
CLARIFICATION ON THE ANNOUNCEMENT OF ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

The Board of Directors of Chasen Holdings Limited (the “**Company**”) refers to the announcement released by the Company of its Annual Report for the financial year ended 31 March 2021 to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 13 July 2021 (Announcement reference: SG210713OTHR7M8C).

The Board wishes to provide the additional information in response to the SGX-ST’s queries as follows:-

Query 1:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “Code”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 2.4 of the Code as you have not disclosed your board diversity policy and progress made towards implementing the board diversity policy, including objectives, and there were no explanations were provided for in your Annual Report on how it is consistent with the intent of Principle 2 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

Company’s Response to Query 1:

As disclosed on page 28 of the Annual Report, the composition of the Board is reviewed at least annually by the Nominating Committee. The Nominating Committee is of the view that there is a strong element of independence in the Board as the independent directors currently form the majority of the Board. Chew Choy Seng and Lim Yew Si are accountancy and financial professionals throughout their career and Chew Mun Yew has extensive engineering and senior management experience from major MNC players in the semiconductor industry that forms the specialist relocation customer base in Singapore and the Asia region. Therefore, there is diversity of thoughts and background in its composition to enable it to exercise the Director’s independent business judgement in the best interests of the Company.

The Board comprises Directors who have the appropriate balance and diversity of skills, expertise and experience, knowledge of the industries the Group does business in and collectively possess the necessary core competencies for effective functioning and informed decision-making. Notwithstanding the lack of gender diversity at the Board level due to scarce/limited pool of experienced female senior executives in the logistics and construction related sectors in Singapore to draw from, the Board is always on the lookout. The Board aside, it is to be noted that two female key management personnel (out of a total of 6) are on the Company’s management bench, which include the Chief Financial Officer of the Group.

The Company confirms that its current practices are consistent with the intent of Principle 2 of the Code. The Board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate in its Board meetings, which include the Chief Financial Officer.

Query 2:

Listing Rule 710 requires issuers to explicitly state, when deviating from the provisions prescribed in the Code of Corporate Governance 2018 (the “Code”), an explanation on how the practices it had adopted are consistent with the intent of the relevant principle. We note that the Company had not complied with Provision 8.2 of the Code with regards to the disclosure of remuneration, and there were no explanations were provided for in your Annual Report on how it is consistent with the intent of Principle 8 of the Code. Please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company’s remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Company’s Response to Query 2:

As disclosed on page 35 of the Annual Return, save for Cheong Tuck Nang and Yap Beng Geok Dorothy who are the son-in-law and daughter of Yap Koon Bee @ Louis Yap, a substantial shareholder of the Company, there is no other employee, who is substantial shareholders of the Company, or is immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 for the financial year ended 31 March 2021.

The process of remuneration administration is led by the Remuneration Committee which provides critical oversight in assuring alignment of individual, enterprise and Group’s performance to long term shareholders’ interest and value creation in a sustainable manner. The salient factors that form the key pillars in the administration of remuneration practices pertaining to Directors and key management personnel in compliance with the Principles are as articulated in pages 33 & 35 of the Annual Report.

This level of disclosure is consistent with the intent of transparency on the company’s remuneration policies taking into account evolving industry trends and forces, competition for talent recruitment and retention. It is prudent and in the shareholders’ interest to protect this competitive advantage through an appropriate level of transparency in the Company’s compliance regime and compensation practices.

The Company has not disclosed exact details of the remuneration of each individual Director as maintaining confidentiality on such matters is desirable in the overall interest of the business. Attracting and retaining capable professionals are top priorities for the Group operating in a highly competitive industry. It is to be noted the breakdown in the level and mix of remunerations in percentage terms are, in and by itself, of significance.

The Company confirms that its current practices are consistent with the intent of Principle 8 of the Code.

By Order of the Board

Low Weng Fatt
Managing Director and CEO

26 July 2021