

CHASEN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
Company Registration Number 199906814G

SECOND QUARTER & HALF-YEAR FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

The directors of Chasen Holdings Limited ("our Company" or "we") are pleased to announce the unaudited operating results for the second quarter ended 30 September 2014(Q2FY2015) and half-year ended 30 September 2014(1HFY2015).

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.

	Q2FY2015	Q2FY2014	Increase/ (Decrease)	1HFY2015	1HFY2014	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Revenue	24,532	25,984	(6)	49,928	47,644	5
Cost of sales	(18,652)	(19,808)	(6)	(38,651)	(36,896)	5
Gross profit	5,880	6,176	(5)	11,277	10,748	5
Other operating income	283	332	(15)	617	702	(12)
Distribution and selling expenses	(1,792)	(1,551)	16	(3,087)	(2,603)	19
Administrative expenses	(3,249)	(3,239)	-	(6,584)	(6,276)	5
Other operating expenses	(72)	(689)	(90)	(162)	(758)	(79)
Finance expenses	(267)	(268)	-	(591)	(500)	18
Share of results of associate, net of tax	(86)	-	N.M.	(129)	-	N.M.
Profit before income tax	697	761	(8)	1,341	1,313	2
Income tax expense	(177)	(314)	(44)	(426)	(409)	4
Net profit for the financial period	520	447	16	915	904	1
Net profit attributable to :						
- Equity holders of the Company	240	436	(45)	389	735	(47)
- Non-controlling interests	280	11	N.M.	526	169	211
	520	447	16	915	904	1

Earnings per share attributable to equity holders of the Company (cents) [see item 6]

- Basic	0.09	0.17	0.15	0.29
- Diluted	0.09	0.17	0.14	0.29

Statement of Comprehensive Income for the second quarter and half-year ended 30 September 2014

	Q2FY2015	Q2FY2014	Increase/ (Decrease)	1HFY2015	1HFY2014	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Net profit for the financial period	520	447	16	915	904	1
Other comprehensive income						
Currency translation differences arising from consolidation	442	(183)	N.M.	280	391	(28)
Total comprehensive income for the financial period	962	264	265	1,195	1,295	(8)

Note:

N.M. : Not meaningful

	Q2FY2015	Q2FY2014	Increase/ (Decrease)	1HFY2015	1HFY2014	Increase/ (Decrease)
	\$'000	\$'000	%	\$'000	\$'000	%
Total comprehensive income attributable to:						
- Equity holders of the Company	720	273	164	723	1,111	(35)
- Non-controlling interests	242	(9)	N.M.	472	184	157
Total comprehensive income for the financial period	962	264	N.M.	1,195	1,295	(8)

1(a)(i) Profit before income tax is determined after charging/(crediting):-

	Q2FY2015	Q2FY2014	1HFY2015	1HFY2014
	\$'000	\$'000	\$'000	\$'000
Allowance for doubtful trade receivables, net	-	446	-	446
Allowance for doubtful debt no longer required	(10)	-	(10)	-
Amortization of intangible assets	49	48	97	97
Bad debts written off	-	86	1	106
Depreciation of property, plant and equipment	1,424	1,324	2,829	2,539
Interest income	(6)	(102)	(9)	(125)
Interest expense	266	268	591	500
Investment written off	-	177	-	177
Net gain on disposal of property, plant and equipment	(17)	(11)	(30)	(15)
Property, plant and equipment written off	1	-	1	-
Realized foreign exchange loss/(gain)	3	(4)	4	18
Unrealized foreign exchange (gain)/loss	(120)	71	(96)	(60)
Share-based payment expenses	-	23	99	45

Note:

N.M. : Not meaningful

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.

	Group		Company	
	30-Sep-14 \$'000	31-Mar-14 \$'000	30-Sep-14 \$'000	31-Mar-14 \$'000
ASSETS				
Non-current assets				
Investment property	408	-	-	-
Property, plant and equipment	22,175	23,824	-	-
Investments in subsidiaries	-	-	38,075	38,075
Investments in an associate	1,281	1,409	200	200
Goodwill on consolidation	10,638	10,638	-	-
Intangible assets	631	726	-	-
Club membership	9	9	-	-
Available-for-sale financial assets	1,055	1,055	1,055	1,055
Other receivables, deposits and prepayments	408	408	214	214
Total non-current assets	36,605	38,069	39,544	39,544
Current assets				
Inventories	3,436	3,152	-	-
Gross amount due from customers on contract work-in-progress	2,213	3,816	-	-
Trade receivables	38,087	35,597	-	-
Other receivables, deposits and prepayments	13,801	11,861	187	344
Amount due from subsidiaries	-	-	31,267	30,857
Cash and cash equivalents	15,356	14,747	1,890	1,672
Total current assets	72,893	69,173	33,344	32,873
Total assets	109,498	107,242	72,888	72,417
EQUITY AND LIABILITIES				
Equity				
Share capital	44,987	43,688	74,516	73,216
Treasury shares	(146)	(146)	(146)	(146)
Other reserves	(1,389)	(1,328)	(3,283)	(2,889)
Retained profits	14,794	14,404	(73)	407
Equity attributable to owners of the Company	58,246	56,618	71,014	70,588
Non-controlling interests	5,318	4,845	-	-
Total equity	63,564	61,463	71,014	70,588
Non-current liabilities				
Bank loans	3,386	3,539	-	-
Finance lease payable	1,991	1,912	-	-
Deferred tax liabilities	844	881	-	-
Total non-current liabilities	6,221	6,332	-	-

	Group		Company	
	30-Sep-14	31-Mar-14	30-Sep-14	31-Mar-14
	\$'000	\$'000	\$'000	\$'000
Current liabilities				
Bank overdrafts	1,147	766	-	-
Bank loans	18,859	17,152	1,000	1,000
Finance lease payable	1,705	1,865	-	-
Trade payables	10,843	13,000	-	-
Other payable and accruals	6,610	6,263	874	829
Income tax payable	549	401	-	-
Total current liabilities	39,713	39,447	1,874	1,829
Total liabilities	45,934	45,779	1,874	1,829
Total equity and liabilities	109,498	107,242	72,888	72,417

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

(a) Amount repayable in one year or less, or on demand

30-Sep-14		31-Mar-14	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
15,989	5,722	12,804	6,603

(b) Amount repayable after one year

30-Sep-14		31-Mar-14	
\$'000	\$'000	\$'000	\$'000
Secured	Unsecured	Secured	Unsecured
3,370	2,007	3,344	2,483
Total	19,359	7,729	16,148
			9,086

Details of any collateral

The bank overdrafts and bank loans are secured by legal mortgage of investment property and the leasehold buildings (as at 30 September 2014), corporate guarantee from Chasen Holdings Limited and its subsidiary, Chasen Logistics Services Limited, Hup Lian Engineering Pte Ltd, pledge of fixed deposits amounting to \$4,892,530 and personal guarantee from certain directors of the Group. They are repayable over a period of 1 months to 15 years. Interest is charged at range from 1.68% to 9.00% per annum (31 March 2014: 1.68% to 9.00%).

The above borrowings include the Group's utilized finance leases to acquire equipment and motor vehicles (represented by present value).

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.**

	Q2FY2015	Q2FY2014	1HFY2015	1HFY2014
	\$'000	\$'000	\$'000	\$'000
Operating activities:-				
Profit before income tax	697	761	1,341	1,313
Adjustments for:				
Allowance for doubtful trade receivables, net	(10)	446	(10)	446
Amortization of intangible assets	49	48	97	97
Bad debts written off	-	86	1	106
Share-based payment expenses	-	23	99	45
Depreciation of property, plant and equipment	1,424	1,324	2,829	2,539
Interest income	(6)	(102)	(9)	(125)
Interest expense	266	268	591	500
Investment written off	-	177	-	177
Net gain on disposal of property, plant and equipment	(17)	(11)	(30)	(15)
Property, plant and equipment written off	1	-	1	-
Share of results of associate, net of tax	86	-	129	-
Operating cash flows before movements in working capital	2,490	3,020	5,039	5,083
Movement in working capital:				
Inventories	(233)	(283)	(284)	(709)
Gross amount due from customers on contract work-in-progress	(7)	173	1,603	(15)
Trade and other receivables	(2,348)	(9,060)	(4,422)	(12,405)
Trade and other payables	(1,671)	3,172	(1,810)	6,110
Cash (used in)/generated from operations	(1,769)	(2,978)	126	(1,936)
Income tax paid	(241)	(194)	(315)	(186)
Net cash used in operating activities	(2,010)	(3,172)	(189)	(2,122)
Investing activities:-				
Increase in non-controlling interests	-	-	-	75
Interest received	6	102	9	125
Purchase of property, plant and equipment	(922)	(1,549)	(1,105)	(4,736)
Proceeds from disposal of investment property	-	-	-	5,075
Proceeds from disposal of property, plant and equipment	90	21	353	48
Effect of foreign currency re-alignment on investing activities	543	(358)	388	115
Net cash (used in)/generated from investing activities	(283)	(1,784)	(355)	702

Financing activities:-

Dividend paid to equity holders of the Company	
Dividend paid to non-controlling interests	
Interest paid	
Proceeds from bank loans	
Proceeds from warrants conversion	
Repayment of bank loans	
Repayment of finance lease payables	
Release/(placement) of pledged fixed deposits with banks	
Net cash generated/(used in) from financing activities	
Net (decrease)/increase in cash and cash equivalents	
Effect of exchange rate changes on cash and cash equivalents	
Cash and cash equivalents at beginning of financial period	
Cash and cash equivalents at end of financial period	

Q2FY2015	Q2FY2014	1HFY2015	1HFY2014	
\$'000	\$'000	\$'000	\$'000	
-	(493)	-	(493)	
(80)	-	(80)	-	
(266)	(268)	(591)	(500)	
53,967	14,878	79,367	25,930	
186	417	807	417	
(51,375)	(12,215)	(77,859)	(19,895)	
(314)	(515)	(888)	(1,015)	
117	(2,000)	119	(2,001)	
2,235	(196)	875	2,443	
(58)	(5,152)	331	1,023	
30	182	16	170	
9,344	11,069	8,969	4,906	
9,316	6,099	9,316	6,099	
Cash and cash equivalents comprise:-				
Cash and cash equivalents	10,463	7,230	10,463	7,230
Fixed deposits	4,893	3,376	4,893	3,376
	15,356	10,606	15,356	10,606
Less: Fixed deposits pledged	(4,893)	(3,376)	(4,893)	(3,376)
Bank overdrafts	(1,147)	(1,131)	(1,147)	(1,131)
	9,316	6,099	9,316	6,099

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 the capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to owners of the Company											
	Equity, total	Equity attributable to owners of the Company, total	Share capital	Treasury shares	Retained profits	Other reserves, total	Capital reserve	Warrants reserve	Foreign currency translation reserve	Performance share plan reserve	Fair value adjustment reserve	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2014	61,463	56,618	43,688	(146)	14,404	(1,328)	1,848	866	(287)	410	(4,165)	4,845
Profit for the financial period	395	149	-	-	149	-	-	-	-	-	-	246
<u>Other comprehensive income</u>												
Foreign currency translation differences	(162)	(146)	-	-	-	(146)	-	-	(146)	-	-	(16)
Other comprehensive income for the financial period, net of tax	(162)	(146)	-	-	-	(146)	-	-	(146)	-	-	(16)
Total comprehensive income for the financial period	233	3	-	-	149	(146)	-	-	(146)	-	-	230
<u>Contributions by and distributions to owners</u>												
Vesting of performance share award	-	-	410	-	-	(410)	-	-	-	(410)	-	-
Shares issued for warrants conversion	621	621	699	-	-	(78)	-	(78)	-	-	-	-
Cost of share-based payments	99	99	-	-	-	99	-	-	-	99	-	-
Total contributions by and distributions to owners	720	720	1,109	-	-	(389)	-	(78)	-	(311)	-	-
Total transactions with owners in their capacity as owners	720	720	1,109	-	-	(389)	-	(78)	-	(311)	-	-
Balance at 30 June 2014	62,416	57,341	44,797	(146)	14,553	(1,863)	1,848	788	(433)	99	(4,165)	5,075
Profit for the financial period	520	240	-	-	240	-	-	-	-	-	-	280
<u>Other comprehensive income</u>												
Foreign currency translation	443	480	-	-	1	479	-	-	479	-	-	(37)
Other comprehensive income for the financial period, net of tax	443	480	-	-	1	479	-	-	479	-	-	(37)
Total comprehensive income for the financial period	963	720	-	-	241	479	-	-	479	-	-	243
<u>Contributions by and distributions to owners</u>												
Shares issued for warrants conversion	185	185	190	-	-	(5)	-	(5)	-	-	-	-
Total contributions by and distributions to owners	185	185	190	-	-	(5)	-	(5)	-	-	-	-
Total transactions with owners in their capacity as owners	185	185	190	-	-	(5)	-	(5)	-	-	-	-
Balance at 30 September 2014	63,564	58,246	44,987	(146)	14,794	(1,389)	1,848	783	46	99	(4,165)	5,318

Attributable to owners of the Company

Group	Equity attributable to owners of the Company						Attributable to owners of the Company				Non-controlling interests
	Equity, total	Equity attributable to owners of the Company, total	Share capital	Treasury shares	Retained profits	Other reserves, total	Capital reserve	Foreign currency translation reserve	Performance share plan reserve	Fair value adjustment reserve	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2013	54,848	50,647	42,037	(7)	12,810	(4,193)	69	(660)	271	(3,873)	4,201
Profit for the financial period	457	299	-	-	299	-	-	-	-	-	158
<u>Other comprehensive income</u>											
Foreign currency translation	574	539	-	-	-	539	-	539	-	-	35
Other comprehensive income for the financial period, net of tax	574	539	-	-	-	539	-	539	-	-	35
Total comprehensive income for the financial period	1,031	838	-	-	299	539	-	539	-	-	193
<u>Contributions by and distributions to owners</u>											
Cost of share-based payments	22	22	-	-	-	22	-	-	22	-	-
Total contributions by and distributions to owners	22	22	-	-	-	22	-	-	22	-	-
<u>Changes in ownership interests in subsidiaries</u>											
Increase in non-controlling interests	75	-	-	-	-	-	-	-	-	-	75
Total changes in ownership interests in subsidiaries	75	-	-	-	-	-	-	-	-	-	75
Total transactions with owners in their capacity as owners	97	22	-	-	-	22	-	-	22	-	75
Balance at 30 June 2013	55,976	51,507	42,037	(7)	13,109	(3,632)	69	(121)	293	(3,873)	4,469
Profit for the financial period	447	436	-	-	436	-	-	-	-	-	11
<u>Other comprehensive income</u>											
Foreign currency translation	(183)	(163)	-	-	-	(163)	-	(163)	-	-	(20)
Other comprehensive income for the financial period, net of tax	(183)	(163)	-	-	-	(163)	-	(163)	-	-	(20)
Total comprehensive income for the financial period	264	273	-	-	436	(163)	-	(163)	-	-	(9)
<u>Contributions by and distributions to owners</u>											
Shares issued for warrants conversion	417	417	417	-	-	-	-	-	-	-	-
Cost of share-based payments	23	23	-	-	-	23	-	-	23	-	-
Final dividend for the previous year paid	(494)	(494)	-	-	(494)	-	-	-	-	-	-
Total contributions by and distributions to owners	(54)	(54)	417	-	(494)	23	-	-	23	-	-
Total transactions with owners in their capacity as owners	(54)	(54)	417	-	(494)	23	-	-	23	-	-
Balance at 30 September 2013	56,186	51,726	42,454	(7)	13,051	(3,772)	69	(284)	316	(3,873)	4,460

Company	Equity, total \$'000	Share capital \$'000	Treasury shares \$'000	Retained profits \$'000	Other reserves, total \$'000	Warrants reserve \$'000	Performance share plan reserve \$'000	Fair value adjustment reserve \$'000
Balance at 1 April 2014	70,588	73,216	(146)	407	(2,889)	866	410	(4,165)
Loss for the financial period	(284)	-	-	(284)	-	-	-	-
<u>Contributions by and distributions to owners</u>								
Vesting of performance share award	-	410	-	-	(410)	-	(410)	-
Shares issued for acquisition of a subsidiary	-	-	-	-	-	-	-	-
Shares issued for warrants conversion	622	700	-	-	(78)	(78)	-	-
Cost of share-based payments	99	-	-	-	99	-	99	-
Total contributions by and distributions to owners	721	1,110	-	-	(389)	(78)	(311)	-
Balance at 30 June 2014	71,025	74,326	(146)	123	(3,278)	788	99	(4,165)
Total comprehensive income for the period	(196)	-	-	(196)	-	-	-	-
<u>Contributions by and distributions to owners</u>								
Shares issued for warrants conversion	185	190	-	-	(5)	(5)	-	-
Total contributions by and distributions to owners	185	190	-	-	(5)	(5)	-	-
Balance at 30 September 2014	71,014	74,516	(146)	(73)	(3,283)	783	99	(4,165)

Company	Equity, total	Share capital	Treasury shares	Retained profits	Other reserves, total	Performance share plan reserve	Fair value adjustment reserve
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 April 2013	69,136	71,565	(7)	1,180	(3,602)	271	(3,873)
Profit/Total comprehensive income for the financial period	281	-	-	281	-	-	-
<u>Contributions by and distributions to owners</u>							
Cost of share-based payments	22	-	-	-	22	22	-
Total contributions by and distributions to owners	22	-	-	-	22	22	-
Balance at 30 June 2013	69,439	71,565	(7)	1,461	(3,580)	293	(3,873)
Total comprehensive income for the period	201	-	-	201	-	-	-
<u>Contributions by and distributions to owners</u>							
Shares issued for warrants conversion	417	417	-	-	-	-	-
Cost of share-based payments	23	-	-	-	23	23	-
Final dividend for the previous year paid	(494)	-	-	(494)	-	-	-
Total contributions by and distributions to owners	(54)	417	-	(494)	23	23	-
Balance at 30 September 2013	69,586	71,982	(7)	1,168	(3,557)	316	(3,873)

1(d)(ii) Details of any changes in the Company's share capital arising from right issue, bonus issues, 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.

On 21 March 2014, the Company issued 100,566,756 warrants, pursuant to Chasen Warrants Issue.
As of 30 September 2014, 6,926,886 warrants were exercised to acquire 6,926,886 ordinary shares.

	Number of shares as at	
	30-Sep-14	30-Sep-13
Issued and paid up capital		
Balance at 1 July	259,051,865	246,742,610
Conversion of warrants shares	1,543,300	1,387,332
Balance at 30 September	<u>260,595,165</u>	<u>248,129,942</u>
Treasury shares		
Balance at 1 July	826,502	32,502
Share buyback held as treasury shares	-	-
Balance at 30 September	<u>826,502</u>	<u>32,502</u>
Total shares excluding treasury shares as at end of financial period	259,768,663	248,097,440

As at 30 September 2014, the number of outstanding warrants is 119,895,330 (30 September 2013: 30,368,912).

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 financial year.

	As at	
	30-Sep-14	31-Mar-14
Total number of ordinary issued shares excluding treasury shares	<u>259,768,663</u>	<u>251,416,892</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 and as at the end of the corresponding period of the immediately preceding financial year.

	As at	
	30-Sep-14	30-Sep-13
Balance at 1 July/30 September	<u>826,502</u>	<u>32,502</u>

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.

3 Whether 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 computation 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 any 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.

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

Earnings per share (EPS)

EPS based on average number of shares (cents)
 EPS based on a fully diluted basis (cents)
 Weighted average number of shares ('000)
 Weighted average number of shares - diluted ('000)

Group			
Q2FY2015	Q2FY2014	1HFY2015	1HFY2014
0.09	0.17	0.15	0.29
0.09	0.17	0.14	0.29
260,278	249,960	257,438	249,960
282,285	252,034	279,445	252,034

Weighted average number of shares - diluted ('000)

Weighted average number of ordinary shares in calculation of basic earnings per share ('000)
 Adjusted for - weighted average number of unissued ordinary shares from outstanding warrants/shares under Performance Share Plan ('000)
 Weighted average number of ordinary shares outstanding (diluted) ('000)

Group			
Q2FY2015	Q2FY2014	1HFY2015	1HFY2014
260,278	249,960	257,438	249,960
22,007	2,074	22,007	2,074
282,285	252,034	279,445	252,034

7 Net asset value (for the issuer and group) per ordinary share based on the total number of shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

Net asset value (NAV)

Number of shares ('000)
 NAV (cents)

Group		Company	
30-Sep-14	31-Mar-14	30-Sep-14	31-Mar-14
259,769	251,417	259,769	251,417
22.4	22.5	27.3	28.1

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 year reported on.

Revenue

Group's revenue for the second quarter of the financial period ended 30 September 2014 ('Q2FY2015') decreased by 6% to \$24.5 million as compared to the corresponding period a year ago. Group revenue for half-year ended 30 September 2014 ('1HFY2015') however increased by 5% from \$47.6 million to \$49.9 million.

The decrease in revenue in Q2FY2015 was due to the decrease in Technical and Engineering Business Segment which contributed \$8.9 million for this quarter as compared to \$11.0 million in the corresponding period a year ago. The decrease was due to a reduction in revenue for the repair and servicing and contract manufacturing business.

However, this decrease was offset by an increase in revenue from the Third Party Logistics Business Segment which increased by \$0.7 million to \$6.8 million.

Revenue from Specialist Relocation Business Segment remained relatively stable at \$8.8 million for this quarter.

Gross Profit/Gross Profit Margin

The Group's gross profit for Q2FY2015 decreased by 5% to \$5.9 million in line with the decrease in revenue. The gross profit margin remained relatively stable at 24%.

Other Operating Income

Other operating income decreased slightly to \$0.3 million in Q2FY2015 and \$0.6 million in 1HFY2015 due to a decrease in interest income offset by an increase in unrealised foreign exchange gain.

Operating Expenses

The 16% increase in distribution and selling expenses in Q2FY2015 and 19% increase in 1HFY2015 was due to higher marketing expenses incurred in securing overseas projects.

Administrative expenses this quarter were flat against the corresponding period last year.

Other operating expenses decreased by \$0.6 million in Q2FY2015 and 1HFY2015 as compared to both periods last year. There was no provision for doubtful trade receivables and impairment of investment this quarter and in 1HFY2015.

The share of loss in an associate net of tax was \$0.1 million (Q2FY2014: Nil).

Profit before and after tax

As a result of the abovementioned, the Group reported a profit before tax of \$0.7 million this quarter as compared to profit before tax of \$0.8 million in Q2FY2014. Profit before tax for 1HFY2015 at \$1.3 million was 2% higher than 1HFY2014.

The profit after tax for Q2FY2015 was \$0.5 million as compared to profit after tax of \$0.4 million for the same period a year ago due to a lower provision for income tax resulting from higher group relief.

Statements Of Financial Position

There was an increase in investment property of \$0.4 million due to a reclassification from property, plant and equipment.

The decrease of \$1.6 million in property, plant and equipment were mainly due to depreciation, reclassification of a property to investment property and disposal of some equipment.

The decrease of \$0.1 million in intangible assets was due to amortisation.

The reduction of \$1.6 million in gross amount due from customers on contract work-in-progress was due to increased delivery and invoicing of work-in-progress.

The trade receivables comprised \$18.8 million in trade receivables, \$17.9 million in accrued revenue and \$1.4 million in retention sum. The increase was mainly due to the timing difference of receipt from customer.

The increase of \$1.9 million in other receivables, deposits and prepayments were mainly due to higher prepayments.

The decrease of \$2.2 million in trade payables was mainly due to timing difference of payment to suppliers.

The increase of \$0.3 million in other payables and accruals to \$6.6 million was mainly due to an increase in accrual of operating expenses offset against increase in GST input tax.

The increase in bank overdraft and bank loans were to support the working capital needs of the Group.

The decrease in finance lease payables of \$0.1 million at the end of this financial period was due to scheduled repayments.

Cash Flow

The Group recorded a net cash outflow of \$2.0 million used in operating activities for Q2FY2015. This was mainly due to operating cash flows before movements in working capital of \$2.5 million and decrease in trade and other payables of \$1.7 million, increase in inventories of \$0.2 million, increase in trade and other receivables of \$2.3 million and income tax paid of \$0.2 million.

The Group recorded a \$0.3 million net cash outflow from investing activities due to purchase of fixed assets.

Net cash generated from financing activities of \$2.2 million was mainly attributable to net increase in bank loans.

Utilisation of Proceeds from Warrants Issue 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 1 April 2014 up to 30 September 2014 were deposited into the Company's common bank account used for all of the Company's expenses, including the payment of salaries, administration and expenses incurred in the ordinary course of business. The use of the net proceeds for working capital purposes were as follows:-

	Amount (S\$m)
Net proceeds from the subscription of the Warrants Issue (after deducting professional fees and related expenses)	0.9
Net proceeds from exercise of warrants W170320 from the Warrants Issue	0.8
Amount utilized as working capital: -	
Operating payables	(0.8)
Listing and compliance expenses	(0.2)
Professional fee and annual report expenses	(0.1)
Warehouse rental	(0.3)
Insurance	(0.2)
Utilities	(0.1)
Balance as at 30 September 2014	-

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

There was no forecast or prospect statement. The results are consistent with the commentary of the past 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 major Specialist Relocation projects particularly those secured in PRC, are now in full swing after a slow start during the quarter. They are expected to contribute substantially to Group revenue in the next two quarters.

However, bottomline was weighed down substantially by the Technical and Engineering Business Segment in the quarter under review. Operational challenges are being overcome and results would be reflected in the coming quarters.

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

11 Dividend**(a) Current Financial Period Reported on**

Any dividend declared for the current financial period reported on? None

Name of dividend :

Dividend type :

Dividend rate :

Par value of shares :

Tax rate :

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None

Name of dividend :

Dividend type :

Dividend rate :

Tax rate :

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been recommended for the financial period ended 30 September 2014.

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 IPT general mandate and no IPT transactions for the period under review.

BY ORDER OF THE BOARD

Low Weng Fatt
Managing Director and CEO
12 November 2014

Confirmation by the Board pursuant to Rule 705(5) of the 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 second quarter and the half-year ended 30 September 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Low Weng Fatt
Managing Director and CEO
12 November 2014

Siah Boon Hock
Executive director