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

CLARIFICATION ON THE ANNUAL REPORT 2016

The Board of Directors of Chasen Holdings Limited (the "**Company**") refers to the query raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in its email of 14 July 2015 relating to the Company's Annual Report 2016.

The Board wishes to provide clarification as follows:-

SGX-ST's Query:

Guideline 2.4 of the Code of Corporate Governance 2012 (the "Code") states that the independence of any director who has served on the board beyond nine years from the date of his first appointments should be subject to particularly rigorous review. The board should also explain why any such director should be considered independent.

We note the disclosure of the Board's considerations of factors such as experience, expertise, attendance, participation, qualification, adequate attention, sufficient time when reviewing the independence of directors who has served on the Board over nine years.

In this regard, please provide the Board's explanation on why the independent directors who have served on the board beyond nine years from the date of his first appointment should be considered independent; or otherwise provide an explanation for the deviation from the Code pursuant to Listing Rule 710.

Company's Response:

As disclosed on page 27 of the Company's Annual Report, the Board had considered various factors when reviewing the independence of Mr Ng Jwee Phuan @ Frederick (Eric), who has served on the Board for more than 9 years from the date of his first appointment on 6 February 2007.

The Nominating Committee with the concurrence of the Board is satisfied that after a rigorous review of his independence undertaken by the Nominating Committee, Mr Ng Jwee Phuan @ Frederick (Eric) continued to be considered independent after taking into account, *inter alia*, the following factors:-

(a) His contributions initially as the Lead Independent Director, then as Non-Executive Chairman of the Board, and as Chairman of the Audit Committee and member of Remuneration and Nominating Committees since the Company was listed, where he regularly raised questions on issues relating to the Group's strategy, business and financial performance and at formal and informal company meetings;

(b) His active attendance and participation in discussions at meetings where he regularly expressed his views based on his experience, expertise and knowledge and provide overall guidance to the Management from a third party perspective;

(c) His ability to objectively and actively scrutinizing and challenging the Management in order to provide reasonable checks and balances for the Management and exercise independent business judgement with a view to the best interests of the Company;

(d) His chairing of shareholders' meetings where he attended and responded to all shareholders' queries on company matters to their satisfaction and also encouraged shareholders' active participation at such meetings;

(e) He does not have any business transactions or dealings with the Company and its subsidiaries (the "Group") (including but not limited to interested person transactions as defined in the Listing Manual of the Singapore Exchange Securities Trading Limited); and

(f) His confirmation of independence based on the definitions and guidelines set forth in Guideline 2.3 of the Code of Corporate Governance 2012.

Mr Ng Jwee Phuan @ Frederick (Eric) had abstained from the discussions pertaining to the rigorous review of his independence.

In this respect, the Board is of the view that Mr Ng Jwee Phuan @ Frederick (Eric) remained independent in his exercise of objective judgement on corporate affairs of the Company, notwithstanding that he has served on the Board for more than 9 years from the date of his first appointment.

By Order of the Board

Low Weng Fatt
Managing Director and CEO

19 July 2016