

**CHASEN HOLDINGS LIMITED**

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

**FIRST QUARTER (“Q1FY2017”) FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 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**

	<b>Group</b>		<b>Change %</b>
	<b>Three months ended 30-Jun-16 \$'000</b>	<b>30-Jun-15 \$'000</b>	
<b>Revenue</b>	<b>20,874</b>	<b>22,238</b>	<b>-6%</b>
Cost of sales	(16,212)	(17,774)	-9%
<b>Gross profit</b>	<b>4,662</b>	<b>4,464</b>	<b>4%</b>
Other operating income	386	577	-33%
Distribution and selling expenses	(1,040)	(1,099)	-5%
Administrative expenses	(2,898)	(2,800)	4%
Other operating expenses	(370)	(395)	-6%
Finance expenses	(349)	(336)	4%
Share of results of an associate	(50)	43	N.M.
<b>Profit before income tax</b>	<b>341</b>	<b>454</b>	<b>-25%</b>
Income tax expense	(154)	(81)	90%
<b>Net profit for the financial period</b>	<b>187</b>	<b>373</b>	<b>-50%</b>
<b>Profit attributable to:</b>			
Equity holders of the Company	8	377	-98%
Non-controlling interests	179	(4)	N.M.
<b>Net profit for the financial period</b>	<b>187</b>	<b>373</b>	<b>-50%</b>
<b>Earnings per share attributable to equity holders of the Company (refer to item 6)</b>	<b>Cents</b>	<b>Cents</b>	
- Basic	0.002	0.130	-98%
- Diluted	0.002	0.130	-98%

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**

	<u>Group</u>		<b>Change</b> %
	<b>Three months ended</b> 30-Jun-16 \$'000	<b>30-Jun-15</b> \$'000	
<b>Net profit for the financial period</b>	187	373	-50%
<b>Other comprehensive income:</b>			
<b>Items that may be reclassified subsequently to profit and loss</b>			
Exchange differences on translating foreign operations	(952)	(616)	55%
<b>Other comprehensive income for the financial period, net of tax</b>	(952)	(616)	55%
<b>Total comprehensive income for the financial period</b>	<u>(765)</u>	<u>(243)</u>	<b>N.M.</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the Company	(872)	(19)	<b>N.M.</b>
Non-controlling interests	107	(224)	<b>N.M.</b>
<b>Total comprehensive income for the financial period</b>	<u>(765)</u>	<u>(243)</u>	<b>N.M.</b>

Note: N.M. - Not meaningful

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

	<b>Group</b>		<b>Change</b>
	<b>Three months ended</b>		
	<b>30-Jun-16</b>	<b>30-Jun-15</b>	
	\$'000	\$'000	%
Written back of doubtful debt - non trade	(36)	(3)	1100%
Amortisation of club membership*	-*	-*	N.M.
Amortisation of intangible assets	50	50	0%
Depreciation of property, plant and equipment	1,470	1,535	-4%
Interest income	(13)	(10)	30%
Finance expenses	349	336	4%
Net gain on disposal of property, plant and equipment	(8)	4	-300%
Realised foreign exchange loss	7	-	N.M.
Unrealised foreign exchange loss	104	186	-44%

Note: N.M. - Not meaningful

\* Less than \$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-16 \$'000	As at 31-Mar-16 \$'000	As at 30-Jun-16 \$'000	As at 31-Mar-16 \$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment property	950	950	-	-
Property, plant and equipment	31,457	32,372	-	-
Investments in subsidiaries	-	-	38,075	38,075
Investments in associates	1,056	1,116	200	200
Goodwill on consolidation	10,559	10,559	-	-
Intangible assets	288	340	-	-
Club membership	7	7	-	-
Available-for-sale financial assets	625	625	625	625
Other receivables, deposits and prepayments	409	414	213	221
Deferred tax assets	1,163	1,163	-	-
	<b>46,514</b>	<b>47,546</b>	<b>39,113</b>	<b>39,121</b>
<b>Current assets</b>				
Inventories	3,831	4,009	-	-
Gross amount due from customers on contract work-in-progress	230	2,000	-	-
Trade receivables	37,378	38,212	-	-
Other receivables, deposits and prepayments	16,747	15,380	56	50
Amounts due from subsidiaries	-	-	44,172	43,694
Cash and cash equivalents	9,670	11,800	2,163	2,406
	<b>67,856</b>	<b>71,401</b>	<b>46,391</b>	<b>46,150</b>
<b>Total assets</b>	<b>114,370</b>	<b>118,947</b>	<b>85,504</b>	<b>85,271</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	50,876	50,876	80,404	80,404
Treasury shares	(135)	(116)	(135)	(116)
Other reserves	(2,213)	(1,332)	(3,108)	(3,108)
Retained profits	12,055	12,047	3,125	2,478
Equity attributable to owners of the Company	<b>60,583</b>	<b>61,475</b>	<b>80,286</b>	<b>79,658</b>
Non-controlling interests	4,053	3,945	-	-
<b>Total equity</b>	<b>64,636</b>	<b>65,420</b>	<b>80,286</b>	<b>79,658</b>

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**Statements of Financial Position (Cont'd)**

	Group		Company	
	As at 30-Jun-16 \$'000	As at 31-Mar-16 \$'000	As at 30-Jun-16 \$'000	As at 31-Mar-16 \$'000
<b>Non-current liabilities</b>				
Bank loans	6,327	7,096	2,762	3,153
Finance lease payables	2,302	2,576	-	-
Deferred tax liabilities	830	846	-	-
	<b>9,459</b>	<b>10,518</b>	<b>2,762</b>	<b>3,153</b>
<b>Current liabilities</b>				
Bank overdrafts	-	1,072	-	-
Bank loans	18,736	19,905	1,523	1,496
Finance lease payables	2,227	2,231	-	-
Trade payables	11,972	12,398	-	-
Other payables and accruals	6,706	6,591	933	964
Income tax payable	634	812	-	-
	<b>40,275</b>	<b>43,009</b>	<b>2,456</b>	<b>2,460</b>
<b>Total liabilities</b>	<b>49,734</b>	<b>53,527</b>	<b>5,218</b>	<b>5,613</b>
<b>Total equity and liabilities</b>	<b>114,370</b>	<b>118,947</b>	<b>85,504</b>	<b>85,271</b>

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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 30-Jun-16		As at 31-Mar-16	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
<b>Amount repayable in one year or less, or on demand</b>	16,013	4,950	16,815	6,393
<b>Amount repayable after one year</b>	3,915	4,714	4,255	5,417
<b>Total</b>	<b>19,928</b>	<b>9,664</b>	<b>21,070</b>	<b>11,810</b>

**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 subsidiaries;
- (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**

	<u>Group</u>	
	<u>Three months ended</u>	<u>30-Jun-15</u>
	<u>30-Jun-16</u>	<u>30-Jun-15</u>
	<u>S\$'000</u>	<u>S\$'000</u>
<b>Cash flows from operating activities</b>		
<b>Profit before income tax</b>	<b>341</b>	<b>454</b>
<b>Adjustment for:</b>		
Amortisation of intangible assets	50	50
Depreciation of property, plant and equipment	1,470	1,535
Interest income	(13)	(10)
interest expense	349	336
Net (gain)/loss on disposal of property, plant and equipment	(8)	4
Share of results of an associate	50	(43)
Wirritten back of allowance for doubtful other receivables, net	(36)	(3)
<b>Operating cash flows before working capital changes</b>	<b>2,203</b>	<b>2,323</b>
<b>Movement in working capital:</b>		
Inventories	177	(273)
Gross amount due from customers on contract work-in-progess	1,768	870
Trade and other receivables	(492)	687
Trade and other payables	(311)	1,231
<b>Cash generated from operations</b>	<b>3,345</b>	<b>4,838</b>
Income taxes paid	(347)	(682)
<b>Net cash generated from operating activities</b>	<b>2,998</b>	<b>4,156</b>

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**Consolidated Statement of Cash Flows (Cont'd)**

	<b>Group</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from investing activities</b>		
Interest received	13	10
Purchase of property, plant and equipment	(668)	(677)
Proceeds from disposal of property, plant and equipment	37	8
Effect of foreign currency re-alignment on investing activities	(452)	(432)
<b>Net cash flows used in investing activities</b>	<b>(1,070)</b>	<b>(1,091)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(349)	(336)
Proceeds from bank loans	4,116	27,919
Purchase of treasury shares	(19)	-
Repayment of bank loans	(5,927)	(30,143)
Repayment of finance lease payables	(736)	(968)
Release of pledged fixed deposits with banks	1,017	-
<b>Net cash flows generated used in financing activities</b>	<b>(1,898)</b>	<b>(3,528)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>30</b>	<b>(463)</b>
Effects of exchange rates changes on cash and cash equivalents	(71)	246
Cash and cash equivalents at beginning of the financial period	9,344	8,573
<b>Cash and cash equivalents at end of the financial period</b>	<b>9,303</b>	<b>8,356</b>



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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:

	<b>Group</b>	
	<b>Three months ended</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and bank balances	8,411	9,204
Fixed deposits	1,259	3,897
	<b>9,670</b>	<b>13,101</b>
<b>Less</b>		
Fixed deposits pledged	(367)	(3,897)
Bank overdrafts	-	(848)
	<b>9,303</b>	<b>8,356</b>

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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	← Attributable to owners of the Company →										
	Total equity	Total	Share capital	Treasury shares	Retained profits	Other reserves, Total	Capital reserve	Warrant reserve	Foreign currency translation reserve	Fair value adjustment reserve	Non-controlling interests
Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'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	187	8	-	-	8	-	-	-	-	-	179
<b><u>Other comprehensive (loss)/income for the financial period</u></b>											
Exchange differences on translating foreign operations	(952)	(881)	-	-	-	(881)	-	-	(881)	-	(71)
Other comprehensive loss for the financial period, net of tax	(952)	(881)	-	-	-	(881)	-	-	(881)	-	(71)
Total comprehensive loss for the financial period	(765)	(873)	-	-	8	(881)	-	-	(881)	-	108
<b><u>Contributions by and distributions to owners</u></b>											
Purchases of treasury shares	(19)	(19)	-	(19)	-	-	-	-	-	-	-
Total contributions by and distributions to owners	(19)	(19)	-	(19)	-	-	-	-	-	-	-
Balance as at 30 June 2016	64,636	60,583	50,876	(135)	12,055	(2,213)	1,848	1,487	(953)	(4,595)	4,053

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**Statements of Changes in Equity (Cont'd)**

Group	Total equity \$'000	← Attributable to owners of the Company →									
		Total \$'000	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Other reserves, Total \$'000	Capital reserve \$'000	Warrant reserve \$'000	Foreign currency translation reserve \$'000	Fair value adjustment reserve \$'000	Non-controlling interests \$'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	373	377	-	-	377	-	-	-	-	-	(4)
<b>Other comprehensive income for the financial period</b>											
Exchange differences on translating foreign operations	(616)	(396)	-	-	-	(396)	-	-	(396)	-	(220)
<b>Other comprehensive income for the financial period, net of tax</b>	(616)	(396)	-	-	-	(396)	-	-	(396)	-	(220)
<b>Total comprehensive loss for the financial period</b>	(243)	(19)	-	-	377	(396)	-	-	(396)	-	(224)
<b>Balance as at 30 June 2015</b>	<b>70,077</b>	<b>65,406</b>	<b>49,995</b>	<b>(93)</b>	<b>16,761</b>	<b>(1,257)</b>	<b>1,848</b>	<b>783</b>	<b>1,089</b>	<b>(4,977)</b>	<b>4,671</b>

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**Statements of Changes in Equity (Cont'd)**

Company	Total equity \$'000	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Other reserves, Total \$'000	Warrant reserve \$'000	Fair value adjustment reserve \$'000
<b>Balance as at 1 April 2016</b>	79,658	80,404	(116)	2,478	(3,108)	1,487	(4,595)
Profit for the financial period	647	-	-	647	-	-	-
<b><u>Other comprehensive income for the financial period</u></b>	-	-	-	-	-	-	-
<b>Total comprehensive income for the financial period</b>	647	-	-	647	-	-	-
<b><u>Contributions by and distributions to owners</u></b>							
Purchase of treasury shares	(19)	-	(19)	-	-	-	-
<b>Total contributions by and distributions to owners</b>	(19)	-	(19)	-	-	-	-
<b>Balance as at 30 June 2016</b>	<b>80,286</b>	<b>80,404</b>	<b>(135)</b>	<b>3,125</b>	<b>(3,108)</b>	<b>1,487</b>	<b>(4,595)</b>

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**Statements of Changes in Equity (Cont'd)**

<b>Company</b>	<b>Total equity</b>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Retained profits</b>	<b>Other reserves, Total</b>	<b>Warrant reserve</b>	<b>Performance share plan reserve</b>	<b>Fair value adjustment reserve</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance as at 1 April 2015</b>	<b>76,400</b>	<b>79,523</b>	<b>(93)</b>	<b>1,164</b>	<b>(4,194)</b>	<b>783</b>	<b>-</b>	<b>(4,977)</b>
Loss for the financial period	(161)	-	-	(161)	-	-	-	-
<b><u>Other comprehensive income for the financial period</u></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the financial period</b>	<b>(161)</b>	<b>-</b>	<b>-</b>	<b>(161)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30 June 2015</b>	<b>76,239</b>	<b>79,523</b>	<b>(93)</b>	<b>1,003</b>	<b>(4,194)</b>	<b>783</b>	<b>-</b>	<b>(4,977)</b>

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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 21 March 2014, the Company issued 100,566,756 warrants, pursuant to Chasen Warrants Issue. On 29 January 2016, an adjustment of 8,506,657 warrants were issued to the warrant holders in accordance to the Deed Poll dated 19 February 2014. With effect from 2 Feb 2016, the exercise price of the warrant for ordinary share has reduced to \$0.11.

As of 30 June 2016, 6,987,886 warrants were exercised to acquire 6,987,886 ordinary shares. There was no warrant exercised during the three months ended 30 June 2016 and corresponding period last year.

**Warrant 180201**

On 29 January 2016, the Company issued 62,098,630 warrants, pursuant to Chasen Rights cum Warrants Issue.

As of 30 June 2016, 12,054,600 warrants were exercised to acquire 12,054,600 ordinary shares. There was no warrant exercised during the three months ended 30 June 2016.

	<b>FY2017</b>	<b>FY2016</b>
<b>Issued and paid up capital excluding treasury shares</b>		
Opening balance	334,517,211	291,978,191
Issuance of shares pursuant to the exercise of Warrants 150506	-	1,105
Share buyback held as treasury shares	(550,000)	-
Closing balance	<u>333,967,211</u>	<u>291,979,296</u>
<b>Treasury shares</b>		
Opening balance	1,091,107	826,502
Share buyback held as treasury shares	550,000	-
Closing balance	<u>1,641,107</u>	<u>826,502</u>
<b>Number of warrants outstanding</b>	<b>As at</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
Warrant 170320	102,085,527	93,578,870
Warrant 180201	50,044,030	-
	<u>152,129,557</u>	<u>93,578,870</u>

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**Chasen Performance Share Plan (“CPSP”)**

No share award was granted during the three months ended 30 June 2016 (30 June 2015: Nil). As at 30 June 2016, no share was outstanding under CPSP.

**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.**

	<b>As at</b>	
	<b>30-Jun-16</b>	<b>31-Mar-16</b>
Total number of issued shares	335,608,318	335,608,318
Less Treasury shares	(1,641,107)	(1,091,107)
	<hr/>	
Total number of issued shares excluding treasury shares	<u>333,967,211</u>	<u>334,517,211</u>

**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.**

	<b>Number of Treasury shares</b>
As at 1 April 2016	1,091,107
Shares purchased transferred to Treasury shares	<u>550,000</u>
As at 30 June 2016	<u>1,641,107</u>

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.

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**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 and year 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.**

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to its operations and effective for annual periods beginning or after 1 April 2016. The adoption of these new or revised FRS and INT FRS did 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).**

**Earnings per share ("EPS")**

	<b>Group</b>	
	<b>Three Months</b>	
	<b>ended</b>	
	<b>30-Jun-16</b>	<b>30-Jun-15</b>
EPS based on average number of shares (cents)	0.002	0.130
EPS based on a fully diluted basis (cents)	0.002	0.130
Weighted average number of shares ('000)	333,967	291,979
Weighted average number of shares - diluted ('000)	346,648	291,979

**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")**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>30-Jun-16</b>	<b>31-Mar-16</b>	<b>30-Jun-16</b>	<b>31-Mar-16</b>
Net asset value per share (cents) based on the total number of issued shares excluding treasury shares	<u>18.1</u>	<u>18.4</u>	<u>24.0</u>	<u>23.8</u>
Total number of issued shares excluding treasury shares ('000)	<u>333,967</u>	<u>334,517</u>	<u>333,967</u>	<u>334,517</u>

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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**  
(Q1FY2017 vs Q1FY2016)

**i) Revenue**

Q1FY2017 vs Q1FY2016

The Group's revenue for the first quarter ended 30 June 2016 ('Q1FY2017') was \$20.8 million, a decrease of \$1.4 million as compared to the corresponding period a year ago.

Revenue from Specialist Relocation Business Segment, Third Party Logistics Business Segment and Technical and Engineering Business segment decreased by \$0.8 million, \$0.3 million and \$0.3 million respectively in Q1FY2017 as compared to a year ago. The reduced revenue corresponds with the slowing macroeconomic conditions prevailing in the markets that the Group operates in.

**ii) Gross profit and gross profit margin**

Q1FY2017 vs Q1FY2016

The Group's gross profit for Q1FY2017 increased by 4% or \$0.2 million to \$4.6 million mainly due to reduced cost of sales resulting in a 22.3% gross profit margin for the quarter as compared to 20.1% achieved during the corresponding period a year ago.

**iii) Other operating income**

Q1FY2017 vs Q1FY2016

For the quarter ended 30 June 2016, other operating income decreased by \$0.2 million in the absence of a \$0.2 million in share of losses by a joint venture partner booked in the corresponding period a year ago.

**iv) Distribution and selling expenses**

Q1FY2017 vs Q1FY2016

The distribution and selling expenses in Q1FY2017 decreased by 5% or \$0.1 million to \$2.9 million as compared to the same quarter last year due to lower manpower related costs and distribution expense.

**v) Administrative expenses**

Q1FY2017 vs Q1FY2016

Administrative expenses for Q1FY2017 was \$2.9 million similar to that a year ago.

**vi) Other operating expenses**

Q1FY2017 vs Q1FY2016

Other operating expenses for Q1FY2017 was \$0.3 million, a slight reduction to that a year ago.

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**vii) Finance expenses**

Q1FY2017 vs Q1FY2016

Finance expenses for Q1FY2017 was \$0.3 million, a slight increase to that a year ago.

**viii) Share of results of an associate**

Q1FY2017 vs Q1FY2016

The share of loss in an associate was \$50,000 for this quarter as compared to \$43,000 gain in the same quarter last year mainly due to weaker performance by the associate.

**ix) Profit before income tax**

Q1FY2017 vs Q1FY2016

As a result of the above mentioned, the Group reported a profit before tax of \$0.3 million as compared to a profit before tax of \$0.5 million reported for the corresponding period last year.

**x) Income tax expense**

Q1FY2017 vs Q1FY2016

The tax expenses recognised in Q1FY2017 is the net tax expense from different tax jurisdictions that the Group's subsidiaries operate in.

**xi) Profit after income tax**

Q1FY2017 vs Q1FY2016

As a result of the above, the Group reported a profit after tax for Q1FY2017 of \$0.2 million as compared to a profit after tax of \$0.4 million for the corresponding period last year.

**B) Statements of Financial Position**

(30 June 2016 vs 31 March 2016)

**i) Intangible assets**

The decrease in value of intangible assets of \$52,000 as a result of continued amortisation.

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

Continued sales delivery resulted in the decrease of \$1.8 million in gross amount due from customers on contract work-in-progress as at 30 June 2016.

**iii) Treasury shares**

The increase of \$19,000 in treasury shares resulted from share-buyback conducted during the quarter ended 30 June 2016.

**iv) Other reserves**

The decrease of \$0.9 million in the Group's other reserves was mainly due to foreign currency translation loss.

**v) Bank loans, non-current liabilities**

The decrease in non-current bank loans of \$0.8 million was due to repayments.

**vi) Finance Lease payables, non-current liabilities**

The decrease was mainly due to continued repayment of finance lease payables.

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**vii) Bank overdrafts**

The decrease of \$1.1 million in bank overdrafts was due to repayment by the Group.

**viii) Income tax payable**

The decrease was mainly due to net tax paid during the quarter ending 30 June 2016.

**C) Consolidated Statements of Cash Flows**  
**(Q1FY2017)**

**i) Net cash generated from operating activities**

Q1FY2017

The net cash inflows for the three months ended 30 June 2016 was mainly due to the adjustment for non-cash items, decrease in inventories and decrease in gross amount from customers on contract work-in-progress. This was partially offset by an increase in trade and other receivables, payment of trade and other payables as well as income tax.

**ii) Net cash used in investing activities**

Q1FY2017

The net cash outflows resulted from capital expenditure during the quarter ended 30 June 2016.

**iii) Net cash used in financing activities**

Q1FY2017

The net cash outflows was mainly due to the repayment of bank loans and finance lease payables partially offset by proceeds from drawdown of bank loans.

**iv) Net movement in cash and cash equivalents**

As a result of the above activities, there was a net cash increase of \$30,000 in Q1FY2017.

**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 anticipated implementation of several relocation projects in the PRC was delayed and is expected to commence in the later part of current fiscal year.

Our Third Party Logistics business in Thailand commences operation during the quarter. Together with the vibrant Malaysia operation, they compensated for a substantial portion of the reduction in the 3PL activities in the Singapore market.

The growing Contract Manufacturing sector of our Technical and Engineering Business Segment in PRC cushioned the substantial reduction in business activities, particularly in the construction sector of the Singapore market.

Barring unforeseen circumstances, the Group expects to be profitable in the current financial year.

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**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

**(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 ended 30 June 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 \$100,000 for the period under review.

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**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**  
**11 August 2016**

**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 ("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 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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### Update on use of rights issue proceeds and Proceeds from exercised warrants

The net proceeds from the subscription of the Warrants Issue of \$0.9 million and net proceeds from the exercise of warrants W170320 of \$0.8 million from the date of issuance up to 11 August 2016 were deposited into the Company's common bank account used for all of the Company's expenses, including the payment of administrative expenses incurred in the ordinary course of business.

The net proceeds have been fully utilised as reported in earlier quarterly results.

The Company will make further announcement on the use of the net proceeds from the exercise of warrants W170320 should further funds be received and materially disbursed.

### Update on use of rights issue 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 11 August 2016 were not utilised 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
Net proceeds from subscription of Rights shares cum Warrant Issue (after deducting professional fees and related expenses)	1.3
Net proceeds from exercise of warrants W180201 from the Warrant Issue	0.3
Balance as at 11 August 2016	<u>1.6</u>
Amount utilised as working capital:	
Sub-contracting and materials expenses	(0.3)
Professional fees and annual report expenses	(0.1)
Balance as at 11 August 2016	<u><u>1.2</u></u>

The Company will make further announcement on the use of the net proceeds from the subscription of Rights shares cum warrants issue and exercise of warrants W180201 as and when the funds are materially disbursed.