

**CHASEN HOLDINGS LIMITED**

Company registration number: 199906814G

**SECOND QUARTER (“Q2FY2020”) AND HALF YEAR (“1HFY2020”) FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 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			Group		
	Three months ended		Change	Half year ended		Change
	30-Sep-19	30-Sep-18		30-Sep-19	30-Sep-18	
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Revenue</b>	<b>27,881</b>	<b>33,119</b>	<b>-16%</b>	<b>56,188</b>	<b>64,713</b>	<b>-13%</b>
Cost of sales	(23,035)	(24,922)	8%	(46,075)	(49,375)	7%
<b>Gross profit</b>	<b>4,846</b>	<b>8,197</b>	<b>-41%</b>	<b>10,113</b>	<b>15,338</b>	<b>-34%</b>
Other operating income	674	443	52%	1,066	1,043	2%
Distribution and selling expenses	(1,487)	(2,165)	31%	(2,714)	(4,496)	40%
Administrative expenses	(2,796)	(3,882)	28%	(6,005)	(7,417)	19%
Other operating expenses	(221)	(570)	61%	(475)	(643)	26%
Finance expenses	(539)	(376)	-43%	(1,017)	(748)	-36%
<b>Profit before income tax</b>	<b>477</b>	<b>1,647</b>	<b>-71%</b>	<b>968</b>	<b>3,077</b>	<b>-69%</b>
Income tax expense	(115)	(434)	74%	(324)	(862)	62%
<b>Net profit for the financial period</b>	<b>362</b>	<b>1,213</b>	<b>-70%</b>	<b>644</b>	<b>2,215</b>	<b>-71%</b>
<b>Profit / (loss) attributable to:</b>						
Equity holders of the Company	54	1,315	-96%	334	2,802	-88%
Non-controlling interests	308	(102)	N.M.	310	(587)	N.M.
<b>Net profit for the financial period</b>	<b>362</b>	<b>1,213</b>	<b>-70%</b>	<b>644</b>	<b>2,215</b>	<b>-71%</b>

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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>			<u>Group</u>		
	<u>Three months ended</u>	<u>30-Sep-18</u>	<u>Change</u>	<u>Half year ended</u>	<u>30-Sep-18</u>	<u>Change</u>
	<u>30-Sep-19</u>	<u>30-Sep-18</u>	<u>%</u>	<u>30-Sep-19</u>	<u>30-Sep-18</u>	<u>%</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
<b>Net profit for the financial period</b>	<b>362</b>	<b>1,213</b>	<b>-70%</b>	<b>644</b>	<b>2,215</b>	<b>-71%</b>
<b>Other comprehensive loss:</b>						
Exchange differences on translating foreign operations	(235)	(1,201)	80%	(833)	(1,082)	23%
<b>Other comprehensive loss for the period, net of tax</b>	<b>(235)</b>	<b>(1,201)</b>	<b>80%</b>	<b>(833)</b>	<b>(1,082)</b>	<b>23%</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>127</b>	<b>12</b>	<b>N.M.</b>	<b>(189)</b>	<b>1,133</b>	<b>N.M.</b>
<b>Total comprehensive income / (loss) attributable to:</b>						
Owners of the Company	(184)	175	N.M.	(458)	1,773	N.M.
Non-controlling interests	311	(163)	N.M.	269	(640)	N.M.
<b>Total comprehensive income / (loss) for the period</b>	<b>127</b>	<b>12</b>	<b>N.M.</b>	<b>(189)</b>	<b>1,133</b>	<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:**

	<u>Group</u>			<u>Group</u>		
	<u>Three months ended</u>		<u>Change</u>	<u>Half year ended</u>		<u>Change</u>
	<u>30-Sep-19</u>	<u>30-Sep-18</u>		<u>30-Sep-19</u>	<u>30-Sep-18</u>	
	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>%</u>
Amortisation of land use rights	4	5	-20%	9	10	-10%
Bad debts written-off (trade)	-	-	N.M.	25	26	-4%
Depreciation of property, plant and equipment	1,197	1,491	-20%	2,732	3,090	-12%
Depreciation of right-of-use assets	1,074	-	N.M.	2,480	-	N.M.
Finance expenses	539	376	43%	1,017	748	36%
Interest income	(39)	(8)	N.M.	(84)	(43)	95%
Net gain on disposal of plant and equipment	(192)	(7)	N.M.	(266)	(6)	N.M.
Reversal of provision	-	-	N.M.	(19)	-	N.M.
Realised foreign exchange loss / (gain)	5	(8)	-163%	8	6	33%
Unrealised foreign exchange (gain) / loss	(13)	359	-104%	217	178	22%
Write back of allowance for doubtful trade receivables	(8)	-	N.M.	-	-	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-Sep-19 S\$'000	As at 31-Mar-19 S\$'000	As at 30-Sep-19 S\$'000	As at 31-Mar-19 S\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment properties	900	900	6,300	6,300
Property, plant and equipment	38,883	40,519	-	-
Right-of-use assets	10,522	-	655	-
Investment in subsidiaries	-	-	38,150	38,150
Investment in associate	-	-	-	-
Goodwill on consolidation	10,559	10,559	-	-
Intangible assets	-	-	-	-
Land use rights	871	916	-	-
Club membership	4	4	-	-
Other investments	5,216	5,216	584	584
Other receivables, deposits and prepayments	1,085	1,060	-	-
Deferred tax assets	1,311	1,101	-	-
	<b>69,351</b>	<b>60,275</b>	<b>45,689</b>	<b>45,034</b>
<b>Current assets</b>				
Inventories	4,923	4,644	-	-
Contract assets	1,043	1,698	-	-
Trade receivables	48,087	40,274	-	-
Other receivables, deposits and prepayments	17,349	15,674	380	27
Amount due from subsidiaries	-	-	50,838	48,894
Cash and cash equivalents	11,401	13,362	778	898
	<b>82,803</b>	<b>75,652</b>	<b>51,996</b>	<b>49,819</b>
<b>Total assets</b>	<b>152,154</b>	<b>135,927</b>	<b>97,685</b>	<b>94,853</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	53,086	53,086	82,614	82,614
Treasury shares	(145)	(145)	(145)	(145)
Other reserves	(7,095)	(6,303)	(4,536)	(4,536)
Retained earnings	23,078	23,905	4,993	7,363
Equity attributable to owners of the Company	<b>68,924</b>	<b>70,543</b>	<b>82,926</b>	<b>85,296</b>
Non-controlling interests	4,934	4,665	-	-
<b>Total equity</b>	<b>73,858</b>	<b>75,208</b>	<b>82,926</b>	<b>85,296</b>

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

	Group		Company	
	As at 30-Sep-19 S\$'000	As at 31-Mar-19 S\$'000	As at 30-Sep-19 S\$'000	As at 31-Mar-19 S\$'000
<b>Non-current liabilities</b>				
Bank loans	6,396	4,954	4,919	3,267
Lease liabilities	6,809	1,850	639	-
Deferred tax liabilities	1,090	1,590	-	-
	<b>14,295</b>	<b>8,394</b>	<b>5,558</b>	<b>3,267</b>
<b>Current liabilities</b>				
Contract liabilities	-	88	-	-
Bank loans	36,622	28,460	8,628	5,786
Lease liabilities	7,312	1,663	21	-
Trade payables	12,730	12,669	-	-
Other payables and accruals	6,378	8,430	552	504
Provision	-	19	-	-
Income tax payable	959	996	-	-
	<b>64,001</b>	<b>52,325</b>	<b>9,201</b>	<b>6,290</b>
<b>Total liabilities</b>	<b>78,296</b>	<b>60,719</b>	<b>14,759</b>	<b>9,557</b>
<b>Total equity and liabilities</b>	<b>152,154</b>	<b>135,927</b>	<b>97,685</b>	<b>94,853</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 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-Sep-19		As at 31-Mar-19	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
<b>Amount repayable in one year or less, or on demand</b>	33,384	10,550	17,538	12,585
<b>Amount repayable after one year</b>	12,895	310	6,343	461
<b>Total</b>	<b>46,279</b>	<b>10,860</b>	<b>23,881</b>	<b>13,046</b>

**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 \$1.6 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 September 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**

	<u>Group</u>		<u>Group</u>	
	<u>Three months ended</u> <u>30-Sep-19</u> <u>S\$'000</u>	<u>30-Sep-18</u> <u>S\$'000</u>	<u>Half year ended</u> <u>30-Sep-19</u> <u>S\$'000</u>	<u>30-Sep-18</u> <u>S\$'000</u>
<b>Cash flows from operating activities</b>				
<b>Profit before income tax</b>	477	1,647	968	3,077
<b>Adjustments for:</b>				
Amortisation of land use rights	4	5	9	10
Bad-debt written-off (trade)	-	-	25	26
Depreciation of property, plant and equipment	1,197	1,491	2,732	3,090
Depreciation of right-of-use assets	1,074	-	2,480	-
Finance expenses	539	376	1,017	748
Interest income	(39)	(8)	(84)	(43)
Net gain on disposal of plant and equipment	(192)	(7)	(266)	(6)
Reversal of provision	-	-	(19)	-
Write back of allowance for doubtful trade receivables	(8)	-	-	-
<b>Operating cash flows before working capital changes</b>	<b>3,052</b>	<b>3,504</b>	<b>6,862</b>	<b>6,902</b>
<b>Movement in working capital:</b>				
Inventories	(174)	186	(279)	(181)
Contract assets and liabilities	123	(455)	567	(684)
Trade and other receivables	(4,662)	1,082	(9,538)	339
Trade and other payables	(1,275)	(723)	(1,991)	689
<b>Cash (used in) / generated from operations</b>	<b>(2,936)</b>	<b>3,594</b>	<b>(4,379)</b>	<b>7,065</b>
Income tax (paid) / refunded	(410)	145	(1,053)	(334)
<b>Net cash (used in) / generated from operating activities</b>	<b>(3,346)</b>	<b>3,739</b>	<b>(5,432)</b>	<b>6,731</b>

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

	Group		Group	
	Three months ended 30-Sep-19 S\$'000	30-Sep-18 S\$'000	Half year ended 30-Sep-19 S\$'000	30-Sep-18 S\$'000
<b>Cash flows from investing activities</b>				
Acquisition of a subsidiary without change of control	-	(192)	-	(192)
Interest received	39	8	84	43
Proceeds from disposal of a subsidiary without change of control	-	34	-	34
Proceeds from disposal of plant and equipment	394	59	662	78
Purchase of property, plant and equipment	(751)	(2,274)	(1,142)	(4,262)
Effect of foreign currency re-alignment on investing activities	(257)	(982)	(536)	(1,043)
<b>Net cash flows used in investing activities</b>	<b>(575)</b>	<b>(3,347)</b>	<b>(932)</b>	<b>(5,342)</b>
<b>Cash flows from financing activities</b>				
Dividend paid to equity holders	(1,161)	(1,161)	(1,161)	(1,161)
Interest paid	(539)	(376)	(1,017)	(748)
Proceeds from bank loans	19,272	16,076	27,637	24,847
Repayment of bank loans	(11,536)	(13,219)	(17,814)	(22,981)
Repayment of lease liabilities (30 September 2018: Repayment of finance lease liabilities)	(1,388)	(422)	(3,229)	(1,158)
(Pledge) / release of pledged fixed deposits with banks	(300)	352	(300)	352
<b>Net cash flows from / (used in) financing activities</b>	<b>4,348</b>	<b>1,250</b>	<b>4,116</b>	<b>(849)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>427</b>	<b>1,642</b>	<b>(2,248)</b>	<b>540</b>
Effects of exchange rates changes on cash and cash equivalents	66	(145)	(13)	(26)
Cash and cash equivalents as at beginning of the period	9,330	8,110	12,084	9,093
<b>Cash and cash equivalents as at end of the financial period</b>	<b>9,823</b>	<b>9,607</b>	<b>9,823</b>	<b>9,607</b>



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Cash and cash equivalents included in the Consolidated Statement of Cash Flows comprise the following amounts:

	<b>Group</b>	
	<b>Three months and half year ended</b>	
	<b>30-Sep-19</b>	<b>30-Sep-18</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	6,932	8,330
Fixed deposits	4,469	2,651
	<u>11,401</u>	<u>10,981</u>
Fixed deposits pledged	(1,578)	(1,374)
<b>Cash and cash equivalents</b>	<b><u>9,823</u></b>	<b><u>9,607</u></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	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
<b>Other comprehensive loss for the</b>										
Exchange differences on translating foreign operations	(598)	(554)	-	-	-	(554)	-	(554)	-	(44)
<b>Other comprehensive loss for the period, net of tax</b>	(598)	(554)	-	-	-	(554)	-	(554)	-	(44)
<b>Total comprehensive (loss) / income for the period</b>	(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 30 June 2019	74,892	70,269	53,086	(145)	24,185	(6,857)	(530)	(1,691)	(4,636)	4,623
Profit for the financial period	362	54	-	-	54	-	-	-	-	308
<b><u>Other comprehensive (loss) / income for the period</u></b>										
Exchange differences on translating foreign operations	(235)	(238)	-	-	-	(238)	-	(238)	-	3
<b>Other comprehensive (loss) / income for the period, net of tax</b>	<b>(235)</b>	<b>(238)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(238)</b>	<b>-</b>	<b>(238)</b>	<b>-</b>	<b>3</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>127</b>	<b>(184)</b>	<b>-</b>	<b>-</b>	<b>54</b>	<b>(238)</b>	<b>-</b>	<b>(238)</b>	<b>-</b>	<b>311</b>
<b><u>Contributions by and distributions to owners</u></b>										
Dividend paid	(1,161)	(1,161)	-	-	(1,161)	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>(1,161)</b>	<b>(1,161)</b>	<b>-</b>	<b>-</b>	<b>(1,161)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30 September 2019</b>	<b>73,858</b>	<b>68,924</b>	<b>53,086</b>	<b>(145)</b>	<b>23,078</b>	<b>(7,095)</b>	<b>(530)</b>	<b>(1,929)</b>	<b>(4,636)</b>	<b>4,934</b>

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

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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 30 June 2018	74,232	71,062	52,798	(145)	21,566	(3,157)	1,848	(318)	(4,687)	3,170
Profit / (loss) for the financial period	1,213	1,315	-	-	1,315	-	-	-	-	(102)
<b>Other comprehensive loss for the period</b>										
Exchange differences on translating foreign operations	(1,201)	(1,140)	-	-	-	(1,140)	-	(1,140)	-	(61)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(1,201)</b>	<b>(1,140)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,140)</b>	<b>-</b>	<b>(1,140)</b>	<b>-</b>	<b>(61)</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>12</b>	<b>175</b>	<b>-</b>	<b>-</b>	<b>1,315</b>	<b>(1,140)</b>	<b>-</b>	<b>(1,140)</b>	<b>-</b>	<b>(163)</b>
<b>Changes in ownership interest in subsidiary</b>										
Acquisition of a subsidiary without change of control	(672)	(2,030)	-	-	-	(2,030)	(2,030)	-	-	1,358
Disposal of a subsidiary without change of control	34	(348)	-	-	-	(348)	(348)	-	-	382
<b>Total changes in ownership interests in subsidiaries</b>	<b>(638)</b>	<b>(2,378)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,378)</b>	<b>(2,378)</b>	<b>-</b>	<b>-</b>	<b>1,740</b>
<b>Contributions by and distributions to owners</b>										
Shares issued pursuant to acquisition of subsidiary without change of control	288	288	288	-	-	-	-	-	-	-
Dividend paid	(1,161)	(1,161)	-	-	(1,161)	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>(873)</b>	<b>(873)</b>	<b>288</b>	<b>-</b>	<b>(1,161)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30 September 2018</b>	<b>72,733</b>	<b>67,986</b>	<b>53,086</b>	<b>(145)</b>	<b>21,720</b>	<b>(6,675)</b>	<b>(530)</b>	<b>(1,458)</b>	<b>(4,687)</b>	<b>4,747</b>

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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
<b>Balance as at 1 April 2019</b>	85,296	82,614	(145)	7,363	(4,536)	100	(4,636)
Profit for the financial period	238	-	-	238	-	-	-
<b>Balance as at 30 June 2019</b>	85,534	82,614	(145)	7,601	(4,536)	100	(4,636)
Loss for the financial period	(1,447)	-	-	(1,447)	-	-	-
<b><u>Contributions by and distributions to owners</u></b>							
Dividend paid	(1,161)	-	-	(1,161)	-	-	-
<b>Total contributions by and distributions to owners</b>	(1,161)	-	-	(1,161)	-	-	-
<b>Balance as at 30 September 2019</b>	<b>82,926</b>	<b>82,614</b>	<b>(145)</b>	<b>4,993</b>	<b>(4,536)</b>	<b>100</b>	<b>(4,636)</b>

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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
<b>Balance as at 1 April 2018</b>	<b>82,232</b>	<b>82,326</b>	<b>(145)</b>	<b>4,638</b>	<b>(4,587)</b>	<b>100</b>	<b>(4,687)</b>
Profit for the financial period	749	-	-	749	-	-	-
<b>Balance as at 30 June 2018</b>	<b>82,981</b>	<b>82,326</b>	<b>(145)</b>	<b>5,387</b>	<b>(4,587)</b>	<b>100</b>	<b>(4,687)</b>
Loss for the financial period	(31)	-	-	(31)	-	-	-

**Contributions by and distributions to owners**

Shares issued pursuant to acquisition of subsidiary without change of control  
Dividend paid

**Total contributions by and distributions to owners**

Shares issued pursuant to acquisition of subsidiary without change of control	288	288	-	-	-	-	-
Dividend paid	(1,161)	-	-	(1,161)	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>(873)</b>	<b>288</b>	<b>-</b>	<b>(1,161)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30 September 2018</b>	<b>82,077</b>	<b>82,614</b>	<b>(145)</b>	<b>4,195</b>	<b>(4,587)</b>	<b>100</b>	<b>(4,687)</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 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 September 2019 and 30 September 2018.

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

	No. of shares	
	FY2020	FY2019
<b>Issued and paid up capital excluding treasury share</b>		
<b>As at 1 July</b>	387,026,748	382,976,608
Shares issued pursuant to acquisition of a subsidiary	-	4,050,140
<b>As at 30 September</b>	<u>387,026,748</u>	<u>387,026,748</u>
<b>Treasury shares</b>		
<b>As at 1 July and 30 September</b>	<u>1,841,107</u>	<u>1,841,107</u>

As at 30 September 2019, the number of treasury shares represented 0.48% (30 September 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 September 2019 and 30 September 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-Sep-19	31-Mar-19
Total number of issued shares	388,867,855	388,867,855
Less: Treasury shares	(1,841,107)	(1,841,107)
<b>Total number of issued shares excluding treasury shares</b>	<b><u>387,026,748</u></b>	<b><u>387,026,748</u></b>

**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.**

***Changes in accounting policies***

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 September 2019, the Group has recorded a right-of-use assets of \$10.5 million and a corresponding lease liabilities of \$10.8 million.

***Changes in accounting estimates***

Prior to financial year 2019, the useful life for certain motor vehicles and tools and equipment of the Group was estimated ranging from 5 to 6 years. The Group has reviewed and adjusted the useful lives of such assets to 10 years to reflect the present status and expected future benefits of such assets. This represents a change in an accounting estimate, which pursuant to *SFRS(1) 1-8 Accounting Policies, Changes in Accounting Estimates and Errors* is to be performed prospectively in the current financial year without restatement of the comparative figures for previous years. The change of the estimated useful lives for such assets has resulted in a decrease in depreciation expense of \$0.3 million for the period ended 30 September 2019.

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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 ended</b>		<b>Half year ended</b>	
	<b>30-Sep-19</b>	<b>30-Sep-18</b>	<b>30-Sep-19</b>	<b>30-Sep-18</b>
EPS based on average number of shares (cents)	0.01	0.34	0.09	0.73
EPS based on a fully diluted basis (cents)	0.01	0.34	0.09	0.73
Weighted average number of shares ('000)	387,027	386,146	387,027	384,570
Weighted average number of shares - diluted ('000)	387,027	386,146	387,027	384,570

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.

**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>As at</b>	
	<b>30-Sep-19</b>	<b>31-Mar-19</b>
Net asset value per share (cents) based on the total number of issued shares excluding treasury shares	17.8	18.2
Total number of issued shares excluding treasury shares ('000)	387,027	387,027

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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**

**i) Revenue**

For the quarter ("Q2FY2020") and six months ("1HFY2020") ended 30 September 2019, the Group's revenue of \$27.9 million and \$56.2 million were lower than last year's corresponding periods by \$5.2 million (or 16%) and \$8.5 million (or 13%) respectively mainly due to lower revenue recognised by Specialist Relocation Business Segment ("Specialist Relocation") offset by higher revenue from Third Party Logistics Business Segment ("3PL"). The reduction in revenue from Specialist Relocation was due to lower revenue contributed by US and PRC markets.

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

For Q2FY2020 and 1HFY2020, the Group's gross profit of \$4.8 million and \$10.1 million were lower than last year's corresponding periods by \$3.4 million (or 41%) and \$5.2 million (or 34%) respectively. The Group's gross profit margin in Q2FY2020 and 1HFY2020 decreased by 7.4% to 17.4% and 5.7% to 18.0% respectively mainly due to reduced contribution from the higher margin Specialist Relocation business.

**iii) Other operating income**

For Q2FY2020, the Group's other operating income of \$0.7 million was higher than last year's corresponding period by \$0.2 million (or 52%). This was mainly due to higher foreign exchange gain and gain on disposal of plant and equipment.

For 1HFY2020, the Group's other operating income of \$1.1 million remained relatively the same as last year's corresponding period.

**iv) Distribution and selling expenses**

For Q2FY2020 and 1HFY2020, the Group's distribution and selling expenses of \$1.5 million and \$2.7 million were lower than last year's corresponding periods by \$0.7 million (or 31%) and \$1.8 million (or 40%) respectively resulting from cost control.

As a percentage of revenue, the Group's distribution and selling expenses in Q2FY2020 and 1HFY2020 decreased by 1.2% to 5.3% and 2.1% to 4.8% respectively.

**v) Administrative expenses**

For Q2FY2020 and 1HFY2020, the Group's administrative expenses of \$2.8 million and \$6.0 million were lower than last year's corresponding periods by \$1.1 million (or 28%) and \$1.4 million (or 19%) respectively due to lower payroll costs incurred and recovery of legal expenses previously charged.

As a percentage of revenue, the Group's administrative expenses in Q2FY2020 and 1HFY2020 decreased by 1.7% to 10.0% and 0.8% to 10.7% respectively.

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**vi) Other operating expenses**

For Q2FY2020 and 1HFY2020, the Group's other operating expenses decreased by \$0.3 million and \$0.2 million respectively as compared to last year's corresponding periods mainly due to lower 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 and \$1.0 million for Q2FY2020 and 1HFY2020 which were lower than last year's corresponding periods by \$1.2 million and \$2.1 million respectively.

As a percentage of revenue, pre-tax profit margin for Q2FY2020 and 1HFY2020 was the same at 1.7% as compared with last year's corresponding periods of 5.0% and 4.8% respectively.

**viii) Income tax expense**

For Q2FY2020 and 1HFY2020, the income tax expense of \$0.1 million and \$0.3 million were lower than last year's corresponding periods by \$0.3 million and \$0.5 million respectively mainly due to lower chargeable income for these periods. The effective tax rate provided for these periods were 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 Q2FY2020 and 1HFY2020 of \$0.4 million and \$0.6 million were \$0.9 million and \$1.6 million lower than last year's corresponding periods respectively.

**B) Statements of Financial Position**

**i) Property, plant and equipment**

The decrease in net book value of \$1.6 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 \$10.5 million as at 30 September 2019.

**iii) Inventories**

The increase in inventories of \$0.3 million was mainly due to higher book orders as compared to last year's corresponding period.

**iv) Contract assets and liabilities**

The net decrease in contract assets and liabilities of \$0.6 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 \$7.8 million was mainly due to increase in period end billings.

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**vi) Other receivables , deposits and prepayments**

The increase in other receivables, deposits and prepayments of \$1.7 million was due to increase in prepayment and legal fee recoverable from a legal suit.

**vii) Bank loans**

The increase in bank loans of \$9.6 million was due to proceeds from new credit facilities offset by repayments of bank loans.

**viii) Lease liabilities**

As at 30 September 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 \$3.3 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 \$10.6 million mainly due to recognition of the operating lease liabilities of the right-of-use assets of \$10.8 million as well as proceeds from new finance lease arrangement offset by repayment of finance lease liabilities of \$0.2 million.

**ix) Other payables and accruals**

The decrease in other payables and accruals of \$2.1 million was mainly due to payment of other payables.

**C) Consolidated Statement of Cash Flows**

The net cash used in operating activities for Q2FY2020 and 1HFY2020 of \$3.3 million and \$5.4 million respectively were a reversal of last year's corresponding periods of net cash generated from operating activities of \$3.7 million and \$6.7 million respectively. This was mainly due to the changes in working capital which resulted in higher net cash outflows from operating activities during the periods.

For Q2FY2020 and 1HFY2020, the net cash used in investing activities were lower than the last year's corresponding periods by \$2.8 million and \$4.4 million respectively. This was mainly due to lower purchase of plant and equipment, higher proceeds from disposal of plant and equipment and no acquisition of a subsidiary during the periods.

For Q2FY2020 and 1HFY2020, the increase in net cash from financing activities by \$3.1 million and \$5.0 million as compared to last year's corresponding periods respectively were mainly due to higher proceeds from bank loans.

Overall, the Group's cash and cash equivalent as at 30 September 2019 of \$9.8 million was higher by \$0.2 million as compared to 30 September 2018.

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**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.

**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 continued economic slowdown and delayed capacity expansion in the region adversely affected the Group's performance in the quarter reported on. Reduction in group revenue continued apace with corresponding effect on gross margins and group bottomline. Project based Specialist Relocation and Technical & Engineering Business Segments were mainly affected even as cost reduction measures continue to be implemented. However current indications from customers in Specialist Relocation particularly in PRC are that project implementation should pick up in the coming quarters.

The Third Party Logistics Business Segment however continued to gain traction from the ongoing realignment and operational cost consciousness of the regional supply chain with its cross border land freight network from China to South East Asia. The launching of Less than Full Container load cargo ("LCL") also contributed to their increasing revenue.

In the realization of its unlocking of shareholder value objective, the Company has commenced preparation for the listing of its PRC operations on a regional stock exchange.

**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.

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**12 If no Dividends has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared for three month ended 30 September 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 November 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 Second quarter ended 30 September 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**