Number of Treasury shares
As at 1 April 2016	1,091,107
Share buyback	550,000
As at 31 December 2016	1,641,107

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

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

The figures have not been audited nor reviewed by the Company's auditors.

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 computations 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 except as stated in paragraph 5 below.

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

The Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for the current financial period. The adoption of these new or revised FRS and INT FRS does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior financial years.

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6 Earnings per ordinary share 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.

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

<u>Earnings per share ("EPS")</u>	Group			
	Three Months ended		Nine Months ended	
	31-Dec-16	31-Dec-15	31-Dec-16	31-Dec-15
EPS based on average number of shares (cents)	0.38	0.02	0.40	0.25
EPS based on a fully diluted basis (cents)	0.38	0.02	0.40	0.25
Weighted average number of shares ('000)	333,967	291,849	333,967	291,849
Weighted average number of shares - diluted ('000)	339,618	291,849	340,343	291,849

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

<u>Net asset value ("NAV")</u>	Group		Company	
	As at		As at	
	31-Dec-16	31-Mar-16	31-Dec-16	31-Mar-16
Net asset value per share (cents) based on the total number of issued shares excluding treasury shares	18.6	18.4	24.0	23.8
Total number of issued shares excluding treasury shares ('000)	333,967	334,517	333,967	334,517

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8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) 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; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

A) Consolidated Income Statement

i) Revenue

For the quarter ("Q3FY2017") and nine months ("9MFY2017") ended 31 December 2016, Group's revenue of \$29.7 million and \$73.9 million respectively were higher than the corresponding periods in last year by 41% or \$8.6 million and 8% or \$5.4 million respectively. This was mainly due to higher revenue from all Business Segments particularly from Specialist Relocation and Technical and Engineering Business Segments across the geographic regions of Malaysia and the People's Republic of China (hereafter "PRC").

ii) Gross profit and gross profit margin

For Q3FY2017 and 9MFY2017, Group's gross profit of \$6.5 million and \$16.2 million respectively were higher than corresponding periods last year \$3.5 million and \$4.2 million respectively which were in line with the increase in revenue and gross profit margin (improved by 8% and 4% for Q3FY2017 and 9MFY2017) in the Specialist Relocation and Technical and Engineering Segments.

Improvement in the gross profit margin by 8% and 4% respectively due to different business mix this quarter as Specialist Relocation projects generally attracts a better gross margin than Technical and Engineering and Third Party Logistics Business Segments.

iii) Other operating income

For Q3FY2017 and 9MFY2017, the decrease in other operating income of \$0.5 million and \$1.4 million respectively as compared with the corresponding periods last year was mainly due to the absence of claims against insurer and joint venture partner this year.

iv) Distribution and selling expenses

For Q3FY2017 and 9MFY2017, the increase in distribution and selling expenses of \$0.8 million and \$0.9 million respectively as compared with the corresponding periods last year was in line with increased revenue. In addition, marketing expenses were incurred in the US operations which is yet to generate revenue.

v) Administrative expenses

For Q3FY2017 and 9MFY2017, the increase in administrative expenses of \$0.9 million and \$1.3 million respectively as compared with the corresponding periods last year was mainly due to reduction in variable wage incentives last fiscal period. In addition, the Thailand operations in Third Party Logistics started only in the current fiscal year.

vi) Other operating expenses

For Q3FY2017 and 9MFY2017, the decrease in other operating expenses of \$0.2 million and \$0.7 million respectively as compared with the corresponding periods last year was mainly due to lower unrealized exchange loss this fiscal period.

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vii) Income tax expenses

For Q3FY2017 and 9MFY2017, the increase in income tax expenses of \$0.4 million and \$0.5 million respectively as compared with the corresponding periods last year due to higher tax provision in overseas subsidiaries where group tax offsetting is not permitted.

In view of the above, the Group recorded a pre-tax profit for Q3FY2017 of \$1.6 million, an increase of the same amount over the corresponding period last year and a profit after tax of \$1.3 million, an increase of \$1.2 million over corresponding period last year.

For 9MFY2017, the Group's pre-tax profit of \$2.4 million was an increase of \$1.2 million or 89% over the corresponding period last year and a profit after tax of \$1.6 million, an increase of \$0.6 million or 64% over corresponding period last year.

B) Statements of Financial Position

(31 December 2016 vs 31 March 2016)

i) Property, plant and equipment

The increase in net book value of the fixed assets of \$1.9 million was mainly due to capital expenditure incurred mainly in Technical & Engineering Business Segment, and offset by depreciation.

ii) Gross amount due from customers on contract work-in-progress

The decrease in gross amount due from customers on contract work-in-progress by \$1.4 million was mainly due to the fulfilment of contractual obligations to the customers of Technical & Engineering Segment in the Singapore market.

iii) Trade receivables

The increase in trade receivables by \$7.3 million was in line with the increase in revenue.

iv) Other receivables, deposits and prepayments

The overall increase in other receivables, deposits and prepayments of \$4.4 million was mainly due to prepayment of project operating costs and marketing expenses mainly in Specialist Relocation Business Segment.

v) Bank loans, bank overdraft and finance lease payables

The overall net increase in bank loans, bank overdraft and finance lease payables of \$0.2 million was mainly due to new loan proceeds offset by repayments.

vi) Trade payables

The increase in trade payables of \$5.8 million was mainly due to increase in period-end billings by trade suppliers and contractors.

vii) Other payables and accruals

The increase in other payables and accruals of \$2.2 million was mainly due to increase in receipt of deposits from customers and accrual of operating expenses.

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**C) Consolidated Statements of Cash Flows
(Q3FY2017 and 9MFY2017)**

Net cash generated from operating activities for the three months and nine months ended 31 December 2016 was lower than the corresponding periods last year by \$0.2 million and \$2.6 million respectively due to adjustment for non-cash items and increase in trade and other receivables.

Net cash used in investing activities for the three months ended 31 December 2016 was higher than the corresponding period last year by \$0.5 million mainly due to higher capital expenditure offset by foreign currency re-alignment effect on investing activities. For the nine months ended 31 December 2016, the net cash used in investing activities was lower than corresponding period last year by \$3.6 million mainly due to lower capital expenditure and foreign currency re-alignment effect on investing activities as well as no acquisition of subsidiary this year.

Net cash generated from financing activities for the three months ended 31 December 2016 was lower than the corresponding period last year by \$1.6 million mainly due to the absence of the release of pledged fixed deposit with banks offset by higher proceeds from bank loans. For the nine months ended 31 December 2016, net cash used in financing activities was \$0.8 million and as compared with net cash generated from financing activities of \$1.9 million in corresponding period last year, the variance was due to lower proceeds from bank loans and release of lesser pledged fixed deposit with banks.

Overall, the Group's cash and cash equivalent as at 31 December 2016 of \$9.2 million was lower by \$0.6 million as compared to 31 December 2015.

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

The results are consistent with the commentary of the last quarter.

10 A commentary at the date of the 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 the relocation projects across all geographical regions in the Specialist Relocation Segment, the increased manufacturing activities within the Technical and Engineering Business Segment as well as the growing Indo-china cross-border freight business within the Third Party Logistics Business Segment, are expected to contribute positively to the Group's performance.

Barring unforeseen circumstances, the Group expects to remain profitable this financial year.

11 If a decision regarding dividend has been made:-**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No

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- (b) (i) Amount per share cents**
(ii) Previous corresponding period cents

Not applicable

- (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (if the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable

- (d) The date the dividend is payable.**

Not applicable

- (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable

12 If no Dividends has been declared/recommendeded, a statement to that effect

No dividend has been declared/ recommended for the three months and nine months ended 31 December 2016.

13 If the group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has no Interested Person Transactions ("IPT") general mandate obtained from General Meeting. There was no IPT exceeding S\$100,000 for the period under review.

14 Negative confirmation 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 statements for the third quarter and nine months ended 31 December 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Low Weng Fatt
Managing Director and
Chief Executive Officer

Siah Boon Hock
Executive Director

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15 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

Low Weng Fatt
Managing Director and Chief Executive Officer
10 February 2017

Update on use of rights issue (2016) proceeds and proceeds from exercised warrants

The net proceeds from the subscription of Rights shares cum Warrants Issue of \$1.3 million and net proceeds from the exercise of warrants W180201 of \$0.3 million from the date of issuance up to 14 November 2016 were not utilized yet and deposited into the Company's common bank account and be used in accordance with the Offer Information Statement dated 5 January 2016.

	Amount \$' million
Balance as at 14 November 2016	0.8
Amount utilised for Expansion and growth of existing businesses :	
Purchase of equipment and tools	(0.8)
Balance as at 10 February 2017	<u><u>(0.0)</u></u>