

CHASEN HOLDINGS LIMITED

Company registration number: 199906814G

FIRST QUARTER (“Q1FY2020”) FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2019
PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a)(i) An income statement and statement of comprehensive income or 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 Profit or Loss and Other Comprehensive Income

	Group		Change %
	Three months ended		
	30-Jun-19	30-Jun-18	
	S\$'000	S\$'000	
Revenue	28,307	31,594	-10%
Cost of sales	(23,040)	(24,453)	6%
Gross profit	5,267	7,141	-26%
Other operating income	392	600	-35%
Distribution and selling expenses	(1,227)	(2,331)	47%
Administrative expenses	(3,209)	(3,535)	9%
Other operating expenses	(254)	(73)	N.M.
Finance expenses	(478)	(372)	-28%
Profit before income tax	491	1,430	-66%
Income tax expense	(209)	(428)	51%
Net profit for the financial period	282	1,002	-72%
Profit / (loss) attributable to:			
Equity holders of the Company	280	1,487	-81%
Non-controlling interests	2	(485)	N.M.
Net profit for the financial period	282	1,002	-72%

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 Profit or Loss and Other Comprehensive Income (Cont'd)

	<u>Group</u>		Change %
	30-Jun-19 S\$'000	30-Jun-18 S\$'000	
Net profit for the financial period	282	1,002	-72%
Other comprehensive (loss) / income:			
Exchange differences on translating foreign operations	(598)	119	-603%
Other comprehensive (loss) / income for the period, net of tax	(598)	119	603%
Total comprehensive (loss) / income for the period	(316)	1,121	-128%
Total comprehensive (loss) / income attributable to:			
Owners of the Company	(274)	1,598	-117%
Non-controlling interests	(42)	(477)	-91%
Total comprehensive (loss) / income for the period	(316)	1,121	-128%

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

	Group		Change %
	30-Jun-19 S\$'000	30-Jun-18 S\$'000	
Allowance for doubtful trade receivables	8	-	N.M.
Amortisation of land use rights	5	5	0%
Bad debts written-off (trade)	25	31	-19%
Depreciation of property, plant and equipment	1,535	1,599	-4%
Depreciation of right-of-use assets	1,406	-	N.M.
Finance expenses	478	372	28%
Interest income	(45)	(35)	29%
Net (gain) / loss on disposal of plant and equipment	(74)	1	N.M.
Reversal of provision	(19)	-	N.M.
Realised foreign exchange loss	3	14	-79%
Unrealised foreign exchange loss / (gain)	230	(181)	N.M.

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 30-Jun-19 S\$'000	As at 31-Mar-19 S\$'000	As at 30-Jun-19 S\$'000	As at 31-Mar-19 S\$'000
ASSETS				
Non-current assets				
Investment properties	900	900	6,300	6,300
Property, plant and equipment	39,522	40,519	-	-
Right-of-use assets	10,702	-	662	-
Investment in subsidiaries	-	-	38,150	38,150
Investment in associate	-	-	-	-
Goodwill on consolidation	10,559	10,559	-	-
Intangible assets	-	-	-	-
Land use rights	890	916	-	-
Club membership	4	4	-	-
Other investments	5,216	5,216	584	584
Other receivables, deposits and prepayments	1,063	1,060	-	-
Deferred tax assets	1,314	1,101	-	-
	70,170	60,275	45,696	45,034
Current assets				
Inventories	4,749	4,644	-	-
Contract assets	1,166	1,698	-	-
Trade receivables	45,542	40,274	-	-
Other receivables, deposits and prepayments	15,246	15,674	23	27
Amount due from subsidiaries	-	-	49,835	48,894
Cash and cash equivalents	10,608	13,362	199	898
	77,311	75,652	50,057	49,819
Total assets	147,481	135,927	95,753	94,853
EQUITY AND LIABILITIES				
Equity				
Share capital	53,086	53,086	82,614	82,614
Treasury shares	(145)	(145)	(145)	(145)
Other reserves	(6,857)	(6,303)	(4,536)	(4,536)
Retained earnings	24,185	23,905	7,601	7,363
Equity attributable to owners of the Company	70,269	70,543	85,534	85,296
Non-controlling interests	4,623	4,665	-	-
Total equity	74,892	75,208	85,534	85,296

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Statements of Financial Position (Cont'd)

	Group		Company	
	As at 30-Jun-19 S\$'000	As at 31-Mar-19 S\$'000	As at 30-Jun-19 S\$'000	As at 31-Mar-19 S\$'000
Non-current liabilities				
Bank loans	4,697	4,954	3,127	3,267
Lease liabilities	7,175	1,850	644	-
Deferred tax liabilities	1,096	1,590	-	-
	12,968	8,394	3,771	3,267
Current liabilities				
Contract liabilities	-	88	-	-
Bank loans	30,694	28,460	5,674	5,786
Lease liabilities	7,286	1,663	21	-
Trade payables	13,638	12,669	-	-
Other payables and accruals	6,745	8,430	753	504
Provision	-	19	-	-
Income tax payable	1,258	996	-	-
	59,621	52,325	6,448	6,290
Total liabilities	72,589	60,719	10,219	9,557
Total equity and liabilities	147,481	135,927	95,753	94,853

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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 immediately preceding financial 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.**

The Group's borrowings (including lease liabilities*) are as follows:

	As at 30-Jun-19		As at 31-Mar-19	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	29,965	8,015	17,538	12,585
Amount repayable after one year	11,486	386	6,343	461
Total	41,451	8,401	23,881	13,046

Details of collateral

The banking facilities are secured by the following collaterals:

- (a) legal mortgage of the Group's investment property and leasehold buildings;
- (b) pledge of fixed deposits amounting to \$1.3 million (31 March 2019: \$1.3 million); and
- (c) assignment of contract proceeds from specific projects undertaken by certain subsidiaries.

In addition, the banking facilities are secured by:

- (a) corporate guarantee by the Company and a subsidiary; and
- (b) personal guarantee from directors of certain subsidiaries that are not wholly-owned by the Group.

* The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases and the effect on lease obligation recognition was \$10.8 million as at 30 June 2019.

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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	
	30-Jun-19	30-Jun-18
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	491	1,430
Adjustments for:		
Allowance for doubtful trade receivables	8	-
Amortisation of land use rights	5	5
Bad-debt written-off (trade)	25	31
Depreciation of property, plant and equipment	1,535	1,599
Depreciation of right-of-use assets	1,406	-
Finance expenses	478	372
Interest income	(45)	(35)
Net (gain) / loss on disposal of plant and equipment	(74)	1
Reversal of provision	(19)	-
Operating cash flows before working capital changes	3,810	3,403
Movement in working capital:		
Inventories	(105)	(367)
Contract assets and liabilities	444	(229)
Trade and other receivables	(4,876)	(748)
Trade and other payables	(716)	1,412
Cash (used in) / generated from operations	(1,443)	3,471
Income tax paid	(643)	(479)
Net cash (used in) / generated from operating activities	(2,086)	2,992

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Consolidated Statement of Cash Flows (Cont'd)

	Group	
	Three months ended	
	30-Jun-19	30-Jun-18
	S\$'000	S\$'000
Cash flows from investing activities		
Interest received	45	35
Proceeds from disposal of plant and equipment	268	19
Purchase of property, plant and equipment	(391)	(1,988)
Effect of foreign currency re-alignment on investing activities	(279)	(61)
Net cash flows used in investing activities	(357)	(1,995)
Cash flows from financing activities		
Interest paid	(478)	(372)
Proceeds from bank loans	8,365	8,771
Repayment of bank loans	(6,278)	(9,762)
Repayment of lease liabilities (30 June 2018: Repayment of finance lease liabilities)	(1,841)	(736)
Net cash flows used in financing activities	(232)	(2,099)
Net decrease in cash and cash equivalents	(2,675)	(1,102)
Effects of exchange rates changes on cash and cash equivalents	(79)	119
Cash and cash equivalents as at beginning of the period	12,084	9,093
Cash and cash equivalents as at end of the financial period	9,330	8,110

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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 ended	
	30-Jun-19	30-Jun-18
	S\$'000	S\$'000
Cash and bank balances	6,601	7,685
Fixed deposits	4,007	2,151
	10,608	9,836
Fixed deposits pledged	(1,278)	(1,726)
Cash and cash equivalents	9,330	8,110

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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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year
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	Foreign currency translation 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
Balance as at 1 April 2019	75,208	70,543	53,086	(145)	23,905	(6,303)	(530)	(1,137)	(4,636)	4,665
Profit for the financial period	282	280	-	-	280	-	-	-	-	2
Other comprehensive loss for the										
Exchange differences on translating foreign operations	(598)	(554)	-	-	-	(554)	-	(554)	-	(44)
Other comprehensive loss for the period, net of tax	(598)	(554)	-	-	-	(554)	-	(554)	-	(44)
Total comprehensive (loss) / income for the period	(316)	(274)	-	-	280	(554)	-	(554)	-	(42)
Balance as at 30 June 2019	74,892	70,269	53,086	(145)	24,185	(6,857)	(530)	(1,691)	(4,636)	4,623

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Statements of Changes in Equity (Cont'd)

	Total equity	Attributable to owners of the Company							Non-controlling interests	
		Total	Share capital	Treasury shares	Retained profits	Other reserves, Total	Capital reserve	Foreign currency translation 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
Balance as at 1 April 2018, as previously reported	73,944	70,142	52,798	(145)	20,757	(3,268)	1,848	(429)	(4,687)	3,802
Effect of adoption of SFRS(I) 15	(833)	(678)	-	-	(678)	-	-	-	-	(155)
Balance as at 1 April 2018, as restated	73,111	69,464	52,798	(145)	20,079	(3,268)	1,848	(429)	(4,687)	3,647
Profit / (loss) for the financial period	1,002	1,487	-	-	1,487	-	-	-	-	(485)
<u>Other comprehensive income for the period</u>										
Exchange differences on translating foreign operations	119	111	-	-	-	111	-	111	-	8
Other comprehensive income for the period, net of tax	119	111	-	-	-	111	-	111	-	8
Total comprehensive income / (loss) for the period	1,121	1,598	-	-	1,487	111	-	111	-	(477)
Balance as at 30 June 2018	74,232	71,062	52,798	(145)	21,566	(3,157)	1,848	(318)	(4,687)	3,170

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Statements of Changes in Equity (Cont'd)

	Total equity	Share capital	Treasury shares	Retained profits	Other reserves, Total	Capital reserve	Fair value adjustment reserve
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2019	85,296	82,614	(145)	7,363	(4,536)	100	(4,636)
Profit for the financial period	238	-	-	238	-	-	-
Balance as at 30 June 2019	85,534	82,614	(145)	7,601	(4,536)	100	(4,636)

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Statements of Changes in Equity (Cont'd)

	Total equity	Share capital	Treasury shares	Retained profits	Other reserves, Total	Capital reserve	Fair value adjustment reserve
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2018	82,232	82,326	(145)	4,638	(4,587)	100	(4,687)
Profit for the financial period	749	-	-	749	-	-	-
Balance as at 30 June 2018	82,981	82,326	(145)	5,387	(4,587)	100	(4,687)

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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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Chasen Performance Share Plan 2017

At the Extraordinary General Meeting of the Company held on 28 July 2017, the shareholders of the Company approved the adoption of the Chasen Performance Share Plan 2017 (the "CPSP").

No share was granted under CPSP as at 30 June 2019 and 30 June 2018.

The details of change of the Company's share capital are summarised as below:

	FY2020	FY2019
Issued and paid up capital excluding treasury share		
As at 1 April and 30 June	<u><u>387,026,748</u></u>	<u><u>387,026,748</u></u>
Treasury shares		
As at 1 April and 30 June	<u><u>1,841,107</u></u>	<u><u>1,841,107</u></u>

As at 30 June 2019, the number of treasury shares represented 0.48% (30 June 2018: 0.48%) of the total number of issued and paid up shares of the Company.

The company has no subsidiary holdings as at 30 June 2019 and 30 June 2018.

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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	
	30-Jun-19	31-Mar-19
Total number of issued shares	388,867,855	388,867,855
Less: Treasury shares	(1,841,107)	(1,841,107)
Total number of issued shares excluding treasury shares	<u>387,026,748</u>	<u>387,026,748</u>

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

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

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings 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 quarter's financial statements as those of the previous audited financial statements except as stated in paragraph 5 below.

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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 the new or revised Singapore Financial Reporting Standards (International) (“SFRS(I)s”) that are effective for annual periods beginning on or after 1 April 2019. Changes to the Group’s accounting policies have been made (if any), in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s.

The adoption of these new or revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not result in substantial changes to the Group’s and Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years, except for the following:

Adoption of SFRS(I) 16

The Group has adopted the new SFRS(I) 16 Leases using the modified retrospective approach. SFRS(I) 16 introduces a single, on-balance sheet lease accounting model. It requires a lessee to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

With the adoption of SFRS(I) 16, the Group has applied the practical expedient to recognise the amount of right-of-use assets equal to the lease liabilities as at 1 April 2019. Subsequent to initial recognition, the Group depreciates the right-of-use assets over the lease term, and recognise interest expenses on the lease liabilities. As at 30 June 2019, the Group has recorded a right-of-use assets of \$10.7 million and a corresponding lease liabilities of \$10.8 million.

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).**

Earnings per share (“EPS”)

	Group	
	Three Months ended	
	30-Jun-19	30-Jun-18
EPS based on average number of shares (cents)	0.07	0.39
EPS based on a fully diluted basis (cents)	0.07	0.39
Weighted average number of shares ('000)	387,027	382,977
Weighted average number of shares - diluted ('000)	387,027	382,977

The basic and diluted EPS were the same for the both financial periods as there were no potentially dilutive ordinary securities existing during both financial periods.

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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.
Net asset value ("NAV")

	Group	
	As at	As at
	30-Jun-19	31-Mar-19
Net asset value per share (cents) based on the total number of issued shares excluding treasury shares	18.2	18.2
Total number of issued shares excluding treasury shares ('000)	387,027	387,027

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 ("Q1FY2020") ended 30 June 2019, the Group's revenue of \$28.3 million was lower than last year's corresponding quarter by \$3.3 million (or 10%) mainly due to lower revenue recognised by Specialist Relocation Business Segment ("Specialist Relocation") offset by higher revenue from Third Party Logistics ("3PL") and Technical and Engineering ("T&E") Business Segments. Reduced revenue from Specialist Relocation resulted from substantially reduced contribution from the US market and lower contribution from PRC projects.

ii) Gross profit and gross profit margin

For Q1FY2020, the Group's gross profit of \$5.3 million was lower than last year's corresponding quarter by \$1.9 million (or 26%) in line with reduced revenue from Specialist Relocation. Correspondingly, the Group's gross profit margin in Q1FY2020 decreased by 4.0% to 18.6%.

iii) Other operating income

For Q1FY2020, the other operating income of \$0.4 million was lower than last year's corresponding quarter by \$0.2 million (or 35%) mainly due to lower foreign exchange gain.

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iv) Distribution and selling expenses

For Q1FY2020, the Group's distribution and selling expenses of \$1.2 million was lower than last year's corresponding quarter by \$1.1 million (or 47%) resulting from cost control in view of lower revenue. As a percentage of revenue, distribution and selling expenses decreased by 3.1% to 4.3% in Q1FY2020 as compared to last year's corresponding quarter.

v) Administrative expenses

For Q1FY2020, the Group's administrative expenses of \$3.2 million was lower than last year's corresponding quarter by \$0.3 million (or 9%) due to lower payroll costs and depreciation charges.

As a percentage of revenue, the administrative expenses increased marginally by 0.1% to 11.3% in Q1FY2020 due to lower revenue base in this quarter as compared to last year's corresponding quarter.

vi) Other operating expenses

For Q1FY2020, the other operating expenses increased by \$0.2 million as compared to last year's corresponding quarter mainly due to higher foreign exchange loss.

vii) Profit before income tax

As a result of the above, the Group recorded profit before income tax of \$0.5 million for Q1FY2020 which was lower than last year's corresponding quarter by \$0.9 million.

As a percentage of revenue, pre-tax profit margin was 1.7% in Q1FY2020 as compared with last year's corresponding quarter of 4.5%.

viii) Income tax expense

For Q1FY2020, the income tax expense of \$0.2 million was lower than last year's corresponding quarter by \$0.2 million mainly due to lower chargeable income for this quarter. The effective tax rate provided this quarter was higher than Singapore's nominal tax rate due to tax payable in foreign jurisdiction.

ix) Profit after income tax

As a result, the Group's profit after income tax for Q1FY2020 of \$0.3 million was \$0.7 million lower than last year's corresponding quarter.

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B) Statements of Financial Position**i) Property, plant and equipment**

The decrease in net book value of \$1.0 million was mainly due depreciation charged offset by capital expenditure incurred during the financial period.

ii) Right-of-use assets

Right-of-use assets refer to assets recognised on operating leases for the Group as lessee, in accordance to SFRS(I) 16 adopted on 1 April 2019. The Group has recorded the right-of-use assets of \$10.7 million as at 30 June 2019.

iii) Inventories

The increase in inventories of \$0.1 million was mainly due to higher book orders as compared to last year's corresponding quarter.

iv) Contract assets and liabilities

The net decrease in contract assets and liabilities of \$0.4 million was mainly due to fulfilment of customers' orders in the T&E Business Segment in Singapore.

v) Trade receivables

The increase in trade receivables of \$5.3 million was mainly due to increase in period end billing to customers.

vi) Other receivables , deposits and prepayments

The decrease in other receivables, deposits and prepayments of \$0.4 million was due to refund of deposit from a customer.

vii) Bank loans

The increase in bank loans of \$2.0 million was due to proceeds from new credit facilities offset by repayments of bank loans.

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viii) Lease liabilities

As at 30 June 2019, lease liabilities comprise operating lease liabilities of \$10.8 million (31 March 2019: Nil) in accordance with the adoption of SFRS(I) 16 and finance lease liabilities of \$3.6 million (31 March 2019: \$3.5 million). These lease liabilities refer to the Group's obligation to make lease payments for the right-of-use assets as per point (ii) above and the property, plant and equipment under the finance lease arrangement.

The increase in lease liabilities of \$10.9 million mainly due to recognition of the operating lease liabilities of the right-of-use assets of \$10.8 million and proceeds from new finance lease arrangement offset by repayment of finance lease liabilities of \$0.1 million.

ix) Trade payables

The increase in trade payables of \$1.0 million was due to increase in period-end billing by trade suppliers and contractors.

x) Other payables and accruals

The decrease in other payables and accruals of \$1.7 million was mainly due to repayment of other payables.

C) Consolidated Statement of Cash Flows

The net cash used in operating activities for Q1FY2020 of \$2.1 million was a reversal of last year's corresponding quarter of net cash generated from operating activities of \$3 million. This was mainly due to the changes in working capital which resulted in higher net cash outflow from operating activities during the quarter.

For Q1FY2020, the net cash used in investing activities was \$1.6 million lower than the last year's corresponding quarter was mainly due to lower purchase of plant and equipment.

For Q1FY2020, the decrease in net cash used in financing activities by \$1.8 million as compared to last year's corresponding quarter was mainly due to lower repayment of bank loans.

Overall, the Group's cash and cash equivalent as at 30 June 2019 of \$9.3 million was higher by \$1.2 million as compared to 30 June 2018.

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.

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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 ongoing global macro-economic trend of reduced corporate investments is being felt by Group's Specialist Relocation including its PRC operations as major Chinese companies (state and privately owned) defer their capacity expansion plans as the local economy slowed. As ongoing projects are completed and the commencement of some projects recently awarded delayed, the Group saw its quarterly revenue declined.

The reduction in corporate capital spending resulting in slower implementation of previously committed capacity expansion plans is not expected to reverse any time soon and the order books of the Specialist Relocation built up over the past two quarters would be stretched well into the next financial year. The reduced revenue pie in PRC market also resulted in lower margins in the bid for new projects.

The cross border land freight of the Group's 3PL however continued to gain traction spurred by its extended operational presence in China and Vietnam. This enhanced regional presence enabled the 3PL subsidiaries to benefit from the regional operations of its customers as we were able to serve the same customers in various geographic locations. Where previously these customers were served by different local service providers, they now benefit from the synergy of the regional presence of our 3PL operation.

The increase in revenue of the Technical & Engineering was due to increase in deliveries in Telecommunication products. The margins of the construction-related projects secured remained thin. With the reduced margin from the Specialist Relocation, the overall Gross Profit of the Group reduced substantially this quarter. Operational costs are being trimmed in the face of lower margin in order to maintain the Group's operational profitability.

11 If a decision regarding dividend has been made:-

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No.

(b) (i) Amount per share cents

Nil

(ii) Previous corresponding period cents

Nil

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- (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 and the reason(s) for the decision.**

No dividend has been declared/recommendeded for three months ended 30 June 2019 as the financial performance of the Group has not been concluded.

- 13 If the Group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), 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 not obtained an Interested Person Transactions (“IPT”) general mandate at the General Meeting. There was no IPT exceeding \$100,000 for the period under review.

- 14 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
14 August 2019

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Confirmation by the Board pursuant to Rule 705(5) of the Main Board Listing Manual

We, Low Weng Fatt and Siah Boon Hock, being two directors of Chasen Holdings Limited (the "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 first quarter ended 30 June 2019 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