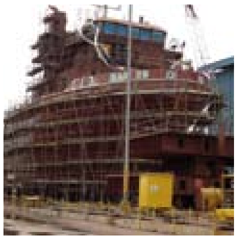
ANNUAL REPORT 2009

Delivering Greater Value

CHASEN™

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We continued expanding our revenue base through acquiring new complementary strengths in our region of operations, keeping with our strategy to continue **delivering greater value**

This annual report has been reviewed by the Company's sponsor, KW Capital Pte. Ltd., for compliance with the relevant rules of the Exchange. The Company's Sponsor has not independently verified the contents of this annual report.

This annual report has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

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CORPORATE VISION

We aim to be the leading logistics service provider in the region, specialising in equipment and machinery relocation solutions with complementary technical and engineering service capabilities to meet the diverse needs of the market place.

CORPORATE PROFILE

Incorporated in the Republic of Singapore on 2 November 1999 and listed on the SESDAQ (now known as Catalist) of the Singapore Exchange in February 2007 via a reverse takeover of China Entertainment Sports Ltd, Chasen specialises in providing relocation, packing and warehousing of machinery and equipment for the region's manufacturing industries.

Chasen is an Investment Holding Company with subsidiaries providing specialist relocation solutions, facilities for packing and warehousing of machinery and equipment for the region's manufacturing industries, technical and engineering services. Some of the sophisticated equipment and machinery that requires Chasen's relocation, packing and warehousing expertise include those in industries such as water fabrication, TFT display panel production, chip testing and assembly and solar panel assembly. Chasen's technical and engineering service capabilities are applied to the logistics, electronics, marine and construction sectors in Singapore, Malaysia and the People's Republic of China.

As testaments to our expertise and quality services, Chasen has also received various awards that include, ISO 9001:2000 in Quality Management System, ISO 14001 in Environmental Management System and OHSAS 18001:1999 in Occupational Health and Safety Management Systems.



Expanding

Our Capacity

Acquisitions and incorporation of new subsidiaries have allowed us to build upon our current capabilities to better fulfill customer requirements in the region

REPORT TO SHAREHOLDERS

"In FY09, our overall performance was moderated by the generally difficult business environment in the second half of our financial year. In particular the economic downturn delayed the commencement of several relocation projects in the PRC. Furthermore, the gross profit margin there was eroded by the presence of new local and foreign players in the relocation business. However, as a result of our strategy to diversify our revenue base to include the high growth marine and construction industries in addition to the semiconductor sector, we have developed a more resilient business model and we are now realising the initial results. It has helped Chasen weather the difficulties brought on by the global economic recession as evidenced by our performance last year."

Low Weng Fatt
Managing Director

The financial year 2009 started buoyantly but will be remembered as a year in which the global economy recess substantially. Fortunately for us at Chasen Holdings Limited, our growth strategy of diversifying our revenue base beyond the high tech electronics industry enabled us to weather its cyclical downturn by benefitting from our investments in other high growth sectors in Singapore such as the marine and construction industries.

As a result of the acquisitions and investments made since we were listed on SGX, we have now expanded to an Investment Holding Company providing specialist relocation solutions, third party logistics services ("3PL"), and technical and engineering services. Our business operations, besides Singapore, are based in growth economies in the region, particularly in the People's Republic of China ("PRC") and Malaysia, servicing customers in wafer fabrication, TFT LCD and solar panel manufacturing, telecommunications, marine and construction industries.

On behalf of the Board of Directors (the "Board"), I am pleased to share with all shareholders Chasen's performance in the financial year ended 31 March 2009 ("FY09") and a progress report on our growth and development to enhance shareholder value.

PERFORMANCE HIGHLIGHTS

For the 12 months ended 31 March 2009, the Group's total revenue leapt an impressive 127% to S$54.9 million from S$24.2 million in the previous corresponding period ("FY08"). The increase is primarily due to significant contribution from new businesses acquired last year, which amounted to S$30.2 million. Our engineering fabrication and scaffolding business contributed S$23.2 million and S$5.3 million respectively, while our logistics business grew by approximately S$0.5 million. Revenue from our warehousing business increased by S$3.3 million but was partially offset by a reduction of S$1.5 million from our relocation business, particularly in the PRC in the second half of the financial year when the effect of the global economic downturn was felt most.

In tandem with total revenue, gross profit for the Group also increased by approximately 54% to S$14.8 million from S$9.6 million in FY08. Overall gross profit margin stood at 27% as compared to 40% in FY08 due to the change in the business mix. More specifically, gross profit margin from our existing logistics businesses dropped to 34% from 44% last year due to the slowdown in the semiconductor industry, which resulted in more competitive pricing and lower margin arising from the higher depreciation cost in the fixed cost component in our cost of sales. Gross profit margin for our technical and engineering services segment also dipped slightly by 1% to 22%, mainly due to the different mix between fabrication engineering, scaffolding and technical service businesses.

Correspondingly, the Group's net profit after tax increased by 26% to S$3.9 million as compared to S$3.1 million in FY08. This comes after taking into account unabsorbed tax losses of S$0.3 million and the under-provision of income taxes in the previous corresponding year, which amounted to approximately S$0.3 million.

EXPENSES

In line with the Group's enlarged operations and higher revenue, distribution and selling expenses increased by S$0.9 million to S$3.2 million, while general and administrative expenses increased by S$4.8 million to S$8.1 million. The major costs incurred were due to payroll related expenses from the new businesses, higher corporate costs and share provision expenses, and start-up costs for the Group's bonded warehouse operations in China.

SEGMENTAL REVIEW

Resulting from our acquisitions and investment activities in the past financial years, the Group has decided to re-classify our businesses into three segments to reflect the Group's capabilities more accurately. We are now primarily engaged in relocation services, third party logistics ("3PL") services, and technical and engineering services.

The Group's technical and engineering services segment is the main revenue contributor, accounting for S$34.4 million or 63% of total revenue in FY09. This segment services the marine and construction industries much more than the electronics sector. Revenue from the relocation services segment stood at S$11.2 million, contributing to 20% of FY09's revenue as compared to 52% of FY08's revenue. The relocation services segment derives its revenue mainly from industries that utilise sophisticated machinery and equipment such as in wafer fabrication, TFT display panel and solar panel manufacturing. The current global recession resulted in the slowdown of most relocation activities, unlike previously when the economic downturn resulted in machinery and equipment being relocated to lower production cost centers. Revenue from our 3PL services segment also increased to S$9.4 million, making up 17% of total revenue in FY09. This segment derives its revenue mainly from the consumer electronics industry.

The Group therefore has a diversified revenue base across several industries, which tend to operate in different business cycles, thus allowing the Group to reduce our dependency on any particular industry. We continue to search for opportunities to invest in businesses which are less dependent on project base revenue to even out our revenue stream throughout the year. At the same time, we are fully conscious that such businesses tend to offer lower gross profit margins due to competition, and both the mix of project and recurring revenue and our cost effectiveness in delivering the services would be reflected in the Group's bottomline.

GEOGRAPHICAL REVIEW

On a geographical scale, revenue from the Group's businesses in Singapore and others stood at S$47.7 million, or 87% of total revenue in FY09. The significant leap of 156% from last year's revenue of S$18.6 million can be attributed to the Group's recent acquisition of engineering fabrication and scaffolding businesses in Singapore.

Although revenue from Malaysia represented only 4% of the Group's total revenue in FY09, it has actually gone up by 260% to S$2.2 million as compared to only S$0.6 million in the previous corresponding year. This is mainly due to the acquisition of 3PL businesses in Malaysia and delivery of relocation projects there during the year. We continue to seek growth opportunities in Malaysia to replicate our success in the Singapore market.

Revenue from the People's Republic of China ("PRC") remained stable, contributing S$5.0 million or 9% to FY09's total revenue as a result of delays in commencement of relocation projects due to the current economic downturn. Since our entry into the PRC market, competition has grown from new entrants to the relocation services sector from both local and foreign owned businesses that resulted in reduced gross profit margin for each successful project secured.

Growth in this geographical segment is organic in nature due to the lack of acquisition opportunities in our business sector. Entry into new market sectors in the PRC within the logistics industry has been through the setting up of new business with local partners. We extended our service capability into the PRC cultural relics preservation and exhibition logistics sector in partnership with Beijing Xuan Gu Ge Artefact Restoration Technology Co., Ltd ("Beijing XGG"), a Beijing-based company engaged in the packaging and restoration of Chinese cultural artefacts.

We also established a joint venture in crate manufacturing to service multinationals located in the PRC. Both businesses would come into operation in the new financial year. As with all new businesses, acquiring market share requires sustained effort and we hope to benefit from these investments in the coming year.

CONSOLIDATION OF SHARES

The Group undertook a share consolidation exercise in the last financial year, consolidating every 100 ordinary shares into one consolidated share, with fractional entitlements to be disregarded.

The absolute price of Chasen's share traded on the SGX has been closing at a low level, with the last traded share prices ranging between 0.5 cents to 2.5 cents in the 12 months prior to consolidation. Low traded share prices translate to higher transaction costs for each trading of one board lot of shares. The consolidation will serve to reduce the fluctuation in magnitude of the Group's market capitalisation with each share transaction, and reduce the percentage transaction cost for trading in each board lot of shares. In addition, this consolidation may also increase market interest and activity in the shares, making Chasen's shares more attractive to investors, including institutional investors, thus providing a more diverse shareholder base and enhance liquidity.

This share consolidation exercise was completed on 1 December 2008. In tandem with the general downward trend of share prices in the local bourse, the price of our Company's share also trended downward from its pre-consolidated equivalent. As most shareholders bought their shares at a much higher price than currently prevailing, our shares are not as actively traded as we hoped it would be after the consolidation.

ACQUISITION AND INVESTMENT

In the course of the previous financial year, we made several acquisitions and investments that we believe will greatly benefit the Group's top and bottom line, as well as, enlarge our footprint both locally and regionally. We continued to take advantage of investment opportunities during the last financial year in line with our growth and investment strategies previously outlined.

To build up our presence in the 3PL industry to complement our relocation logistics capabilities, the Group decided to set up a wholly owned subsidiary, DNKH Logistics Pte. Ltd. ("DNKH"), in Singapore in partnership with experienced industry personnel from this sector. In addition, the Group acquired 60% of City Zone Express Sdn Bhd ("CZE"), a privately owned 3PL company based in Penang, Malaysia, to serve as the core with which to grow our presence throughout the peninsula and eventually to East Malaysia. Malaysia will continue to be a growth market for our Group.

Under the technical and engineering services segment, we acquired HLN Promax Pte. Ltd. through two subsidiaries REI Technologies and CLE Engineering. HLN Promax was subsequently renamed REI Promax Technologies Pte Ltd ("REI Promax"). REI Promax specialises in contract manufacturing serving the electronics and telecommunications industries. It has manufacturing operations in Singapore and Suzhou, PRC and currently serves customers from Singapore, Europe and India, thereby diversifying our revenue base into these markets.

We continue to develop a balance between entrepreneurial and professional talent through business acquisitions and personnel recruitment to complement the existing management capabilities of the Group.

GOING FORWARD

The increase in the Group's net profit after tax in FY09 amidst this financial crisis signals to us that we are on the right track by diversifying our revenue base through investing in businesses in other high growth industries. This result also reflects the business growth strategy to shift dependence off the semiconductor industry and to engage in businesses with recurring revenue to even out the fluctuations of project based income.

Although the difficult business environment the Group faced in the PRC moderated our total performance in the financial year under review, we are maintaining a positive outlook of our PRC business in the following year with the commencement of our new businesses. We are cautiously optimistic that the current global economic downturn would not seriously affect our overall performance in the coming financial year as we consolidate the gains from new businesses within the Group, both locally and around the region.

To take advantage of growth opportunities in the current economic climate, the Group will also continue to expand and diversify our revenue base to other industrial sectors through acquisitions and establishment of new businesses in all the regions that we operate in. This is in line with our stated investment strategies. However, a major consideration in new acquisitions would be their effect on the management resources of the Group. We continue to develop a balance between entrepreneurial and professional talent through business acquisitions and personnel recruitment to complement the existing management capabilities of the Group.

This would contribute to the Group's continued growth in the year ahead, as well as, enhance shareholders' value.

DIVIDENDS

As part of our dividend commitment to shareholders, and in view of our positive set of results, the Board has recommended a Final tax-exempt (one-tier) dividend of S$0.0052 per ordinary share, subject to shareholders' approval at the forthcoming Annual General Meeting on 24 July 2009. The amount paid out in dividends would amount to about 29% of our profit after tax in FY2009.

APPOINTMENT OF SPONSOR

In accordance with the Singapore Exchange Limited ("SGX") regulations for Catalist-listed companies, Chasen appointed KW Capital Pte. Ltd. to be our continuing sponsor with effect from 28 October 2008.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank all our loyal shareholders, business partners and dedicated staff who have been with us through the past year. We appreciate your support through our growth, and look forward to sharing another successful year with you.

Low Weng Fatt
Managing Director

CORPORATE MILESTONES

2002
Awarded first chip testing assembly in-house machinery mover and packing contract.

2001
Awarded relocation project for the 1st TFT display panel manufacturing plant in Singapore.

Awarded first turnkey project consolidating several manufacturing facilities of customer to one location in Singapore.

Awarded ISO 9001:2000 Certificate for Quality Management System.

2000
Awarded first complete new wafer fabrication facility inbound project.

1999
Incorporated as Chasen Logistics Services Pte Ltd.

1998
Awarded first wafer fabrication in-house machinery mover contract.

1996
Moved to 18 Jalan Besut as a result of business expansion. Awarded first machinery and equipment relocation project.

1995
Chasen Logistics Services began business as a partnership operating from its office in Wallich Street.

2007
Listed on SGX-SESDAQ (now known as Catalist) via a reverse acquisition of China Entertainment Sports Ltd.

2006
Equipment Move-in project for 8-inch wafer fabrication plant in Malaysia (Kulim).

Establishment of REI Technologies Pte Ltd which offers technical services to complement our relocation services.

2005
Equipment Move-in project for the 3rd LCD / TFT panel manufacturing plant in PRC (Kunshan).

2004
Set up overseas operations in PRC through Chasen (Shanghai) HiTech Machinery Services Pte Ltd.

Awarded first turnkey relocation project from Singapore to PRC.

Awarded ISO 14001:2004 Certificate for Environmental Management and OHSAS 18001:1999 Certificate for Occupational Health and Safety Management System.

Equipment Move-in project for the 1st and 2nd LCD / TFT panel manufacturing plant in PRC (Shanghai & Beijing).

2003
Business operations expanded to include the provision of specialised packing and crating services.

2009
Awarded first project to move-in a solar manufacturing facility in PRC and completed Phase 2 of Move-in project LCD / TFT plant in Kunshan.

Secured contracts to provide design and fabrication of steel works for the Sentosa Integrated Resort and Renewable Energy Corporation's ("REC") world's largest solar manufacturing complex in Singapore.

Awarded contract to erect scaffolding at REC plant in Singapore.

Extended specialist relocation business to the cultural relics industry in the PRC through the incorporation of Chasen Sinology.

Awarded Rigging for REC Hook-Up Project in Singapore.

2008
Business operations expanded to include services to the high growth marine and construction industries through the acquisition of the Goh Kwang Heng Group and Hup Lian Engineering Pte Ltd.

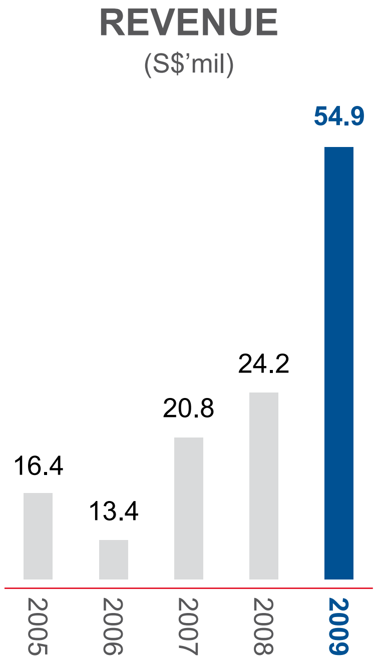
Completed a major equipment conversion project for a wafer fabrication facility in Singapore.

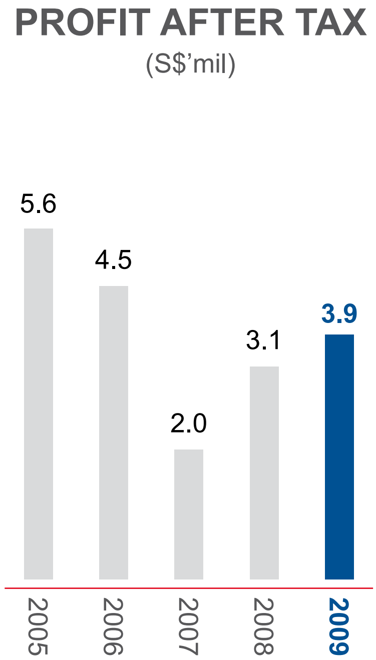
Expanded air-conditioned warehouse facility in Singapore.

Extended 3PL business operations in Malaysia through acquisition of City Zone Express Sdn Bhd and in Singapore with the incorporation of DNKH Logistics Pte Ltd.

Completed share consolidation of every 100 ordinary shares into one consolidated share, with fractional entitlements to be disregarded.

FINANCIAL HIGHLIGHTS





The Group reported an **exceptional jump** of **127%** in **total revenue** to **S$54.9 million** in FY09, mainly due to significant contribution from new businesses acquired last year. Net profit after tax rose 26% to post commendable profit to S$3.9 million. Our strategy in 2008 - to diversify our revenue base to include the high growth marine and construction industries in addition to the semiconductor sector, has helped Chasen to develop a more resilient business model and we now realising the initial results.

REVENUE ANALYSIS

By Business Segment:

Relocation Services | Third Party Logistics Services | Technical / Engineering Services

52%	20%
27%	17%
21%	63%

With the business expansion through acquisitions and organic growth, the Group had reclassified its activities into three business segments namely, Relocation Services, Third Party Logistics Services, and Technical / Engineering Services.

Among them, the Technical / Engineering Services business segment accounted for 63% of the Group's revenue in FY09, as compared to 21% in the last financial year.

Revenue contribution from Relocation Services, previously the main revenue contributor, accounted for 20% of total revenue in FY09, as compared to 52% in FY08.

Third Party Logistics Services - a combined classification of packing, warehousing, transportation and distribution services made up the remaining 17% of the Group's total revenue.

OPERATIONS REVIEW

With the business expansion through acquisitions and organic growth, the Group had reclassified its activities into three business segments, namely, Relocation Services, Third Party Logistics Services, and Technical & Engineering Services.

In line with our investment strategy, Chasen has in the past year made several acquisitions and investments, which seek to achieve growth for the Group and to enhance shareholder value. These acquisitions and investments have greatly benefitted the Group as total revenue and profit after tax increased by 127% to S$54.9 million, and 26% to S$3.9 million in FY09 respectively.

In view of the enlarged scope of activities, the Group decided to re-classify its businesses into three segments, namely, Relocation Services, Third Party Logistics Services and Technical / Engineering Services. This report seeks to familiarise shareholders with the various operating subsidiaries under each revised business segment.

RELOCATION SERVICES

Chasen relocates our customers' sophisticated machinery and equipment to, within, and from one country to another. Over the years, we have successfully relocated many manufacturing facilities for our customers to, within and from the West, Singapore and the Asia Pacific region. Our service capability is exemplified by a good project management team and an experienced group of skilled workforce. With value-added support from our specialised transportation operations and a good range of properly maintained material handling tools and equipment, we continue to be equipped with full capabilities to cater to the needs of our existing customers, as well as, any potential customers who needs us to handle their relocation projects efficiently and effectively.

Chasen Logistics Services Limited ("CLSL")

CLSL aims to be the leading logistics service provider in the region, specialising in machinery and equipment relocation solutions and enhancing its service capabilities to meet the diverse needs of the market place. It serves customers in the high technology multinational and local companies in the wafer fabrication, TFT/LCD display, solar panel and other electronics manufacturing and their support testing industries.

CLSL boasts a comprehensive range of solutions that include relocation services; not only does CLSL cater for inbound and outbound projects, it also provides repositioning and maintenance projects, packing, management and planning services for our customers on a regular or adhoc basis. CLSL is known to be currently operating one of the largest air-conditioned warehousing facilities in Singapore, with an area of 120,000 square feet that is specially catered to store sensitive and sophisticated machinery for its customers. Owning a fleet of well diversified and state-of-the-art transportation vehicles and material handling tools and equipment are secondary complements in meeting all kinds of specialised relocation demands. CLSL is able to provide Total Logistics Management for its diversified customer base.

In recent months, CLSL has clinched several major relocation projects. Notable among these are the moving-in of the capital equipment and facilities for Norway's Renewable Energy Corporation's ("REC") complex in Tuas, which is the world's largest integrated solar manufacturing complex. This was awarded to CLSL under a contract through its main contractor, M+W Zander (S) Pte Ltd, and another relocation project on 3M's new plant, also in the Tuas area. Other significant achievements included the ASML move-in to TECH Semiconductor plant and the completion of AMKOR and Energizer capital equipment relocation projects.

Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd ("Chasen Hi Tech") and Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd ("Chasen Sino-Sin")

Both Chasen Hi Tech and Chasen Sino-Sin specialise in domestic and international relocation and resettlement, as well as, packing and handling of advanced sophisticated machinery for high technology industries such as semiconductors, LCD/TFT and solar manufacturing facilities. Chasen Hi Tech completed a Phase 2 relocation project for an LCD/TFT manufacturing plant in the last financial year. Chasen Hi Tech was also recently awarded a contract to move-in a customer's solar manufacturing equipment in Bao Ding, PRC.

Chasen Hi Tech operates from Shanghai whilst Chasen Sino-Sin is based in Beijing. Both operations replicate the services of CLSL in the PRC market securing businesses on their own, as well as, executing relocation contracts secured by CLSL from its global clientele base.

Chasen Sinology (Beijing) Logistics Co., Ltd ("Chasen Sinology")

Incorporated in Beijing as a result of a joint venture with Beijing Xuan Gu Ge Artefact Restoration Technology Co., Ltd, Chasen Sinology is involved, amongst other things, in the provision of artefact packaging and transportation for both domestic and international art exhibitions and cultural exchanges.

Chasen Sinology's niche is in the provision of a digitisation scanning process that allows it to collate information on the relic pertaining to its history, the material composition and the weak points so that special reinforcements can be provided to protect it from damage during the packaging and transportation. The specialised non-contact packaging fabrication, which completely envelopes a relic to uniformly distribute the stresses that the relic may be subjected to, reduces the risk of damage due to point stresses. Chasen Sinology's CNC machine cutting of the packaging reduces the time of mould fabrication as compared to the previous manual method.

Chasen Sinology also provides relics warehousing, handling, customs declaration and related consultancy services. It commenced operations on 1 April 2009.

Chasen Logistics Sdn Bhd ("CLSB")

In Malaysia, CLSB continues to grow its customer base in the machinery and equipment relocation. Apart from relocation contracts serving the MNC hard-disk/media manufacturer, CLSB has also expanded its packing service facility, thus catering to the needs of its existing and new customer requirements.

CLSB has been awarded the mover service maintenance contract with Intel and will continue to discuss with potential customers on similar management of relocation projects within the territory.

CLSB's operations replicate the services of CLSL in the Malaysian market securing businesses on its own, as well as, executing relocation contracts secured by CLSL from its global clientele base.

Chasen Globus Logistics Pte Ltd ("Chasen Globus")

Chasen Globus is a new joint venture business between CLSL and Globus Israel International Packing, Shipping & Moving Ltd ("Globus"), a service provider in the areas of relocation of machinery and equipment with operations in Europe and Middle East. This joint venture will allow the Group to tap into Globus' capabilities in crate production, testing capabilities and research and development in machinery packing techniques.

Having established working partnerships in Singapore, Israel and the PRC, Chasen Globus is well-equipped to provide state-of-the-art services to customers across the world.

THIRD PARTY LOGISTICS SERVICES ("3PL")

3PL services comprise packing, warehousing, transportation, freight forwarding, customs brokerage and other supply chain services. We utilise state-of-the-art packaging material when customers' machinery and equipment require special packing before being transported to their new locations. With the use of such specialised material handling equipment certified by Professional Engineers, the Group is able to handle and pack machinery and equipment to the standards of Original Equipment Manufacturers ("OEM"). Customers also store their machinery and equipment in our warehouses while waiting for installation or shipping. Our warehouses are low-rise with appropriately constructed floors that allow cranes and heavy trucks access to the storage areas.

Chasen Logistics Services Limited ("CLSL")

CLSL currently has approximately 200,000 square feet of warehouse space of which 120,000 square feet is air conditioned and is specially catered to store customers' machinery and equipment requiring

humidity controlled facilities prior to installation or shipment. This service complements our relocation segment. Besides offering such services, CLSL also owns a comprehensive fleet of specialised transportation and material handling tools and equipment that enables us to provide a Total Solution for our customers.

Chasen Logistics (Shanghai) Co., Ltd ("Chasen Shanghai") and Chasen Xi'an Co., Ltd ("Chasen Xi'an")

Like CLSL, these companies were set up to provide complementary services to the relocation segment in the PRC. Both Chasen Shanghai and Chasen Xi'an are involved in the provision of bonded warehousing facilities, logistics and distribution services in Shanghai and Xi'an respectively. They also provide freight forwarding, packing, warehousing management, as well as, import and export services.

DNKH Logistics Pte Ltd ("DNKH")

DNKH specialises in transportation and offers full scale import and export logistics services in air freight, sea freight, oversize cargo handling, machine moving, show logistics, product distribution and warehousing. With over 40,000 square feet of warehouse space, including bonded warehouses, DNKH customises and tailor-makes operating procedures to cater to customers' specific requirements. Although newly incorporated as a business in December 2008, the management of DNKH has a combined industry experience of more than eight years.

City Zone Express Sdn Bhd ("CZE")

CZE is a Malaysian company specialising in providing third party logistics services such as warehousing, customs brokerage and land transportation covering Thailand, Malaysia and Singapore. It strives to be a world-class transport and warehouse service provider by maintaining the highest level of quality, reliability and affordability in the industry.

CZE owns a sizeable truck fleet comprising a total of 30 units ranging from 45-footer, 40-footer, 24-footer, 5-tonner, 3-tonner and 1-tonner. The majority of these assets are engaged in daily interstate long and short haul transportation runs between Singapore, Thailand and Peninsular Malaysia.

CZE is based in Penang and will serve as the core of Chasen's plan to establish this service throughout Malaysia, starting in the peninsula before extending its reach into East Malaysia.

TECHNICAL / ENGINEERING SERVICES

Technical / Engineering services that complement our turnkey relocation services cover parts refurbishment, engineering and spares support facilities. Its contract manufacturing capability includes operational facilities in Singapore and PRC catering to multinational clientele in the electronics, telecommunications and other high technology industries. It provides parts fabrication and cleaning sales activities to institutions and research facilities in semiconductors, disk media, thin-film transistor LCD, pharmaceutical and back-end packaging industry. This business segment also includes a cryogenic pump refurbishment workshop in Penang, Malaysia.

In addition, the Group is involved in construction projects of customers in the marine, property development, oil and gas and other energy-related industries.

REI Technologies Pte Ltd ("REI")

Incorporated in Singapore, REI seeks to achieve win-win situations with customers and suppliers focusing on effective communication and commitment to tasks delivering products and services at the highest quality at the lowest cost of ownership. It operates a supporting facility in Penang to enable it to be cost effective in its services.

REI's range of products and services includes turnkey solutions in equipment relocation both locally and regionally, mid-size base build facilitisation, office renovation, utilities hookups, cleanroom construction and automation systems. Through the provision of such services, REI has added a new dimension in the turnkey relocation solutions offered by the Group to its customers.

In support of the "green movement", REI has introduced an intelligent energy management system called *i.nerv*, employing a systemic approach to improve efficiency of air-conditioning system by up to 40%. To this end, it hopes to provide this value-added service to high-rise commercial buildings and condominium owners and managers in the region.

REI Promax Technologies Pte Ltd ("REI Promax")

REI Promax aims to be the preferred global partner in precision machining technology for its customers. It has manufacturing facilities in Singapore and Suzhou in the PRC, serving customers in the semiconductor, optical, aerospace, telecommunication and military industries in Singapore and the region, the PRC, US and Europe. REI Promax provides an array of solutions that comprises prototype machining, precision machining for components such as moulds, jigs and fixtures, mechanical sub-assemblies, design and fabrication of special purpose machines and reverse engineering.

REI Promax's tagline, **Solutions Through Precision Engineering**, is the motivation behind its quality philosophy. It ensures that quality is the responsibility of all and the careful management of all processes ensuring that quality is build into the system. Driven with the desire for continual improvement, REI Promax has been certified with ISO9001:2000.

Goh Kwang Heng Pte Ltd and Goh Kwang Heng Scaffolding Pte Ltd ("GKH Group")

The GKH Group has been providing scaffolding services since 1984 as a business partnership between two brothers. Following its incorporation as a limited liability company in 1992, it has been a prominent scaffolding equipment and service provider to Singapore's marine and construction industries. An ISO 9001:2000 certified scaffolding solutions provider, the GKH Group has been mandated by Singapore's Ministry of Manpower as an Approved Scaffolding Contractor since 2004.

The GKH Group started providing scaffolding services using timber system and thereafter, switched to providing frame scaffold system and eventually turned to the present tubular and coupling scaffold system. GKH has scored many 'firsts' pertaining to safety performance, among which were the introduction of human catch netting, fall arrest mechanism with lifeline and latest being the introduction of a 1.5m width emergency escape tower in the IR Marina Sands project.

As technology advances, the GKH Group expanded to provide a wider range of scaffold systems, including the modular scaffold system, and started developments on new range of scaffold products to meet industrial needs of the marine and construction industries. GKH has been a long time service supplier to Keppel Shipyard and hitherto, continues to maintain its foothold with the established shipyard. Among the many projects completed were the Floating Storage Oil Tankers ("FSO") and Oil Rig Platforms.

Other notable projects that the GKH Group has undertaken include the Concorde Hotel, Biopolis, Admiralty Industrial Park, National Library and Changi Terminal 3, and is currently providing scaffolds to the REC complex in Tuas, IR Sentosa Theme Park, construction of MRT station at One North and construction of supply vessels at Keppel Shipyard.

Hup Lian Engineering Pte Ltd ("HLE")

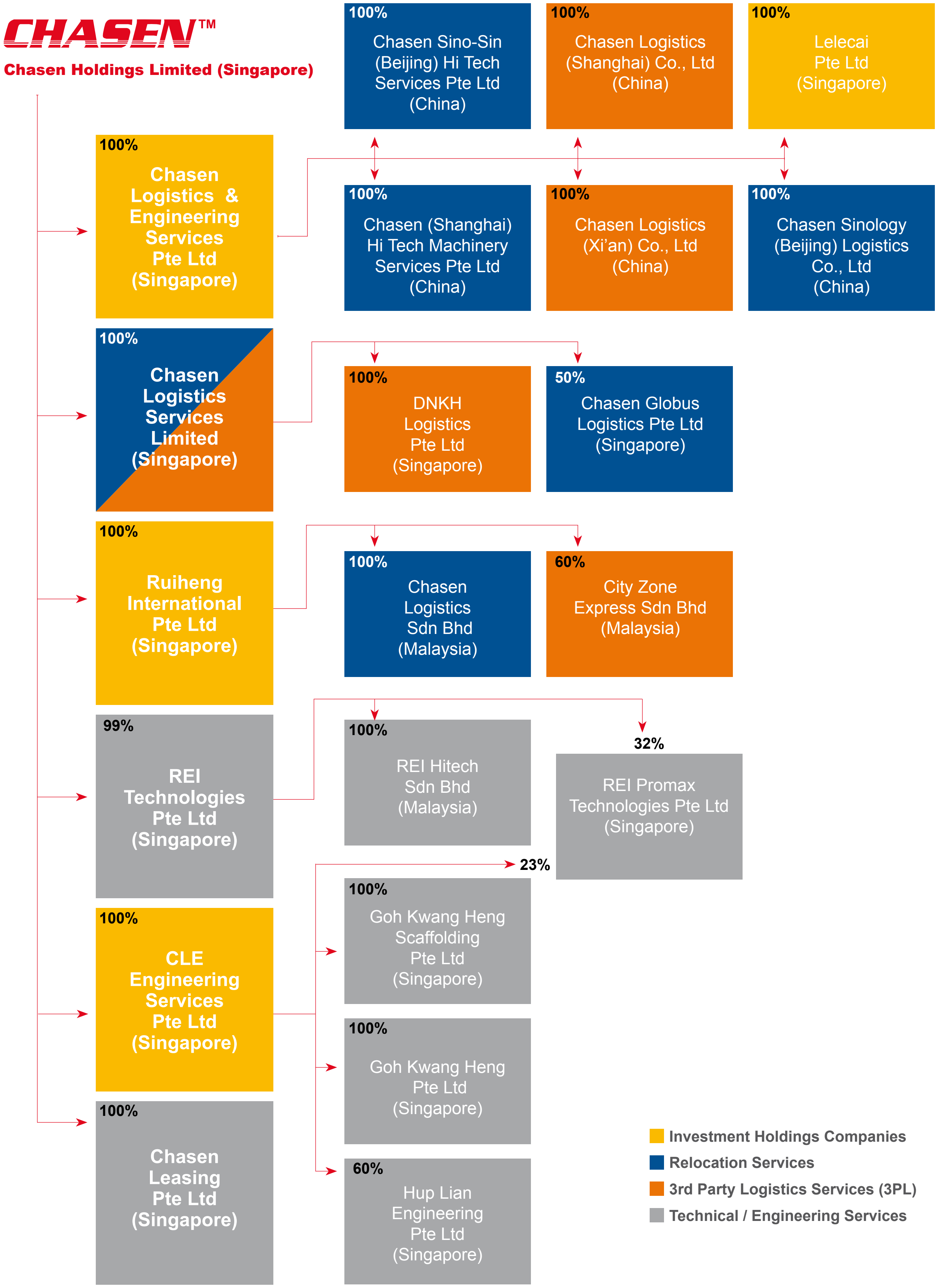
HLE is a specialised engineering and structural steel fabrication supplier and installation service provider to the local construction, marine and energy related industries. It is ISO 9001:2000 certified and was accredited structural steel fabricator for category S2 by the Singapore Structural Steel Society in 2005.

Having amassed vast experience in the design, supply and installation of steel fabrication for the construction of industrial buildings, warehouses, factories, shopping malls, link ways and other steel structures in Singapore, HLE has been successful in securing projects in the marine, property development and oil and gas industries.

Recently, HLE has also secured new contracts worth a total of S$12.1 million to provide structural steel-works for the Sentosa Integrated Resort and REC world's largest solar manufacturing complex in Tuas. Together with the new contracts, HLE has an order book of S$21.0 million to be fulfilled by end of 2009.

Among the notable projects completed by HLE include the Ministry of Education headquarters at North Buona Vista Road, canopy structure at Clarke Quay, roofing shelters for HDB's multi-storey carparks, SOITEC – FAB 3 manufacturing plant, SMAG III chemical plants at Jurong Island and pharmaceutical plants for Schering Plough Ltd, Lonza and Genentech.

CORPORATE STRUCTURE



BOARD OF DIRECTORS

Left to Right:
Low Weng Fatt
Siah Boon Hock
Yap Koon Bee @ Louis Yap
Ng Jwee Phuan @ Frederick (Eric)
Tan Chong Huat

LOW WENG FATT
Managing Director

Mr Low is the Managing Director of the Chasen Group since 6 February 2007. He was appointed the Managing Director of CLSL in June 2001, after having been a director since its incorporation in 1999. He was instrumental in ensuring the success of the reverse acquisition of China Entertainment Sports Ltd, which led to the listing of the Chasen Group on SGX-SESDAQ (now known as Catalist). Mr Low is responsible for strategic planning, overseeing the financial stability of and setting business goals and sales targets for the Group. As Managing Director, he is also responsible for establishing the general business direction for the Group, providing the leadership to steer the Group through its growth plans in local and regional markets and pioneering its regional investment project plans. He continues to identify new business opportunities for the Group in its post-listing growth strategy.

Mr Low joined CLSL in 1996 as Project Manager responsible for project management and operations control, technical service consultation, development of tools for use in operations and after sales support for the Group's clients. Recognising the growth potential of the equipment relocation business, he discontinued the labour supply business to focus on this segment of the business. He gradually built up the Group's operational capability by acquiring a fleet of general and specialised trucks, purchase specialist material handling equipment and tools to improve operational efficiency and to meet the needs of increasingly sophisticated equipment being relocated and providing both conventional and air-conditioned warehousing management services, packing and crating services to customers.

In late 2003, he extended the Group's operations to PRC, and in 2005 into Malaysia where revenue contribution is substantial enough to be classified as a distinct geographical segment this fiscal year. Mr Low was instrumental in establishing REI to develop the Group's technical support services as part of our growth strategy to extend the scope of our services to include businesses with regular income streams in order to even out the revenue flow throughout the year.

SIAH BOON HOCK
Executive Director

Mr Siah is an Executive Director of the Group. He was appointed to the Board of Chasen Holdings Limited on 6 February 2007. He is responsible for the general management of sales and marketing function in the Group and assists the Managing Director in strategic planning and overseeing the Group's expansion into overseas markets. Besides assuming personal responsibility for sales in certain markets, as Executive Director, Mr Siah heads the Corporate Marketing Office, which co-ordinates the Group's overall marketing plans and strategies. The Corporate Marketing Office is responsible for the development of the Group's marketing capability in the various markets that it operates in and for monitoring the achievement of the Group's total revenue. He is also responsible for business development of the Group, assisting the Managing Director in exploring and following up new business opportunities, as well as, extending our existing businesses into new markets.

Mr Siah has over 15 years of experience in sales and marketing, which includes being a regional sales manager responsible for the sales and market development of supply chain management solutions to personal computer OEMs with internationally recognized brands such as Apple, IBM, Compaq (now known as Hewlett Packard) in Asia. Prior to joining the Group, he was a director of Ascomp Cyberware International Pte Ltd from 2000 to 2001, where he managed the sales development of the trading company.



YAP KOON BEE @ LOUIS YAP
Non-Executive Director

Mr Yap is a Non-Executive Director of the Group. He has been a Director of Chasen Holdings Limited since 6 February 2007. He founded the business in 1995 as a partnership to supply labour for the stuffing and unstuffing of containers, packing and warehousing. He managed the Group's business until 2001 when he retired from active business management but has remained a Non-Executive Director of the Group. He has been involved in the business of labour supply as well as transport and warehousing since the 1960s and possesses substantial experience in the business of labour supply as well as transport and warehousing operations. Although a Non-Executive Director, Mr Yap still maintains an advisory role in the Group and continues to provide business network and market contacts to the Group and its subsidiaries.

NG JWEE PHUAN @ FREDERICK (ERIC)
Lead Independent Director

Mr Ng has been the Principal Consultant of Chadway Management Service Pte Ltd since 1982. He is responsible for providing operational management, planning and executing growth strategies, merger and acquisitions activities and corporate finance services to companies in Singapore and the region. He also advises on business growth and globalisation strategies, capital market and corporate governance issues and is an active capital market intermediary matching capital with business. Mr Ng is also active in various societies and institutions, being a member of the Singapore Institute of Directors and the Singapore Human Resource Institute. He also served as District Governor for Singapore of Lions Clubs International from 2002 to 2003.

ADJUNCT ASSOCIATE PROFESSOR TAN CHONG HUAT
Independent Director

Mr Tan is our Independent Director and was appointed on 10 September 2007. Currently, Mr Tan is the Managing Partner of KhattarWong, a firm of advocates and solicitors. He also heads its Corporate and Securities department.

Mr Tan graduated with a degree and master degree in law respectively from National University of Singapore and University of London. He is an advocate and solicitor of the Supreme Court of Singapore, a solicitor in England and Wales, a solicitor in Supreme Court of New South Wales, Australia, a Notary Public and a Commissioner for Oaths. He is also a member of the Singapore Institute of Arbitration, the Chartered Institute of Arbitrators, and an accredited arbitrator with China International Economic and Trade Arbitration Commission and a full member of Singapore Institute of Directors. He has extensive experience in corporate, banking and project finance law in Singapore and the region, and acted in numerous significant corporate transactions. He has been named a leading practitioner in many reputable professional publications, including Asia Pacific Legal 500, Asia Law Leading Lawyers.

Mr Tan is an Adjunct Associate Professor of the Law Faculty and the Business School National University of Singapore, and the Nanyang Business School, Nanyang Technological University. He was conferred a Visiting Professorship by the Beijing Normal University. Besides authoring two leading literature on PRC investment laws, he has co-authored a title on "Corporate governance of listed companies in Singapore" and is a co-editor for a new title on "Corporate Governance : The Good, Bad and Ugly".

Mr Tan is also chairman of corporate governance committees and director of several public listed companies with operations in Australia, South East Asia, Indochina, Hong Kong and PRC.

EXECUTIVE OFFICERS




YEO SECK CHEONG
General Manager (PRC)

Mr Yeo is the General Manager (PRC) of the Group. In this capacity, he is the CEO of Chasen PRC relocation and warehouse operations conducted through Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd ("Chasen Hi Tech"); Chasen Sino-Sin (Beijing) Hi Tech Services Pte Ltd ("Chasen Beijing"); Chasen Logistics (Xi'an) Co., Ltd and Chasen Sinology (Beijing) Co., Ltd. He is responsible for the overall operations and the sales and marketing of the Group's business in the PRC. He joined the Company in 2000 as a Project Manager responsible for executing relocation projects. He transferred this experience to PRC and has successfully managed Chasen logistics operations there since its establishment. He also assists the Managing Director in developing and executing the Group's growth strategy in the PRC market.

CHEONG TUCK NANG
General Manager (Regional Operations)

Mr Cheong is the General Manager (Regional Operations) of the Group. He is responsible for the overall manpower training and implementation of safe moving methods and procedures for the Group's warehousing and relocation businesses. His operational responsibilities include trouble shooting, providing technical and engineering solutions and design of specialised relocation tools as and when needed for specific projects. He is also responsible for the execution of major projects of the Group in the region and the provision of after-sales support to the Group's customers. Over the past few years Mr Cheong has been based in PRC as our Group's operations there expanded. He supervised the successful execution of relocation projects in the PRC.

MAK PENG LEONG PHILIP
Chief Financial Officer

Mr Mak was appointed as the Chief Financial Officer of the Group on 18 December 2007. He is responsible for the Group's overall financial management and internal control reporting and other compliance requirements of the Group. He is also responsible for developing the Group's internal control system. Prior to joining the Group, Mr Mak has worked in a wide spectrum of companies including Singapore based multi-national corporations, publicly listed companies on the Singapore Exchange and public accounting firms. In all, Mr Mak has more than 20 years of experience in audit and financial management prior to joining our Company. Mr Mak holds a MBA from the University of South Australia in Adelaide, Australia. He is also a fellow member with the Institute of Certified Public Accountants of Singapore, as well as, the Association of Chartered Certified Accountants in UK.




DIXZYQUO NURMAN
General Manager (Singapore)

Mr DixzyQuo is the General Manager (Singapore) of the Group. He joined CLSL in 2000 as a Business Planning Manager responsible for planning and coordinating the business processes, preparing sales reports and market analysis. He was promoted to his current position in 2004 to oversee relocation projects, general warehousing and after-sales support to customers in Singapore and Malaysia. He is also responsible for the successful execution of turnkey relocation projects out of Singapore including the relocation of a plant from Puerto Rico to Malaysia.

ALVIN CHIANG MUN HOE
General Manager (REI)

Mr Chiang is the General Manager of REI Technologies Pte. Ltd ("REI"), a subsidiary of the Group. He is responsible for steering the growth of REI, successful execution of its service operations and strategic planning for this subsidiary. He joined the Group in May 2006 to set up REI to provide equipment repair, maintenance and related technical services to complement the Group's relocation logistics business. Prior to joining REI, he had been with Singapore-listed technology company, Ellipsiz Ltd, where he oversaw operations, regional market growth, business development as well as co-ordinated public and investor relations for the company. He had also been with TECH Semiconductor (S) Pte Ltd where his responsibilities covered production / material planning and control, equipment maintenance, special device / technology conversion projects and procurement. Mr Chiang holds a Diploma in Mechanical Engineering from the Singapore Polytechnic and a Bachelor of Science (Mechanical Engineering) from the University of Oklahoma, USA.

YAP BENG GEOK DOROTHY
Administration Manager

Ms Yap is the Administration Manager of the Group. She is responsible for the day-to-day administrative workflow, human resource matters and the general administration of the Group in Singapore and provides support to our regional operations whenever required. She also provided invaluable assistance during the reverse acquisition exercise. Ms Yap joined CLSL in 1995 and over the past 10 years she has been with the Group, she has acquired in-depth knowledge of many aspects of the Group's business, including its operation and administration. She was previously in charge of the Group's accounting matters. Prior to joining the Group, Ms Yap worked as an Administrative Officer with a Japanese multinational in Singapore. She is the daughter of Mr Yap Koon Bee @ Louis Yap, Non-Executive Director and a Controlling Shareholder of the Group.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Low Weng Fatt (Managing Director)
Siah Boon Hock (Executive Director)
Yap Koon Bee @ Louis Yap (Non-Executive Director)
Yap Beng Geok Dorothy, alternate to Yap Koon Bee @ Louis Yap (Non-Executive Director)
Ng Jwee Phuan @ Frederick (Eric) (Lead Independent Director)
Tan Chong Huat (Independent Director)
Tan Sin Huat Dennis, alternate to Tan Chong Huat (Independent Director)

AUDIT COMMITTEE

Ng Jwee Phuan @ Frederick (Eric) (Chairman)
Tan Chong Huat
Yap Koon Bee @ Louis Yap

REMUNERATION COMMITTEE

Ng Jwee Phuan @ Frederick (Eric) (Chairman)
Tan Chong Huat
Yap Koon Bee @ Louis Yap

NOMINATING COMMITEE

Tan Chong Huat (Chairman)
Ng Jwee Phuan @ Frederick (Eric)
Low Weng Fatt

COMPANY SECRETARY

Chew Kok Liang

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

18 Jalan Besut
Singapore 619571
Tel: (65) 6266 5978
Fax: (65) 6262 4286
Website: www.chasen.com.sg

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate Advisory Services Pte. Ltd.
3 Church Street #08-01
Samsung Hub
Singapore 049483

AUDITORS

LTC LLP
Certified Public Accountants
1 Raffles Place #20-02 OUB Centre
Singapore 048616
Partner in charge: Mr Tsang Siu For Thomas
(a member of the Institute of Certified Public Accountants of Singapore)
(appointed since financial year ended 31 March 2007)

PRINCIPAL BANKER

DBS Bank Ltd
6 Shenton Way
DBS Building Tower One
Singapore 068809

The Company is committed to setting in place corporate governance practices to provide the structure through which the objectives of protecting shareholders' interests and enhancement of shareholders' value are met. This report describes the Company's corporate governance processes and activities with reference to the Code of Corporate Governance 2005 (the "Code").

BOARD MATTERS

Board's Conduct of its Affairs

Principle 1: *Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.*

The principal functions of the Board include the following:

(a) Protecting and enhancing long-term value and return to its shareholders

(b) Providing leadership and guidance on corporate strategy, business directions, risk management policy and implementation of corporate objectives

(c) Establishing, reviewing and approving the annual budget, corporate policies, strategies and objectives for the Group

(d) Ensuring the effectiveness and integrity of management

(e) Monitoring the Management's achievement of these goals

(f) Conducting periodic reviews of the Group's financial performance, internal controls and reporting compliance

(g) Approving nominations to the Board and appointment of key personnel

(h) Ensuring the Group's compliance with all relevant and applicable laws and regulations

(i) Assuming responsibility for the corporate governance of the Group

To assist the Board in the execution of its responsibilities, the Board is supported by three committees, namely, the Nominating Committee, the Remuneration Committee and the Audit Committee. Each Committee has its own defined terms of reference and operating procedures.

Formal Board meetings are held at least twice a year to approve the half-yearly results announcement and to oversee the business affairs of the Group. The Board is free to seek clarification and information from management on all matters within their purview. Ad-hoc meetings are convened when the circumstances require. In the course of the financial year under review, as at the date of this report, the number of Board and Committee meetings held and attended by each Board member is set out as follows:

Name	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Low Weng Fatt	3	3	3*	3*	2	2	2*	2*
Siah Boon Hock	3	3	3*	3*	2*	1*	2*	1*
Yap Koon Bee @ Louis Yap	3	2	3	2	2*	2*	2	2
Ng Jwee Phuan @ Frederick (Eric)	3	3	3	3	2	2	2	2
Tan Chong Huat	3	1	3	1	2	1	2	1
Tan Sin Huat Dennis (1)	3	3	3	3	2	2	2	2
Yap Beng Geok Dorothy (2)	2	2	3	3	2	2	2	2

(1) Alternate Director to Tan Chong Huat
(2) Alternate Director to Yap Koon Bee @ Louis Yap
* By Invitation

The Board has in place an orientation programme for newly appointed Directors in order to familiarise them with the Group's business operations, strategic directions, directors' duties and responsibilities and corporate governance practices. The Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of directors' duties and responsibilities. The Directors are also kept abreast of any developments which are relevant to the Group and any developments of relevant new laws and regulations.

Board Composition and Guidance

Principle 2: *There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.*

The Board of Directors consists of seven members (including two alternate directors), the majority of whom are non-executive including two who are Independent Directors:

Executive Directors
Low Weng Fatt (Managing Director)
Siah Boon Hock

Non-Executive Director
Yap Koon Bee @ Louis Yap
Yap Beng Geok Dorothy, Alternate Director to Yap Koon Bee @ Louis Yap

Independent Directors
Ng Jwee Phuan @ Frederick (Eric)
Tan Chong Huat
Tan Sin Huat Dennis, Alternate Director to Tan Chong Huat

The Board considers an "Independent" Director as one who has no relationship with the Company, its related corporation or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

The Nominating Committee has reviewed the independence of the Independent Directors for the financial year ended 31 March 2009 in accordance with the Code's definition of independence and is satisfied that one-third of the Board comprises Independent Directors.

The Nominating Committee is of the view that the Board comprises Directors who have the appropriate mix of diversity, expertise and experience, and collectively possess the necessary core competencies for effective functioning and informed decision-making.

Chairman and Chief Executive Officer

Principle 3: *There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.*

During the financial year ended 31 March 2009, Low Weng Fatt being the Managing Director of the Company, performs the role of CEO and has executive responsibility for the Group's businesses. Responsibility for the workings of the Board is jointly held by Low Weng Fatt and the Lead Independent Director, Ng Jwee Phuan @ Frederick (Eric) who ensures that procedures are introduced to comply with the Code.

To further enhance the independence of the Board, the Board has appointed Ng Jwee Phuan @ Frederick (Eric) as the Lead Independent Director to co-ordinate the activities of the Independent Directors, to act as the principal liaison between the Independent Directors and the Managing Director on sensitive issues and to hold meetings with Independent Directors when required.

The Board has set clear guidelines in respect of decisions that are to be made by the Board, decisions that are to be made by the Managing Director in consultation with the Board while leaving it to the judgment of management as to other matters that ought to be referred to the Board. The Board is of the opinion that the process of decision making by the Board has been independent and has been based on collective decisions without any individual exercising any considerable concentration of power or influence.

Board Membership

Principle 4: ***There should be a formal and transparent process for the appointment of new directors to the Board.***

The Nominating Committee currently comprises the following three members, of whom two are Independent Directors:

Tan Chong Huat (Chairman)
Ng Jwee Phuan @ Frederick (Eric)
Low Weng Fatt

The duties of the Nominating Committee are, inter alia:

(1) To make recommendations to the Board on all board appointments and on the composition of the Board generally and the balance between executive and non-executive Directors appointed to the Board to ensure that the Board as a whole possess the right blend of relevant experiences and core competencies to effectively manage the Company.

(2) To review, assess and recommend nominees or candidates for appointment or election to the Board, having regard to his/her requisite qualifications and competency and whether or not he/she is independent and in the case of a re-nomination, to his/her contribution and performance (e.g. attendance, preparedness, participation and candour).

(3) To determine, on an annual basis, if a Director is independent.

(4) To recommend Directors who are retiring by rotation to be put forward for re-election.

(5) To determine/propose objective performance criteria for evaluating the performance of the Board and each of its Directors with respect to the Director's delegated duties.

(6) To assist the Board to implement a process for assessing the effectiveness of the Board as a whole.

The Nominating Committee is also responsible for determining annually, the independence of directors, bearing in mind the circumstances set forth in Guideline 2.1 of the Code and any other salient factors. Following its annual review, the Nominating Committee has endorsed the independence status of Ng Jwee Phuan @ Frederick (Eric), Tan Chong Huat and Tan Sin Huat Dennis (Alternate Director to Tan Chong Huat).

The Nominating Committee is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple board representations, and there is presently no need to implement internal guidelines to address the competing time commitments. This matter is reviewed on an annual basis by the Nominating Committee.

Pursuant to the Company's Articles of Association, every Director (except the Managing Director i.e. our CEO, who may be appointed for a term of up to five years) must retire from office at least once every three years by rotation. Directors who retire are eligible to offer themselves for re-election.

New Directors are appointed by way of Board resolution following which they are subject to re-election by shareholders at the next Annual General Meeting.

Each member of the Nominating Committee shall abstain from voting on any resolutions in respect to his re-nomination as a Director.

The Nominating Committee has recommended the re-election of Ng Jwee Phuan @ Frederick (Eric) who is retiring at the forthcoming Annual General Meeting to be held on 24 July 2009 (the "forthcoming AGM"). The Board has accepted the recommendation and the retiring Director would be offering himself for re-election.

Key information regarding the Directors is set out below:

Name of Director	**Date of First Appointment**	**Date of Last Re-election**	**Directorship and Chairmanship in Other Listed Companies and Major Appointments (Present and held over preceding 3 years)**
Low Weng Fatt	6 February 2007	Not Applicable	Nil
Siah Boon Hock	6 February 2007	31 July 2008	Nil
Yap Koon Bee @ Louis Yap	6 February 2007	31 July 2008	Nil
Ng Jwee Phuan @ Frederick (Eric)	6 February 2007	27 July 2007	**Listed Companies - Present** 1. Avasplas Ltd **Listed Companies – Preceding 3 Years** Nil **Major Appointments** Nil
Tan Chong Huat	10 September 2007	31 July 2008	**Listed Companies - Present** 1. Artivision Technologies Ltd 2. Luye Pharma Group Ltd 3. Ramba Energy Limited 4. Superior Fastening Technology Ltd 5. Swing Media Technology Group Ltd 6. Sinwa Ltd **Listed Companies – Preceding 3 Years** 1. Asia Environment Holdings Ltd 2. Zhonghui Holdings Ltd 3. Middle East Development Singapore Ltd **Major Appointments** Nil
Tan Sin Huat Dennis [(1)]	10 September 2007		**Listed Companies - Present** 1. Superior Fastening Technology Ltd **Listed Companies – Preceding 3 Years** Nil **Major Appointments** Nil
Yap Beng Geok Dorothy [(2)]	29 May 2008		Nil

(1) Alternate Director to Tan Chong Huat
(2) Alternate Director to Yap Koon Bee @ Louis Yap

Board Performance

Principle 5: *There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.*

The Nominating Committee has established a formal process for assessing the effectiveness of the Board as a whole and has completed the assessment.

The Board and the Nominating Committee have endeavored to ensure that Directors appointed to the Board possess the experience, knowledge and expertise critical to the Group's business.

Access to Information

Principle 6: *In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.*

To enable the Board to fulfill its responsibility, Management strives to provide Board members with adequate and timely information for Board and committee meetings on an on-going basis. Board and committee papers are prepared for each meeting and are disseminated to the members before the meetings. Board and committee papers include sufficient information from Management on financial, business and corporate matters of the Group so as to enable directors to be properly briefed on matters to be considered at the Board and committee meetings. Directors are given separate and independent access to the Group's key executives and Company Secretary to address any enquiries.

The Company Secretary or his representatives administer, attend and prepare minutes of Board and committee meetings, and assist the Chairmen in ensuring that proper procedures at such meetings are followed and reviewed so that the Board and committees function effectively. Directors may seek professional advice in furtherance of their duties and the costs will be borne by the Company.

The Board has separate and independent access to the Company's management and the Company Secretary at all times. The appointment and removal of the Company Secretary are subject to the approval of the Board.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: *There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.*

The Remuneration Committee currently comprises the following three members, of whom two are Independent Directors:

Ng Jwee Phuan @ Frederick (Eric) (Chairman)
Tan Chong Huat
Yap Koon Bee @ Louis Yap

The principal functions of the Remuneration Committee are, inter alia:

(1) To review and submit its recommendations for endorsement by the Board, a framework of remuneration and the specific remuneration packages and terms of employment (where applicable) for each director, CEO (or executive of equivalent rank) if the CEO is not a Director and senior management, including but not limited to senior executives who report directly to the CEO of the Group and employees related to the Executive Directors and Controlling Shareholders of the Group. The Independent Directors on the Remuneration Committee shall review and approve annually the total remuneration of the Directors, Executive Officers and other employees who are related to the Substantial Shareholders.

(2) To review and submit its recommendations for endorsement by the Board, the awards granted under the Chasen Performance Share Plan or any long term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith.

(3) To cover all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind in its review and recommendations.

Each member of the Remuneration Committee refrains from voting on any resolutions in respect of the assessment of his remuneration. No Director will be involved in determining his own remuneration.

In structuring and reviewing the remuneration packages, the Remuneration Committee seeks to align interests of Directors with those of shareholders and link rewards to corporate and individual performance as well as roles and responsibilities of each Director. All Independent Directors are paid Directors' fees that are subject to shareholders' approval at the Annual General Meeting.

The service agreement for Managing Director, Low Weng Fatt, is for a fixed appointment period and does not contain onerous removal clauses. The service agreement allows termination by either party giving not less than six months' notice in writing to the other. The Remuneration Committee is responsible for the review of compensation commitments the service agreement, if any, entails in the event of early termination.

The Remuneration Committee has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises.

Principle 8: ***The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.***

The Remuneration Committee will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director when determining remuneration packages.

The Independent Directors receive Directors' fees and share awards under the Chasen Performance Share Plan, in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors shall not be over-compensated to the extent their independence may be compromised.

The remuneration for the Executive Directors and Management comprise a basic salary component and a variable component, namely, the annual bonus and share awards under the Chasen Performance Share Plan. The latter is based on the performance of the Group as a whole and their individual performances.

The Board is of the view that the remuneration offered to the Directors and Management is fair and competitive. The Remuneration Committee will carry out annual reviews of the remuneration packages of the Directors and Management, having due regard to their contributions as well as the financial and commercial needs of the Group.

Principle 9: ***Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.***

Company's Directors receiving remuneration from the Group for the financial year ended 31 March 2009 are as follows:

Remuneration Band	**Number of Directors**	
	2009	**2008**
S$500,000 and above	0	0
S$250,000 to below S$500,000	2	1
Below S$250,000	3	4
Total	5	5

A breakdown of each individual director's and key executive's remuneration, in percentage terms showing the level and mix for the financial year ended 31 March 2009, is as follows:

	Fees %	Salary %	Bonus %	Other benefits %	Total compensation %
Directors					
S$250,000 to below S$500,000					
Low Weng Fatt	6	63	31	–	100
Siah Boon Hock	9	62	29	–	100
Below S$250,000					
Yap Koon Bee @ Louis Yap	100	–	–	–	100
Ng Jwee Phuan @ Frederick (Eric)	100	–	–	–	100
Tan Chong Huat	100	–	–	–	100
Tan Sin Huat Dennis	–	–	–	–	–
Yap Beng Geok Dorothy	–	–	–	–	–
Key Management					
S$250,000 to below S$500,000					
-	–	–	–	–	–
Below S$250,000					
Mak Peng Leong Philip	–	83	17	–	100
DixzyQuo Nurman	–	63	37	–	100
Yeo Seck Cheong	–	86	14	–	100
Cheong Tuck Nang	–	84	16	–	100
Chiang Mun Hoe Alvin	–	81	19	–	100
Yap Beng Geok Dorothy	–	83	17	–	100

The remuneration of one of the employees related to Yap Beng Geok Dorothy, an Alternate Director of the Company, exceeds S$150,000 for the financial year ended 31 March 2009.

The Remuneration Committee has reviewed and approved the remuneration packages of the Directors and Key Management, having due regard to their contributions as well as the financial and commercial needs of the Group and has ensured that the Directors are adequately but not excessively remunerated.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: *The Board should present a balanced and understandable assessment of the company's performance, position and prospects.*

One of Board's principal duties is to protect and enhance the long-term value and returns to our shareholders.

This accountability to our shareholders is demonstrated through the presentation of our periodic financial statements as well as announcements and news releases of significant corporate developments and activities so that the shareholders can have a detailed explanation and balanced assessment of the Group's financial position and prospects.

The Management maintains close contact and communication with the Board by various means including the preparation and circulation to all Board members half-yearly financial statements of the Group. This allows the Directors to monitor the Group's performance as well as Management's achievements of the goals and objectives determined and set by the Board.

Principle 11: *The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.*

The Audit Committee currently comprises the following three members, of whom two are Independent Directors:

Ng Jwee Phuan @ Frederick (Eric) (Chairman)
Tan Chong Huat
Yap Koon Bee @ Louis Yap

The Company has adopted and has complied with the principles of corporate governance under the Code in relation to the roles and responsibilities of the Audit Committee.

The Board is of the view that the members of the Audit Committee are appropriately qualified, having the necessary accounting or related financial management expertise or experience to discharge their responsibilities.

The Audit Committee (“AC”) meets half-yearly and its duties are, inter alia:

(1) To review with the external auditors:

   a) the audit plan, including the nature and scope of the audit before the audit commences,

   b) their evaluation of the system of internal accounting controls,

   c) their audit report, and

   d) their management letter and Management’s response.

(2) To ensure co-ordination where more than one audit firm is involved.

(3) To review all formal announcements relating to the Company’s financial performance and the interim and annual financial statements to ensure the integrity of the said financial statements and formal announcements; and thereafter to submit them to the Board for approval. The Audit Committee would focus, inter alia, on the following:

   a) significant financial reporting issues and judgments,

   b) changes in accounting policies and practices,

   c) major risk areas,

   d) significant adjustments resulting from the audit,

   e) the going concern statement,

   f) compliance with accounting standards,

   g) audit qualifications, if any,

   h) concerns and issues arising from the audits; and

   i) compliance with stock exchange and statutory/regulatory requirements.

(4) To discuss problems and concerns, if any, arising from the interim and final audits, in consultation with the external auditors and the internal auditors where necessary.

(5) To meet with the external auditors and with the internal auditors without the presence of Management, at least annually, to discuss any problems and concerns they may have. The external auditor has the right to appear and be heard at any meeting of the AC and shall appear before the Committee when required to do so by the Committee.

(6) To review the assistance given by Management to the external auditors.

(7) To review annually the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the external auditors.

Where the auditors also provide a substantial volume of non-audit services to the Company, to review the nature and extent of such services in order to balance the maintenance of objectivity and value for money, and to ensure that the independence of the auditors would not be affected.

(8) To review the internal audit programme and ensure co-ordination between the internal and external auditors and Management and to avoid duplications of work.

(9) To review the effectiveness of the internal audit function, the scope and results of the internal audit procedures and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company and to review and ensure annually the adequacy of the internal audit function.

(10) To recommend to the Board if the internal audit function should be in-house or out-sourced to a reputable public accounting/auditing firm. If the public accountant is also the external auditor of the Company, the AC should satisfy itself that the independence of the public accountant is not compromised by any other material relationship with the Company.

(11) To review the adequacy of the Company's internal controls as set out in Guideline 12.1 of the Code of Corporate Governance. Guideline 12.1 states that the AC should review the adequacy of the Company's internal financial controls, operational control and compliance controls, and risk management policies and systems established by the Management (collectively "the internal controls"). The AC should ensure a review of the effectiveness of the Company's internal controls is conducted at least annually.

(12) To review the audited balance sheet and profit and loss account of the Company and the audited consolidated balance sheet and profit and loss account; and thereafter to submit to the Board.

(13) To review all internal audit reports. The Internal Auditor's primary line of reporting should be to the Chairman of the AC although the Internal Auditor would also report administratively to the CEO.

(14) To commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations, which has or is likely to have a material impact on the Company's and Group's operating results or financial position. To also discuss the above with the external auditors and to review Management's response.

(15) To investigate any matter within its terms of reference, with full access to and co-operation by Management and full discretion to invite any director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly.

(16) To review arrangements by which staff of the Company may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions.

(17) To report to the Board its findings from time to time on matters arising and requiring the attention of the Committee. In addition, upon the request of the auditor, the Chairman of the AC shall convene a meeting of the Committee to consider any matters the auditor believes should be brought to the attention of the Directors or Shareholders.

(18) To recommend to the Board the appointment, re-appointment, removal and matters arising from the resignation of the external auditors, and approve the remuneration and terms of engagement of the external auditors.

(19) To review all other existing and future Interested Person Transactions not subject to the Shareholders' Mandate to ensure that they are carried out at arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and Minority Shareholders.

(20) To review all interested person transactions (IPTs) falling within the scope of the Listing Manual Section B: Rules of Catalist to ensure compliance with Chapter 9 of the Listing Manual and Rules 1204(16) and 1204(17) of the Rules of Catalist.

(21) To update the SGX-ST on any findings of the independent accounting firm commissioned to review the adequacy of the Group's existing system of internal controls relating to interested person transactions review procedures (in the event trade transactions with Interested Persons in aggregate account for more than 5% of the total sales or purchases in the preceding year, as the case may be), and any follow up action taken by the AC, if any.

(22) To review the payment terms for interested person transactions on a quarterly basis.

(23) To review interested person transactions, including but not restricted to, comment in annual report as to whether the interested person transactions are conducted in accordance with the review procedures for Mandate Transactions.

(24) To review any potential conflicts of interest.

(25) To review the hedging policies, all types of instruments used for hedging as well as the foreign exchange policies and practices of the Group.

(26) To review the reporting structure relating to the Group's accounting function and conduct regular meetings with the Chief Financial Officer to ensure that the Chief Financial Officer is able to discharge his responsibilities effectively.

(27) To undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC.

(28) To undertake generally such other functions and duties as may be required by law or the Rules of Catalist, and by such amendments made thereto from time to time.

The Audit Committee wishes to report that there has been no Interested Persons Transactions for the financial year ended 31 March 2009 within the Group. It has nevertheless established the necessary review procedures for such Mandated Transactions should they arise.

The Company has implemented a whistle blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware and to ensure that:

(i) independent investigations are carried out in an appropriate and timely manner;

(ii) appropriate action is taken to correct the weaknesses in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and

(iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate balanced and fair, while providing reassurance that they will be protected from reprisals or victimization for whistle-blowing in good faith and without malice.

In the year under review, the Audit Committee received one communication through the Whistle Blowing mechanism. After due investigation the Audit Committee Chairman concluded that the matter complained of was a human resource management issue and not one of or related to fraud.

The Company had in the previous financial year appointed a risk management consultant to conduct an enterprise risk assessment study on all the operating subsidiaries of the Group and covering all geographical sectors that the Company currently operates in. The study was completed and an internal audit of internal financial and operating controls of each operating subsidiary would be conducted taking into account the risks identified by the study.

The Audit Committee has full access to the Management and also full discretion to invite any Director or key management to attend its meetings, and has been given reasonable resources to enable it to discharge its function.

The Audit Committee has noted that there are no non-audit services provided by the external auditors during the financial year ended 31 March 2009, and is of the opinion that the external auditors' independence has not been compromised. The Audit Committee has reviewed the performance of the external auditors and recommended to the Board the re-appointment of the external auditors at the forthcoming Annual General Meeting.

As there has been no Interested Person Transactions during the financial year ended 31 March 2009, the Audit Committee is of the opinion that Chapter 9 of the Listing Manual Section B: Rules of Catalist has been complied with.

In the event that a member of our Audit Committee is interested in any matter being considered by our Audit Committee, he will abstain from reviewing that particular transaction or voting on that particular resolution.

During the financial year ended 31 March 2009, the Audit Committee met with the external auditors without the presence of Management.

Principle 12: ***The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.***

The Board is responsible for the overall internal control framework and is fully aware of the need to put in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks. The Board recognizes that no cost effective internal control system will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Company's external auditors conduct an annual review of the effectiveness of the Company's material internal controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the Audit Committee. The Audit Committee also reviews the effectiveness of the actions taken by the management on the recommendations made by the internal and external auditors in this respect.

The Board is satisfied that currently there are adequate internal controls in the Group. The Board regularly reviews the effectiveness of all internal controls, including operational controls.

Principle 13: ***The Company should establish an internal audit function that is independent of the activities it audits.***

The Board acknowledges that it is responsible for maintaining an internal audit function that is independent of the activities it audits. The effectiveness of the internal financial control systems and procedures are monitored by the management. The Board believes that, in the absence of any evidence to the contrary, the system of internal controls that has been maintained by the Group's management throughout the financial year up to the date of this report is adequate to meet the needs of the Group in its current business environment.

Based on considerations of the number of operating subsidiaries and geographical spread of the Group, the nature and complexity of its operations as well as cost-effectiveness, the Group currently employs a qualified accountant as internal auditor. She is guided by an Internal Audit firm hired by the Company to ensure that the internal audit conducted comply with the principles and standards of the Institute of Internal Auditors. As at the end of financial year ended 31 March 2009, the internal audit on one of the major revenue and profit contributors of the Group was completed and that of another is being completed. Actions to rectify the internal control weaknesses identified by the internal audit are being taken by the management of the concerned subsidiary. The Company will review the current arrangement and staffing for the internal audit function of the Group at the appropriate time.

Communication with Shareholders

Principle 14: ***Companies should engage in regular, effective and fair communication with shareholders.***

Greater Shareholder Participation

Principle 15: ***Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.***

The Company is committed to regular and proactive communication with its shareholders in line with continuous disclosure obligations of the Company according to the rules of Catalist. Pertinent information will be disclosed to shareholders in a timely, fair and equitable manner.

Communications are made through:

- annual report that are prepared and issued to all shareholders;
- periodic results announcements;
- media meetings;
- circulars and notices to the shareholders;
- press releases; and
- disclosures to the public via SGXNET

In addition, shareholders are encouraged to attend the Annual General Meeting to ensure a high level of accountability and to stay informed of the Group's strategies and growth. The participation of shareholders is encouraged at the Company's Annual General Meeting. The Chairmen of the Audit, Remuneration and Nominating Committees will be available at the forthcoming Annual General Meeting to answer questions relating to the work of these committees. The External Auditors will also be present to assist the Directors in addressing any relevant queries from the shareholders. The Group fully supports the Corporate Governance Code's principle to encourage active shareholders participation.

If any shareholder is unable to attend, he is allowed to appoint up to two proxies to vote on his behalf at the meeting through proxy forms sent in advance.

Each item of special business included in the notice of the general meetings will be accompanied by full explanation of the effects of a proposed resolution. Separate resolutions are proposed for substantially separate issues at general meetings.

DEALINGS IN SECURITIES

The Company has issued a policy on the dealings in the securities of the Company to its Directors and Management in compliance with Rule 1204(18) of the Listing Manual Section B: Rules of Catalist. The Company and its officers are not allowed to deal in the Company's shares during the period commencing one month before the announcement of the Group's half-yearly and full year financial results and ending on the date of the announcements of the relevant results or when they are in possession of any unpublished price sensitive information on the Group. In addition the Directors and Management are expected not to deal in the Company's securities on short term consideration.

INTERESTED PERSON TRANSACTIONS

Details of Interested Person Transactions if any for the financial year ended 31 March 2009 are disclosed in the audited financial statements. To ensure compliance with the relevant rules under Chapter 9 of the Listing Manual Section B: Rules of Catalist on interested person transactions, the Board and Audit Committee regularly reviews if the Company will be entering into any interested person transaction and if it does, to ensure that the Company complies with the requisite rules under Chapter 9. When a potential conflict of interest arises, the Director concerned does not participate in discussions and refrains from exercising any influence over other members of the Board.

MATERIAL CONTRACTS

Other than disclosed in the audited financial statements, there are no material contracts of the Company or its subsidiaries involving the interest of any Director or controlling shareholder subsisting at the end of the financial year ended 31 March 2009.

RISK MANAGEMENT

Management regularly reviews the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate these risks within the Group's policies and strategies.

Management will also review the Group's exposure to foreign exchange risk. In addition, the Company will (a) seek the approval from the Board of Directors before entering into any foreign exchange hedging transactions and (b) put in place adequate procedures which must be reviewed and approved by the Audit Committee and all foreign exchange hedging policies will be approved and reviewed by the Board of Directors.

Management has taken note of the results of the enterprise risk assessment study conducted by the Company's appointed risk management consultant and actions have been taken to mitigate the identified risks. Their effectiveness would be assessed through an internal audit of each subsidiary.

CORPORATE GOVERNANCE

UPDATES ON USE OF PROCEEDS FROM RIGHTS ISSUE

On 25 February 2009, the Company had released an announcement in relation to an update on the use of proceeds from the Rights Issue. The use of proceeds from the Rights Issue was set out as follows: -

Description		Amount (S$'000)
Balance as at 30 June 2008		5,574
Amount utilized for:		
1.	Additional downpayment for the purchase of an industrial property in Tuas	661
2.	2nd – 4th tranche payments for the investment in Far Pacific Capital Ltd in Australia (A$1,200,000)	1,329
3.	Acquisition of 60% of the enlarged capital of City Zone Express Sdn Bhd (RM 871,000)	372
4.	Acquisition of remaining 30% equity interest in Chasen Logistics (Shanghai) Co., Ltd (US$50,000)	68
5.	Establishment of Chasen Sinology (Beijing) Logistics Co., Ltd (US$900,000)	1,336
6.	Purchase of plant and equipment	733
7.	Acquisition of REI Promax Technologies Pte Ltd (formerly known as HLN Promax Pte Ltd)	429
Balance as at 15 January 2009		646

There had been no material disbursement of the remaining proceeds from the Rights Issue and there were no material deviations from the stated use of the proceeds from Rights Issue.

CATALIST SPONSOR

The Company is currently under the SGX-ST Catalist sponsor-supervised regime. The continuing sponsor of the Company is KW Capital Pte. Ltd. In compliance to Rule 1204(20) of the Catalist Rule, there was no non-sponsor fee paid to the sponsor by the Company for the year ended 31 March 2009. However, the total amount of fees paid to the affiliates of KW Capital Pte. Ltd., namely KhattarWong and KW Corporate Advisory Pte. Ltd. for legal work and corporate secretarial work done respectively for the year ended 31 March 2009 was approximately $197,000.

REPORT OF THE DIRECTORS

The directors present their report to the members together with the audited consolidated financial statements of Chasen Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company as at 31 March 2009.

1. DIRECTORS

The directors of the Company in office at the date of this report are as follows:

Low Weng Fatt
Siah Boon Hock
Yap Koon Bee @ Louis Yap
Yap Beng Geok Dorothy (Alternate Director to Yap Koon Bee @ Louis Yap)
Ng Jwee Phuan @ Frederick (Eric)
Tan Chong Huat
Tan Sin Huat Dennis (Alternate Director to Tan Chong Huat)

2. LISTING ON THE CATALIST BOARD

The Company's shares were listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 28 October 2008.

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of the financial year nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

4. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The directors of the Company holding office at the end of the financial year had no interest in the share capital or debentures of the Company or its related corporations (excluding wholly owned subsidiaries) as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

	Shareholdings registered in the name of the director		Shareholdings in which a director is deemed to have an interest	
	At 1 April 2008 or date of appointment	At 31 March 2009	At 1 April 2008 or date of appointment	At 31 March 2009
Chasen Holdings Limited				
Ordinary shares:				
Low Weng Fatt	4,568,068,929	45,680,689**	–	110,000
Siah Boon Hock	950,655,164	9,506,551**	–	–
Yap Koon Bee @ Louis Yap	2,996,316,920	29,963,169**	–	–
Ng Jwee Phuan @ Frederick(Eric)	5,125,000	131,000**	–	–
Yap Beng Geok Dorothy*	–	–	507,827,582	5,078,275**

* Yap Beng Geok Dorothy is deemed to be interested in the shares held by spouse as at 29 May 2008, the date of her appointment as Alternate Director of the Company and as at 31 March 2009.

** On 1 December 2008, the ordinary shares were consolidated on a 100:1 basis.

The Directors' interests in the ordinary shares of the Company as at 21 April 2009 were the same as those as at 31 March 2009.

5. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company of which he has a substantial financial interest, except as disclosed in the financial statements.

6. CHASEN PERFORMANCE SHARE PLAN

The Chasen Performance Share Plan (the "Plan") was approved and adopted by the members of the Company at the Extraordinary General Meeting held on 16 May 2007.

The Plan is administered by the Remuneration Committee which comprises Ng Jwee Phuan @ Frederick (Eric), Tan Chong Huat and Yap Koon Bee @ Louis Yap.

Under the Plan, eligible participants are conferred rights by the Company on shares to be issued or transferred shares ("Awards"). The Plan contemplates the award of fully paid Shares when and after pre-determined performance or service conditions are accomplished and/or due recognition is given to any good work performance and/or any significant contribution to the Company.

The rationale of the Plan is to provide an opportunity for the Directors and full-time employees of the Group to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standard of performance, and to give recognition to employees of the Group who have contributed to the success of the Group. The participants are not required to pay for the grant of Awards or for the Shares allocated pursuant to an Award.

From the commencement of the Plan to 31 March 2009, awards comprising an aggregate of 144,600,000 shares prior to share consolidation have been granted.

As at end of 31 March 2009, details of performance shares awarded under the Plan are set out as below:-

Date of grant	Balance as at 1 April 2008	Share awards granted	Share awards vested	Share awards cancelled	Balance as at 31 March 2009
23 August 2007	47,600,000*	Nil	Nil	Nil	476,000**
1 September 2008	Nil	97,000,000	Nil	Nil	970,000**

* The share awards granted on 23 August 2007 was reported as 6,650,000 in 2008 which have since been corrected to 47,600,000.

** On 1 December 2008, the ordinary shares were consolidated on a 100:1 basis.

6. CHASEN PERFORMANCE SHARE PLAN (CONT'D)

The performance shares awarded to Directors are as follows:-

Name of participant	Balance as at 1 April 2008	Share awards granted	Share awards vested	Share awards cancelled	Balance as at 31 March 2009
Low Weng Fatt	1,400,000*	14,000,000	Nil	Nil	154,000**
Siah Boon Hock	10,500,000*	10,500,000	Nil	Nil	210,000**
Yap Koon Bee @ Louis Yap	350,000*	3,500,000	Nil	Nil	38,500**
Ng Jwee Phuan @ Frederick (Eric)	3,500,000*	3,500,000	Nil	Nil	70,000**
Yap Beng Geok Dorothy	350,000*	3,500,000	Nil	Nil	38,500**
Tan Chong Huat	Nil	3,500,000	Nil	Nil	35,000**

* The share awards granted on 23 August 2007 was reported as 6,650,000 in 2008 which have since been corrected to 47,600,000.

** On 1 December 2008, the ordinary shares were consolidated on a 100:1 basis.

7. STOCK OPTIONS

The Company does not have a Stock Option Scheme. As such, no options to take up unissued shares of the Company or its subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries. There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

8. AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

Ng Jwee Phuan @ Frederick (Eric) – Chairman
Tan Chong Huat
Yap Koon Bee @ Louis Yap

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50. In performing those functions, the Committee reviewed:

- The scope and the results of internal audit procedures with the internal auditor;
- The audit plan of the Company's independent auditor and its report on the weakness of internal accounting controls arising from the statutory audit;
- The assistance given by the Company's management to the independent auditor; and
- The balance sheet and the statement of changes in equity of the Company as at 31 March 2009 and the consolidated financial statements of the Group as at 31 March 2009 before their submission to the Board of Directors, as well as the independent auditor's report on the balance sheet and the statement of changes in equity of the Company and the consolidated financial statements of the Group.

Other functions performed by the AC are described in the report on corporate governance included in the annual report.

8. AUDIT COMMITTEE (CONT'D)

The AC has recommended to the Board that the independent auditors, LTC LLP, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

9. INDEPENDENT AUDITORS

The independent auditors, LTC LLP, have expressed their willingness to accept re-appointment.

On behalf of the directors

Low Weng Fatt
Director

Siah Boon Hock
Director

Singapore, 30 June 2009

STATEMENT BY DIRECTORS

In the opinion of the directors,

(i) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 41 to 92 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2009 and the results of the business, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

____
Low Weng Fatt
Director

____
Siah Boon Hock
Director

Singapore, 30 June 2009

INDEPENDENT AUDITORS' REPORT

To the Members of Chasen Holdings Limited
For the Financial Year Ended 31 March 2009

We have audited the accompanying financial statements of Chasen Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 41 to 92, which comprise the balance sheets of the Company and of the Group as at 31 March 2009, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

(a) the balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2009, and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

LTC LLP
Public Accountants and
Certified Public Accountants
Singapore, 30 June 2009

CONSOLIDATED INCOME STATEMENT

For the Financial Year Ended 31 March 2009

	Note	2009 $'000	2008 $'000
Revenue	4	54,940	24,224
Cost of sales		(40,129)	(14,615)
Gross profit		14,811	9,609
Other operating income	5	1,150	501
Negative goodwill arising from acquisition of subsidiaries	15	631	–
Distribution and selling expenses		(3,235)	(2,313)
Administrative expenses		(8,083)	(3,284)
Other operating expenses		(279)	(208)
Finance costs	6	(350)	(105)
Profit before income tax	7	4,645	4,200
Income tax expense	9	(768)	(1,131)
Net profit for the financial year		3,877	3,069
Net profit attributable to:			
Equity holders of the Company		2,565	3,125
Minority interests		1,312	(56)
		3,877	3,069
Earnings per share attributable to equity holders of the Company (cents)			
Basic	10	1.75	2.25
Diluted	10	1.74	2.25

The accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 March 2009

	Note	Group 2009 $'000	Group 2008 (Restated) $'000	Company 2009 $'000	Company 2008 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	14,155	8,473	–	–
Fixed deposits	12	1,000	2,000	1,000	2,000
Financial assets, available-for-sale	13	3,861	200	3,861	–
Club membership	14	74	60	60	60
Other receivables, deposits and prepayments	21	3,091	1,488	1,381	510
Investments in subsidiaries	15	–	–	37,372	37,000
Goodwill on consolidation	17	2,191	1,359	–	–
		24,372	13,580	43,674	39,570
Current assets					
Due from customers on work-in-progress	18	1,751	–	–	–
Inventories	19	362	–	–	–
Trade receivables	20	22,924	8,249	–	–
Amount due from subsidiaries		–	–	10,883	7,344
Other receivables, deposits and prepayments	21	5,363	2,899	2,099	109
Cash and bank balances	22	8,948	13,228	672	7,105
		39,348	24,376	13,654	14,558
LIABILITIES					
Current liabilities					
Bank overdraft		12	–	–	–
Bank loans (secured)	23	1,650	236	1,004	–
Trade payables	24	14,780	2,690	–	–
Other payables and accruals	25	4,005	1,790	334	256
Deferred income	26	21	–	–	–
Obligations under hire purchase contracts	27	1,137	265	–	–
Income tax payable		814	865	–	–
		22,419	5,846	1,338	256
Net current assets		16,929	18,530	12,316	14,302
Non-current liabilities					
Bank loans (secured)	23	2,845	874	2,016	–
Deferred income	26	48	–	–	–
Obligations under hire purchase contracts	27	1,573	613	–	–
Deferred income tax liabilities	28	297	50	–	–
		4,763	1,537	2,016	–
NET ASSETS		36,538	30,573	53,974	53,872
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	29	23,737	23,737	53,265	53,265
Treasury shares	30	(534)	–	(534)	–
Foreign currency translation reserve		1,072	(290)	–	–
Performance share plan reserve		154	–	154	–
Retained profits		8,989	7,011	1,089	607
		33,418	30,458	53,974	53,872
Minority interests		3,120	115	–	–
Total equity		36,538	30,573	53,974	53,872

The accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2009

Group	Share capital $'000	Treasury shares $'000	Foreign currency translation reserve $'000	Performance share plan reserve $'000	Retained profits $'000	Attributable to equity holders of the Company $'000	Minority interests $'000	Total equity $'000
Balance as at 1 April 2008	23,737	–	(290)	–	7,011	30,458	115	30,573
Foreign currency translation differences	–	–	1,362	–	–	1,362	–	1,362
Net expenses recognised directly in equity	–	–	1,362	–	–	1,362	–	1,362
Net profit for the financial year	–	–	–	–	2,565	2,565	1,312	3,877
Total recognised income and expenses for the financial year	–	–	1,362	–	2,565	3,927	1,312	5,239
Purchase of treasury shares (Note 30)	–	(534)	–	–	–	(534)	–	(534)
Cost of share-based payments	–	–	–	154	–	154	–	154
Final dividend for the previous year paid (Note 37)	–	–	–	–	(587)	(587)	–	(587)
Acquisition of subsidiaries	–	–	–	–	–	–	1,781	1,781
Acquisition of minority interests	–	–	–	–	–	–	(88)	(88)
Balance as at 31 March 2009	23,737	(534)	1,072	154	8,989	33,418	3,120	36,538

The accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the Financial Year Ended 31 March 2009

Group	Share capital $'000	Foreign currency translation reserve $'000	Retained profits $'000	Attributable to equity holders of the Company $'000	Minority interests (Restated) $'000	Total equity $'000
Balance as at 1 April 2007	7,812	(214)	4,473	12,071	4	12,075
Foreign currency translation differences	–	(76)	–	(76)	–	(76)
Net expenses recognised directly in equity	–	(76)	–	(76)	–	(76)
Net profit for the financial year	–	–	3,125	3,125	(56)	3,069
Total recognised income and expenses for the financial year	–	(76)	3,125	3,049	(56)	2,993
Interim dividend for the financial year (Note 37)	–	–	(587)	(587)	–	(587)
Acquisition of a subsidiary	–	–	–	–	93	93
Incorporation of a subsidiary	–	–	–	–	74	74
Increase in share capital arising from rights issue	15,925	–	–	15,925	–	15,925
Balance as at 31 March 2008	23,737	(290)	7,011	30,458	115	30,573

Company	Share capital $'000	Treasury shares $'000	Performance share plan reserve $'000	Special capital reserve $'000	Retained profits $'000	Total $'000
Balance as at 1 April 2008	53,265	–	–	–	607	53,872
Net profit for the financial year	–	–	–	–	1,069	1,069
Total recognised income and expenses for the financial year	–	–	–	–	1,069	1,069
Purchase of treasury shares (Note 30)	–	(534)	–	–	–	(534)
Cost of share-based payments	–	–	154	–	–	154
Final dividend for the previous year paid (Note 37)	–	–	–	–	(587)	(587)
Balance as at 31 March 2009	53,265	(534)	154	–	1,089	53,974
Balance as at 1 April 2007	49,209	–	–	1,351	(14,528)	36,032
Net profit for the financial year	–	–	–	–	2,502	2,502
Total recognised income and expenses for the financial year	–	–	–	–	2,502	2,502
Interim dividend for the financial year (Note 37)	–	–	–	–	(587)	(587)
Capital reduction	(13,220)	–	–	–	13,220	–
Transfer upon capital reduction	1,351	–	–	(1,351)	–	–
Increase in share capital arising from rights issue	15,925	–	–	–	–	15,925
Balance as at 31 March 2008	53,265	–	–	–	607	53,872

The accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the Financial Year Ended 31 March 2009

	2009 $'000	2008 (Restated) $'000
Cash flows from operating activities: -		
Profit before income tax	4,645	4,200
Adjustments for:		
Depreciation of property, plant and equipment	2,822	1,101
Loss/(gain) on disposal of property, plant and equipment	25	(86)
Cost of share-based payments	154	–
Negative goodwill arising from acquisition of subsidiaries	(631)	–
Allowance for doubtful trade receivables	164	–
Amortisation of club membership	1	–
Amortisation of deferred income	(12)	–
Interest income	(34)	(126)
Interest expense	206	74
Operating profit before working capital changes	7,340	5,163
Trade and other receivables	(6,067)	(5,045)
Due from customers on work-in-progress	(1,751)	–
Inventories	(2)	–
Trade and other payables	4,974	411
Cash generated from operations	4,494	529
Income tax paid	(680)	(759)
Net cash from/(used in) operating activities	3,814	(230)
Cash flows from investing activities: -		
Withdrawal/(placement) of long term fixed deposits	1,000	(2,000)
Acquisition of subsidiaries, net of cash acquired (Note 15)	(1,719)	(301)
Investment in financial assets, available-for-sale	(3,861)	–
Prepayment in investing activities*	(1,524)	(2,600)
Purchase of plant and equipment **	(3,927)	(2,949)
Proceeds from disposal of plant and equipment	84	102
Purchase of club membership	–	(60)
Interest received	34	126
Net cash used in investing activities	(9,913)	(7,682)
Cash flows from financing activities: -		
Proceeds from rights issue, net	–	15,925
Interest paid	(206)	(74)
Proceeds from bank loans	3,034	–
Repayment of bank loans	(224)	(591)
Repayments of hire purchase contracts	(550)	(309)
Dividend paid to equity holders of the Company	(587)	(587)
Placement of pledged fixed deposits with banks	(181)	(227)
Purchase of treasury shares	(534)	–
Proceeds from the minority interests	–	74
Net cash from financing activities	752	14,211
Net (decrease)/increase in cash and cash equivalents	(5,347)	6,299
Cash and cash equivalents at beginning of year	12,323	6,099
Effect of exchange rate changes on balances in foreign currencies	874	(75)
Cash and cash equivalents at end of year (Note 22)	7,850	12,323
Cash and cash equivalents comprise:		
Cash and bank balances	6,085	5,237
Fixed deposits	2,863	7,991
	8,948	13,228
Less: Fixed deposits pledged	(1,086)	(905)
Bank overdraft	(12)	–
	7,850	12,323

* During the year, the Group made prepayments for (a) potential business opportunities of amount $653,000 (2008: $500,000), (b) development of a paperless lottery business system of amount $nil (2008: $1,000,000) in the People's Republic of China ("PRC'), (c) down payment for purchase of property amounting to $871,000 (2008: $500,000) in Singapore and (d) down payment for equipment amounting to $nil (2008: $600,000) in PRC.

** During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $4,523,000 (2008: $3,377,000) of which $596,000 (2008: $428,000) was acquired by means of finance leases. Cash payments of $3,927,000 (2008: $2,949,000) were paid to purchase property, plant and equipment.

The accounting policies and explanatory notes form an integral part of the financial statements.

1. GENERAL

Chasen Holdings Limited (the "Company") is a limited liability company, which is incorporated in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST").

The registered office and principal place of business of the Company is at 18 Jalan Besut, Singapore 619571.

The principal activities of the Company are those of an investment holding company. The principal activities of the subsidiaries are stated in Note 15 to the financial statements.

The consolidated financial statements of the Group for the financial year ended 31 March 2009 and balance sheet and the statement of changes in equity of the Company as at 31 March 2009 were authorised for issue in accordance with a resolution of the directors on the date of the Statement by Directors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) Basis of presentation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and the provision of the Singapore Companies Act., Cap 50.

The financial statements are expressed in Singapore Dollars ("SGD" or "$"), which is also the Company's functional and presentation currency and prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts venues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

(II) New or revised FRS and interpretation to FRS ("INT FRS")

(i) FRS and INT FRS effective in the current period

The adoption of new and revised FRS and INT FRS has no impact on the financial statements.

(ii) FRS in issue not yet adopted

Certain new standards, amendments and interpretations to existing standards have been published as of the balance sheet date but are not yet effective and which the Group has not early adopted.

Effective for annual periods beginning on or after

FRS 1(Revised 2008) Presentation of financial statements	1 January 2009
FRS 23 Borrowing Costs	1 January 2009
FRS 27 Consolidated and Separate Financial Statements: – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(II) New or revised FRS and interpretation to FRS ("INT FRS") (cont'd)

(ii) FRS in issue not yet adopted (cont'd)

FRS 101 First Time Adoption of Financial Reporting Standards – Amendments relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
FRS 102 Share-based Payment – Vesting Conditions and Cancellations	1 January 2009
FRS 108 Operating Segments	1 January 2009

The Group's assessment of the impact of adopting these standards, amendments and interpretations that are relevant to the Group is set out below:

<u>FRS 1 (revised)</u>

FRS 1 (revised 2008) will become effective for the Group's financial statements for the year ending 31 March 2010.

The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity.

All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification of items in the financial statements.

FRS 1 (revised 2008) does not have any impact on the Group's financial position or results.

<u>FRS 108</u>

FRS 108 supersedes FRS 14 Segment Reporting and requires the Group to report the financial performance of its operating segments based on the information used internally by management for evaluating segment performance and deciding on allocation of resources. Such information may be different from the information included in the financial statements, and the basis of its preparation and reconciliation to the amounts recognised in the financial statements shall be disclosed.

The Group will apply FRS 108 from 1 April 2009 and provide comparative information that conforms to the requirements of FRS 108. The Group expects the new operating segments to be significantly different from business segments currently disclosed and expects more information to be disclosed under FRS 108.

<u>FRS 23</u>

FRS 23 (revised 2007) removes the option to recognise immediately as an expense borrowing costs that are attributable to qualifying assets, except for those borrowing costs on qualifying assets that are measured at fair value.

The Group will apply the revised FRS 23 from 1 April 2009. As the Group is not expected to incur any borrowing costs attributable to qualifying assets, the revised standard is not expected to have any impact to the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(III) Group accounting

(a) Subsidiaries

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. The Group generally has such power when it, directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

On disposal of investment in subsidiaries, the differences between net disposal proceeds and the carrying amounts of the investments are taken to the income statement.

The consolidated financial statements include the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the holding company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, transactions and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated but considered an impairment indicator of the assets transferred.

Acquisitions of subsidiaries are accounted for using the purchase method. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(b) Joint ventures

Investment in a joint-venture company is stated in the financial statements of the Company at cost less impairment losses.

The Group's joint venture is an entity over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. A joint venture company is a joint venture that involves the establishment of a separate entity in which each venture has an interest. The Group's interest in a joint venture is accounted for in the consolidated financial statements using proportionate consolidation.

Proportionate consolidation involves combining the Group's share of the joint venture's income and expenses, assets and liabilities and cash flows of the jointly-controlled entities on a line-by-line basis with similar items in the Group's financial statements.

When the Group sells assets to a joint venture, the Group recognises only the portion of unrealised gains or losses on the sale of assets that is attributable to the interest of the other venturers. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(III) Group accounting (cont'd)

(b) Joint ventures (cont'd)

When the Group purchases assets from a joint venture, it does not recognise its share of the profits of the joint venture arising from the Group's purchase of assets until it resells the assets to an independent party. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

When the Group's share of losses exceeds its interest in a joint venture, the carrying amount of that interest (including any long-term investments) is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

(c) Minority interests

Minority interests represent the portion of profit and loss and net assets in subsidiaries not held by the Group. They are presented in the consolidated balance sheet within equity, separately from the equity of the shareholders of the Company, and are separately disclosed in the consolidated income statement.

Where the losses applicable to the minority in a subsidiary exceed the minority interests in the equity of that subsidiary, the excess and further losses applicable to the minority interests are attributed to the equity holders of the Company, unless the minority has a binding obligation to, and is able to make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority interests are attributed to the equity holders of the Company until the minority interests' share of losses previously absorbed by the equity holders of the Company has been recovered.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interest result in gains and losses for the Group that are recognised in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the Group's incremental share of the carrying value of identifiable net assets of the subsidiary.

(d) Goodwill on acquisitions

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition.

Goodwill on subsidiaries is recognised separately and carried at cost less accumulated impairment losses (Note 2.XIII.a).

Gains and losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

Where the cost of acquisition is less than the fair value of the Group's share of the net identifiable assets and contingent liabilities of the subsidiary acquired, the difference ("negative goodwill") is recognised directly in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(IV) Property, plant and equipment and depreciation

(a) *Measurement*

(i) **Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(ii) ***Component of costs***

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(b) Depreciation

Depreciation on property, plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Estimated Useful Lives
Leasehold building	5-21 years
Transportation equipment	5-10 years
Tools and equipment	3-10 years
Furniture, fittings, and office equipment	1-10 years

The residual values and estimated useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

Fully depreciated assets still in use are retained in the financial statements.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(V) Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The functional currency of the Company and the presentation of the financial statements are in SGD.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the income statement, unless they arise from borrowings in foreign currencies, other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations. Those currency translation differences are recognised in the currency translation reserve in the consolidated financial statements and transferred to the income statement as part of the gain or loss on disposal of the foreign operation.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and translated at the closing rates at the balance sheet.

(VI) Income taxes

(a) Current income tax

Current income tax for the current and prior periods is recognised at the amount expected to be recovered from or paid to the tax authorities, using the tax rates and tax laws used that have been enacted or substantively enacted by the balance sheet date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(VI) Income taxes (cont'd)

(b) Deferred income tax

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill on an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductable temporary differences and tax losses can be utilised.

Deferred income tax is measured at:

(i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the income statement except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred income tax arising from a business combination is adjusted against goodwill on acquisition.

(VII) Assets under hire purchase contracts

Where assets are under hire purchase contracts, the assets are capitalised in the financial statements and the corresponding obligation treated as a liability. The assets capitalised are depreciated in accordance with the Group's accounting policy on depreciation of fixed assets. The total interest, being the difference between the total instalments payable and the capitalised amount is charged to the income statement to give a constant rate of charge on the remaining balance of the obligation.

(VIII) Leases

(a) Finance leases

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful lives of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(VIII) Leases (cont'd)

(a) Finance leases (cont'd)

For sale and finance leaseback, differences between sales proceeds and net book values are taken to the balance sheet as deferred gain on sale and leaseback transactions, included under "deferred income" and amortised over the minimum lease terms.

(b) Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of incentives received from the lessor) are recognised as an expense in the income statement on a straight-line basis over the period of lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(IX) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenues are presented net of value-added tax, rebates and discounts, and after eliminating revenue within the Group.

The Group recognises revenue when the amount of revenue and related costs can be reliably measured, when it is probable that the collectibility of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

Rendering of services

Revenue from logistics services is recognised over the period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

Contract income

Revenue from construction contracts for the current financial year ended 31 March 2009 is recognized as disclosed in Note 2.XXIV "Construction contracts."

Sale of goods

Revenue from sale of goods is recognized upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold.

Rental income

Rental income from letting of machinery is recognized on accrual basis.

(X) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and bank deposits. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts which are payable on demand and which form an integral part of the Group's cash management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(XI) Employee benefits

Defined contribution plan

As required by the law, the Group makes contributions to the state managed retirement scheme, the Central Provident Fund ("CPF"). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the balance sheet date.

Share-based payment

Employee performance share plan allows Group employees to acquire shares of the Company. The fair value of shares granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the vesting period during which the employees become unconditionally entitled to the shares. At each balance sheet date, the Company revises its estimates of the number of shares that are expected to become exercisable. It recognises the impact of the revision of original estimates in employee expense and in a corresponding adjustment to equity over the remaining vesting period.

(XII) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Where the Group expects some or all of the provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

(XIII) Impairment of non-financial assets

(a) **Goodwill on acquisition**

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(XIII) Impairment of non-financial assets (cont'd)

(a) **Goodwill (cont'd)**

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

(b) **Club membership**
Property, plant and equipment
Investment in subsidiaries and joint-venture

Club membership, property, plant and equipment and investment in subsidiaries and joint-venture are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (that is, the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

(XIV) Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: (i) loans and receivables and (ii) available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

(i) ***Loan and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(XIV) Financial assets (cont'd)

(a) Classification (cont'd)

(ii) ***Financial assets, available-for-sale***

Financial assets, available-for-sale, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after balance sheet date.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the assets. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in the income statement. Any amount in the fair value reserve relating to that asset is transferred to the income statement.

(c) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(d) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

Financial assets, available-for-sale are subsequently carried at fair value. Interest and dividend income on financial assets, available-for-sale are recognised separately in the income statement. Changes in fair values of available-for-sale equity securities (that is, non-monetary items) are recognised in the fair value reserve, together with the related currency translation differences.

(e) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) ***Loans and receivables***

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(XIV) Financial assets (cont'd)

(e) Impairment (cont'd)

(i) ***Loans and receivables (cont'd)***

The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) ***Financial assets, available for sale***

Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired.

The cumulative loss that was recognised in the fair value reserve is transferred to the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised in the income statement on debt securities. The impairment losses recognised in the income statement on equity securities are not reversed through the income statement.

(XV) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(XVI) Loans and borrowings

All loans and borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the income statement over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue. Other borrowings due to be settled more than twelve months after the balance sheet date are included in non-current borrowings in the balance sheet.

(XVII) Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(XVII) Share capital and treasury shares (cont'd)

When treasury shares are subsequently sold or reissued pursuant to the Advanced Share Option Scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

(XVIII) Financial guarantees

The Company has issued corporate guarantees to banks for bank facilities of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their financial facilities rendered.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to the income statement over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the amortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intergroup transactions are eliminated on consolidation.

(XIX) Dividend to Company's shareholders

Interim dividends are recorded in the financial year in which they are declared payable by the directors.

Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

(XX) Segment reporting

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

(XXI) Club membership

Club membership is measured at cost less accumulated amortisation and any impairment loss. Club membership is amortised on a straight-line basis over the estimated useful life of 5 to 15 years.

(XXII) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial liabilities are the current asking prices.

The fair values of the financial instruments that are not traded in an active market are determined by using valuation techniques. The Group uses a variety of methods and make assumptions that are based on the market conditions existing at each balance sheet date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analyses, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(XXIII) Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to borrowings acquired specifically for the construction or development of properties. The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development.

(XXIV) Construction contract

When the outcome of a construction contract can be estimated reliably, contract revenue and contract costs are recognized as revenue and expenses respectively by reference to the stage of completion of the contract activity at the balance sheet date ("percentage-of-completion method"). When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred that are likely to be recoverable. When it is probable that the total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in the contract work and claims that can be measured reliably. A variation or a claim is recognized as contract revenue when it is probable that the customer will approve the variation or negotiations have reached an advanced stage such that it is probable that the customer will accept the claim.

The stage of completion is measured by reference to professional survey of work performed. Costs incurred during the financial year in connection with future activity on a contract are excluded from costs incurred to date when determining the stage of completion of a contract. Such costs are shown as construction contract work-in-progress on the balance sheet unless it is probable that such contract are recoverable from the customers, in which case, such costs are recognized as an expense immediately.

At the balance sheet date, the aggregate costs incurred plus recognized profit (less recognized loss) on each contract is compared against the progress billings. Where costs incurred plus the recognized profits (less recognized losses) exceed the progress billings, the balance is presented on the balance sheet as due from customers on construction contracts. Where progress billings exceed costs incurred plus recognized profits (less recognized losses), the balance is presented on the balance sheet as due to customers on construction contracts.

Progress billings not yet paid by customers and retentions are included within "trade and other receivables". Advances received are included within "trade and other payables".

(XXV) Inventories

Inventories, comprising mainly machinery components, are stated at the lower of cost and net realisable value, cost being determined on the first-in, first-out basis and include all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Work in progress is stated at the lower of cost and net realisable value, cost being determined on a weighted average basis and include all attributable production overheads. In arriving at the net realisable value, due allowance is made for obsolete, damaged and slow-moving items.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(XIII)(a). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

Details of the goodwill assessment of impairment are disclosed in Note 17.

(ii) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the assets' useful lives. Management estimates that useful lives of these property, plant and equipment to be within 1 to 21 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iv) Construction contracts

The Group recognises contract revenue and contract costs using the percentage-of-completion method by reference to professional survey of work performed. Significant assumptions are required to estimate the total contract costs which affect the contract costs recognised to date based on the stage of completion. In making these estimates, management has relied on past experience.

The carrying amount of the construction contract work-in-progress as at the balance sheet date can be subjected to uncertainty in respect of the variation works and estimation of future costs. The Group adopts a conservative approach in evaluating these uncertainties.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONT'D)

(b) **Critical judgements in applying the entity's accounting policies**

(i) **Impairment of available-for-sale financial assets**

The Group follows the guidance of FRS 39 in determining when an investment is other-than-temporary impaired. This determination requires significant judgement. The Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, the financial health of and near-term business outlook for the issuer of the instrument, including factors such as industry and sector performance, changes in technology and operational and financing cash flow. There is no indication of impairment loss for the current year, as disclosed in Note 13.

(ii) **Impairment of trade and other receivables**

The determination of impairment for trade and other receivable requires the Group to first assess whether objective evidence of impairment exists for individually significant debtors and collectively for debtors which are not individually significant. The Group evaluates, among other factors, financial status of the debtors, any changes in the collection status and changes in industry conditions that affect the debtors. Trade and other receivables that are collectively evaluated for impairment are based on historical loss experience for receivables with similar credit risk characteristics. The method and assumption used for estimating potential impairment loss are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Impairment loss of the Group amounting to approximately $164,000 (2008: $Nil) is made during the period as disclosed in Note 20. The carrying amount of trade receivables of the Group as at 31 March 2009 is approximately $22,924,000 (2008: $8,249,000).

4. REVENUE

	Group	
	2009	**2008**
	$'000	**$'000**
Relocation services	11,156	12,730
Third party logistics services	9,405	6,496
Technical and engineering services	34,379	4,998
	54,940	24,224

5. OTHER OPERATING INCOME

	Group	
	2009	**2008**
	$'000	**$'000**
Bank interest income	34	126
Reimbursement of costs	248	237
Gain on foreign exchange differences, net	100	–
Other income	768	138
	1,150	501

6. FINANCE COSTS

	Group	
	2009	**2008**
	$'000	**$'000**
Hire purchase interest	73	42
Bank loans interest	133	32
Factoring interest and charge	24	12
Bank charges	120	19
	350	105

7. PROFIT BEFORE INCOME TAX

This is determined after charging/(crediting) :

	Group	
	2009	**2008**
	$'000	**$'000**
Negative goodwill arising from acquisition of subsidiaries	(631)	–
Depreciation of property, plant and equipment	2,822	1,101
Directors' fee:		
- directors of holding company	300	270
- directors of subsidiaries	3	127
Directors' remuneration:		
- directors of subsidiaries	999	685
(Gain)/loss on foreign exchange differences, net	(100)	208
Loss/(gain) on disposal of property, plant and equipment	25	(86)
Operating lease expense		
- leasehold building	1,871	1,117
- equipment	944	87
- motor vehicles	737	138
Reversal of allowances for doubtful trade receivables	–	(21)
Allowance for doubtful trade receivables	164	–

8. STAFF COSTS

	Group	
	2009	**2008**
	$'000	**$'000**
Wages and salaries and other staff related expenses	12,359	6,614
Employers' contribution to defined contribution plan	1,338	597
Directors' remuneration:		
- directors of subsidiaries	999	685
Staff welfares	1,532	858
	16,228	8,754

9. INCOME TAX EXPENSES

	Group	
	2009	**2008**
	$'000	**$'000**
Current income tax expense:		
Singapore	614	757
Foreign	88	44
(Over)/under provision of prior year taxation	(11)	330
Deferred income tax expense	77	–
	768	1,131

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2008: 18%) to profit before income tax as a result of the following:

	Group	
	2009	**2008**
	$'000	**$'000**
Profit before income tax	4,645	4,200
Income tax expense at statutory rate	790	756
Effect of changes in statutory tax rates	(3)	–
Tax effect on non-allowable items	420	183
Tax effect on non-taxable items	(110)	–
(Over)/under provision of prior year taxation	(11)	330
Tax effect on exemption scheme and rebates in other country	81	(153)
Tax effect of different tax schemes in other country	(1)	(109)
Deferred tax (asset)/liabilities unrecognised in previous year	(3)	–
Utilisation of tax losses and capital allowance brought forward	(463)	–
Others	68	124
	768	1,131

The subsidiary, Chasen Sino-Sin (Beijing) Hi-Tech Services Pte Ltd, has received the approval from the relevant authority in China for some tax incentives from years 2006 to 2012; 15% enterprise tax for year 2006, full exemption from years 2007 to 2009 and 50% tax on normal enterprise tax rate from years 2010 to 2012. The tax incentives were withdrawn in October 2008. The current enterprise tax rate in China is 25% (2008: 25%).

10. BASIC AND DILUTED EARNINGS PER SHARE

(a) Basic earnings per share

Basic earnings per share is calculated by dividing net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

	Group	
	2009	**2008**
Net profit attributable to equity holders of the Company ($'000)	2,565	3,125
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	146,420	138,819
Basic earnings per share (cents)	1.75	2.25

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares outstanding is adjusted for the effects of all dilutive potential ordinary shares.

The weighted average number of shares on issue has been adjusted as if all dilutive shares were exercised. The number of shares that could have been issued upon the exercise of all dilutive share less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for consideration. No adjustment is made to the net profit.

The effect of the exercise of share awards on the weighted average number of ordinary shares in issue is as follows:

	Group	
	2009	**2008**
Net profit attributable to equity holders of the Company ($'000)	2,565	3,125
Weighted average number of ordinary shares in calculation of basic earnings per share ('000)	146,420	138,819
Adjustment for – weighted average number of unissued ordinary shares from:		
- shares under Performance Share Plan ('000)	852	278
Weighted average number of ordinary shares in issue (diluted) ('000)	147,272	139,097
Fully diluted earnings per share (cents)	1.74	2.25

11. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold building $'000	Transportation equipment $'000	Tools and equipment $'000	Furniture, fittings, and office equipment $'000	Total $'000
Cost					
As at 1 April 2008 (Restated)	2,536	5,754	7,442	752	16,484
On acquisition of subsidiaries	583	793	3,879	213	5,468
Additions	224	1,516	2,371	412	4,523
Disposals	(65)	(91)	(33)	(9)	(198)
Currency translation differences	23	307	260	30	620
As at 31 March 2009	3,301	8,279	13,919	1,398	26,897
Accumulated depreciation					
As at 1 April 2008 (Restated)	846	2,605	4,200	360	8,011
On acquistion of subsidiaries	121	364	1,267	102	1,854
Depreciation charge for the year	208	935	1,461	218	2,822
Disposals	(17)	(63)	(7)	(2)	(89)
Currency translation differences	3	54	82	5	144
As at 31 March 2009	1,161	3,895	7,003	683	12,742
Carrying amount					
As at 31 March 2009	2,140	4,384	6,916	715	14,155
Cost					
As at 1 April 2007	1,782	3,875	2,861	382	8,900
On acquisition of subsidiaries (Restated)	517	573	3,213	118	4,421
Additions	243	1,513	1,369	252	3,377
Disposals	(6)	(209)	–	–	(215)
Currency translation differences	–	2	(1)	–	1
As at 31 March 2008 (Restated)	2,536	5,754	7,442	752	16,484
Accumulated depreciation					
As at 1 April 2007	358	1,870	1,756	200	4,184
On acquisition of subsidiaries (Restated)	348	428	2,060	88	2,924
Depreciation charge for the year	140	505	384	72	1,101
Disposals	–	(198)	–	–	(198)
As at 31 March 2008 (Restated)	846	2,605	4,200	360	8,011
Carrying amount					
As at 31 March 2008	1,690	3,149	3,242	392	8,473

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

For the financial year ended 31 March 2009:

(i) The Group purchased $596,000 of assets under hire purchase (2008: $428,000).

(ii) The carrying amounts of transportation equipment, tools and equipment and office equipment of the Group purchased under hire purchase are approximately $3,308,000 (2008: transportation equipment $674,000).

(iii) The leasehold buildings of the Group are mortgaged to banks for certain credit facilities granted including the bank loans (Note 23).

12. FIXED DEPOSITS

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
At cost:				
As at beginning of the year	2,000	–	2,000	–
Placement/(withdrawal) during the year	(1,000)	2,000	(1,000)	2,000
As at end of the year	1,000	2,000	1,000	2,000

These are long term fixed deposits in the form of unit trusts at fixed term of 5 years (2008: ranging from 3 to 5 year). The ending balance of $1 million matures on 24 December 2012. Interest payment is variable upon the index movement of quoted shares held in the basket. The effective interest rate for the financial year ended is nil (2008: ranging from 1.875% to 7.00%). The fixed deposits were stated at cost as the fair value cannot be measured reliably.

13. FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
At cost:				
Unquoted equity shares and convertible notes				
As at beginning of the year	200	200	–	–
Addition during the year	3,861	–	3,861	–
Disposal during the year	(200)	–	–	–
As at end of the year	3,861	200	3,861	–

On 5 June 2008, the Company has announced that it has agreed in principle to invest A$5.63 million (S$7.37 million) for a stake of about 10 per cent in an intermodal terminal logistic hub development in Queensland, Australia. The stake would be held through a New Zealand investment holding company, Far Pacific Capital Ltd ("FPC"). The transaction is subject to completion of a definitive agreement between FPC and the promoters of the intermodal development and due diligence on the project.

Under this arrangement, the Company had acquired 67,500 ordinary shares amounting to A$1,547,000 (equivalent to S$1,983,000) and 77,810 convertible notes amounting to A$1,623,000 (equivalent to S$1,877,000) in FPC for the financial year ended 31 March 2009. The convertible notes are unsecured, non-interest bearing and without maturity date. The convertible notes are convertible into equity interest of FPC at the option of the Company upon fulfillment of certain conditions. Thus, the convertible notes are classified as equity investment and measured at cost.

13. FINANCIAL ASSETS, AVAILABLE-FOR-SALE (CONT'D)

In financial year 2008, the subsidiary, Chasen Logistics Services Limited ("CLS") acquired 529,493 ordinary shares which represented 35% equity interest in HMG Logistics Pte Ltd ("HMG") for a consideration of $200,000 at the financial year end. The investment was measured at cost. CLS held the shares as passive investment with no participative right and do not exercise significant influence over the financial and operating policies of HMG. These shares were fully disposed during the financial year ended 31 March 2009.

14. CLUB MEMBERSHIP

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Carrying amount:				
As at beginning of the year	60	–	60	–
On acquisition of a subsidiary	15	60	–	60
Less: Amortisation for the year	(1)	–	–	–
As at end of the year	74	60	60	60

The club membership of $60,000 was paid for by the Company for the benefit of a Director in accordance with his Service Agreement ("Agreement"). Accordingly, the director held the membership in trust for the Company. Pursuant to the Agreement, the Director is entitled to benefit from the membership as long as he maintains his role as an Executive Director of the Company up to 1 April 2012. Upon completion of the specified term (5 years), the benefit of the club will be entirely vested in the Director. Consequently, the membership will be deemed disposed.

15. INVESTMENTS IN SUBSIDIARIES

	Company	
	2009 $'000	2008 $'000
Unquoted equity share, at cost	37,372	37,000

Details of the subsidiaries are as follows:

Name of company (Country of incorporation/place of business)	Principal activities	Effective Percentage of equity held 2009 %	2008 %
Held by the Company			
Chasen Logistics Services Limited (i) (Singapore)	Relocation services, industrial packing, warehousing, transportation, freight forwarding and shipping	100	100
Chasen Logistics & Engineering Services Pte Ltd (i) (Singapore)	Investment Holding	100	100
Ruiheng International Pte Ltd (i) (Singapore)	Investment Holding	100	100
REI Technologies Pte Ltd (i) (Singapore)	Engineering services	99	99

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of company (Country of incorporation/place of business)	Principal activities	Effective Percentage of equity held 2009 %	2008 %
Held by the Company			
CLE Engineering Services Pte Ltd [(i)] (Singapore)	Investment Holding	100	100
Chasen Leasing Pte Ltd [(i)] (Singapore)	Leasing of equipment	100	–
Held by Chasen Logistics & Engineering Services Pte Ltd			
Chasen (Shanghai) Hi Tech Machinery Services Pte Ltd [(ii)] (People's Republic of China "PRC")	General activities relating to high value machinery and equipment	100	100
Chasen Sino-Sin (Beijing) Hi Tech Services Private Ltd [(iv)] (People's Republic of China "PRC")	General activities relating to high tech machinery and equipment, and relocation services	100	100
Chasen Logistics (Shanghai) Co. Ltd [(v)] (People's Republic of China "PRC")	Warehousing services	100	70
Chasen Logistics (Xi'An) Co. Ltd [(vii)] (People's Republic of China "PRC")	Warehousing services	100	100
Chasen Sinology (Beijing) Logistics Co. Ltd [(vii)] (People's Republic of China "PRC")	Provision of artifact packaging and transportation	100	–
Lelecai Pte Ltd [(i)] (Singapore)	Provision of management consultancy services	100	100
Held by Ruiheng International Pte Ltd			
Chasen Logistics Sdn Bhd [(iii)] (Malaysia)	Provider of logistics and transportation services	100	100
City Zone Express Sdn Bhd [(iii)] (Malaysia)	Provider of third party logistics services	60	–
Held by REI Technologies Pte Ltd			
REI Hi-Tech Sdn Bhd [(iii)] (Malaysia)	Providing services on cryogenic pump	100	100
REI Promax Technologies Pte Ltd (formerly known as HLN Promax Pte Ltd) [(viii)] (Singapore)	In the business of contract manufacturing serving the electronics and telecommunications industries	32	–

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of company (Country of incorporation/place of business)	Principal activities	Effective Percentage of equity held 2009 %	2008 %
Held by CLE Engineering Services Pte Ltd			
Goh Kwang Heng Pte Ltd (viii) (Singapore)	Service provider to marine and construction industries	100	65
Goh Kwang Heng Scaffolding Pte Ltd (viii) (Singapore)	Scaffolding equipment services	100	51
Hup Lian Engineering Pte Ltd (vi) (Singapore)	Construction industry	60	–
REI Promax Technologies Pte Ltd (formerly known as HLN Promax Pte Ltd) (viii) (Singapore)	In the business of contract manufacturing serving the electronics and telecommunications industries	23	–
Held by Chasen Logistics Services Limited			
DNKH Logistics Pte Ltd (vii) (Singapore)	Provider of third party logistics services	100	–

(i) Audited by LTC LLP, Singapore.

(ii) Audited by Cheng Hui Certified Public Accountants, PRC for local statutory audit and audited by LTC LLP for group consolidation purposes.

(iii) Audited by Moore Stephens Associates and Co, Malaysia.

(iv) Audited by Beijing HengChengYongXin Certified Public Accountants, PRC for local statutory audit and audited by LTC LLP for group consolidation purposes.

(v) Audited by Shanghai Hong Hua Certified Public Accountants, PRC for local statutory audit and audited by LTC LLP for group consolidation purposes.

(vi) Audited by De Associates, Singapore.

(vii) Audited by LTC LLP for group consolidation purposes.

(viii) Audited by ShineWing, Singapore.

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(i) Acquisition of subsidiaries

On 29 January 2008, CLE Engineering Services Pte Ltd acquired 65.58% equity interest in Goh Kwang Heng Pte Ltd and 51% in Goh Kwang Heng Scaffolding Pte Ltd (collectively known as "GKH Group") both companies incorporated in Singapore, for a provisional cash consideration of $1,519,000. The provisional fair value of the net identifiable assets of GKH Group was $1,573,000.

	As previously reported $'000	Purchase price allocation adjustments $'000	As restated $'000
Net assets acquired:			
Property, plant and equipment	1,748	(251)	1,497
Trade and other receivables	1,164	(598)	566
Trade and other payables	(2,547)	(482)	(3,029)
Cash and bank balances	1,208	10	1,218
	1,573	(1,321)	252
Less: Minority interest's share of net assets	(574)	482	(92)
Group's share of net assets acquired	999	(839)	160
Total consideration	1,519	–	1,519
Goodwill on acquisition	520	839	1,359
Consideration paid	1,519	–	1,519
Less: Cash of subsidiaries	(1,208)	(10)	(1,218)
Net cash outflow on acquisition	311	(10)	301

As at 29 January 2008, the fair value of the scaffolding materials and property had been determined on a provisional basis as the results of the independent valuation report was not obtained. During the year, the Group has engaged independent equipment and property valuers to determine the fair value of the scaffolding materials and property. The fair values of the net assets acquired were restated, based on the revised valuation reports received from the valuers. Accordingly, the 2008 comparative figures for the Group have been restated as disclosed in Note 38.

The goodwill was attributable to the expertise in scaffolding equipment and services in marine and construction industry of the acquired business that would enable the Group to diversify its revenue and income base, in particular recurrent revenue to even out project based revenue.

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(ii) On 1 April 2008, CLE Engineering Services Pte Ltd acquired 60% equity interest in Hup Lian Engineering Pte Ltd ("HLE"), a company incorporated in Singapore, for a cash consideration of $1,055,000.The total fair value of the net identifiable assets of HLE was $403,000.

The identifiable assets and liabilities of the HLE acquired by CLE Engineering Services Pte Ltd were as follows:

	1 April 2008 $'000
Property, plant and equipment	867
Trade and other receivables	4,145
Trade and other payables	(5,720)
Cash and bank balances	611
Increase in share capital	500
	403
Less: Minority interest's share of net assets	(162)
Group's share of net assets acquired	241
Total consideration	1,055
Goodwill on acquisition	814
Consideration paid	1,055
Less: Cash of subsidiaries	(611)
Net cash outflow on acquisition	444

The goodwill was attributable to the acquired expertise in specialized engineering and structural steel fabrication services in the construction industry that would enable the Group to generate regular and project income for the Group through its strong order book.

The Group has engaged an independent valuer to determine the fair value of the net identifiable assets acquired as at 1 April 2008. Accordingly, the net assets acquired were stated at fair value based on the valuation report received from the independent valuer.

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(iii) On 30 September 2008, Ruiheng International Pte Ltd acquired 60% equity interest in City Zone Express Sdn Bhd ("CZ"), a company incorporated in Malaysia, for a cash consideration of $370,000.The total fair value of the net identifiable assets of CZ was approximately $988,000.

The identifiable assets and liabilities of the CZ acquired by Ruiheng International Pte Ltd were as follows:

	30 September 2008 $'000
Property, plant and equipment	297
Trade and other receivables	806
Trade and other payables	(539)
Cash and bank balances	54
Increase in share capital	370
	988
Less: Minority interest's share of net assets	(395)
Group's share of net assets acquired	593
Total consideration	370
Negative goodwill on acquisition	(223)
Consideration paid	370
Less: Cash of subsidiaries	(54)
Net cash outflow on acquisition	316

If the acquisition had been completed on 1 April 2008, the total Group revenue for the year would have been $56,986,000 and total Group profit for the financial year ended 31 March 2009 would have been $4,142,000 (as restated).

CZ is a newly acquired subsidiary during the financial year. According to FRS 103: Business Combinations, all identified assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair value on the date of acquisition. As at the date of acquisition of CZ, an independent valuation report has not been obtained. FRS 103 further provides that provisional amount is adjusted for within 12 months from the date of acquisition. The Group will be adjusting the provisional amount of the net assets acquired during the next financial year before the 12 months period expires.

15. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(iv) On 31 December 2008, Chasen Holdings Limited acquired an aggregate of 55% equity interest in REI Promax Technologies Pte Ltd (formerly known as HLN Promax Pte Ltd) ("RPT"), a company incorporated in Singapore, through its subsidiaries, namely CLE Engineering Services Pte Ltd and REI Technologies Pte Ltd for a cash consideration of $1,087,000. The total fair value of the net identifiable assets of RPT was $2,719,000.

The identifiable assets and liabilities of the RPT acquired by Chasen Holdings Limited were as follows:

	31 December 2008 $'000
Property, plant and equipment	2,496
Trade and other receivables	9,964
Trade and other payables	(10,896)
Cash and bank balances	128
Increase in share capital	1,027
	2,719
Less: Minority interest's share of net assets	(1,224)
Group's share of net assets acquired	1,495
Total consideration	1,087
Negative goodwill on acquisition	(408)
Consideration paid	1,087
Less: Cash of subsidiaries	(128)
Net cash outflow on acquisition	959

If the acquisition had been completed on 1 April 2008, the total Group revenue for the year would have been $66,082,000 and total Group profit for the financial year ended 31 March 2009 would have been $4,557,000(as restated).

RPT is a newly acquired subsidiary during the financial year. According to FRS 103: Business Combinations, all identified assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair value on the date of acquisition. As at the date of acquisition of RPT, an independent valuation report has not been obtained. FRS 103 further provides that provisional amount is adjusted for within 12 months from the date of acquisition. The Group will be adjusting the provisional amount of the net assets acquired during the next financial year before the 12 months period expires.

(v) On 27 November 2008, Chasen Logistics Services Limited incorporated a new wholly owned subsidiary, DNKH Logistics Pte Ltd with a paid-up capital of $100,000 divided by $1 per share.

(vi) On 11 August 2008, Chasen Logistics & Engineering Services Pte Ltd incorporated a new subsidiary, Chasen Sinology (Beijing) Logistics Co., Ltd in the People's Republic of China with a paid-up capital of US$900,000 (equivalent to $1,337,000). Chasen Sinology (Beijing) Logistics Co., Ltd was dormant since date of incorporation.

16. INVESTMENT IN JOINT-VENTURE

On 7 August 2008, Chasen Logistics Services Limited incorporated a joint-venture company, Chasen Globus Logistics Pte Ltd, with a paid-up capital of $2 divided by 2 shares. The joint-venture was dormant since date of incorporation.

17. GOODWILL ON CONSOLIDATION

	Group	
	2009	2008 (Restated)
	$'000	$'000
As at beginning of the year	1,359	–
Goodwill arising from acquisition of a subsidiary	814	1,359
Goodwill arising from acquisition of minority interest		
– GKH Group*	(48)	–
– Chasen Logistics (Shanghai) Co., Ltd**	66	–
As at end of the year	2,191	1,359

* In accordance with the Sale and Purchase and Investment Agreement dated 8 January 2008, the purchase consideration was finalised after applying the appropriate price earnings ratio on the subsidiary companies' net profit after tax for the 12 months period after 31 January 2008 (date of acquisition). A purchase consideration adjustment was made by the way of transfer of shares from the minority interest to the Company. As a result of the purchase consideration adjustment, the goodwill as computed was adjusted accordingly.

** The subsidiary company, Chasen Logistics & Engineering Services Pte Ltd acquired an additional 30% equity interest in Chasen Logistics (Shanghai) Co., Ltd ("CLSC") on 18 July 2008 from its minority interest for a cash consideration of US$50,000 (equivalent to S$68,000). Consequently, CLSC became a wholly owned subsidiary of the Company.

The goodwill arose from the acquisition of equity interest in the following subsidiaries:

	Group	
	2009	2008 (Restated)
	$'000	$'000
- GKH Group	1,311	1,359
- Hup Lian Engineering Pte Ltd	814	–
- Chasen Logistics (Shanghai) Co. Ltd	66	–
	2,191	1,359

Impairment test for goodwill

The recoverable amount of the goodwill was determined based on value in use calculation. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rate of 5% (2008: NA) per annum. The growth rate used is based on management expectation of growth in the marine, construction and logistics industry in which the subsidiary companies operate. The discount rate is 5% (2008: NA) and has been applied to the cash flow projections.

The directors of the Company believes that any reasonable possible changes in the above key assumptions applied are not likely to materially cause the recoverable amount to be lower than its carrying amount.

18. DUE FROM CUSTOMERS ON WORK-IN-PROGRESS

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Aggregated costs incurred and recognized profits (less recognised losses) to date on uncompleted construction contracts	13,979	–	–	–
Less: Progress billing	(12,228)	–	–	–
	1,751	–	–	–
Presented as:				
Gross amount due from customers on work-in-progress	1,751	–	–	–

19. INVENTORIES

	Group	
	2009 $'000	2008 $'000
Raw materials	10	–
Work in progress	201	–
Finished goods	107	–
Consumables	44	–
	362	–

20. TRADE RECEIVABLES

	Group	
	2009 $'000	2008 (Restated) $'000
Outside parties	22,306	8,276
Retention receivable	809	–
Less: Allowances for doubtful trade receivables	(191)	(27)
	22,924	8,249

The movement in the allowances for doubtful trade receivables account is as follows:

	Group	
	2009 $'000	2008 $'000
Balance at beginning of year	27	48
Addition during the year	164	–
Reversal of allowance no longer required	–	(21)
Balance at end of year	191	27

The Group deals with customers who are reputable in both domestic and international markets. Management believes that there is no credit risk which warrants an allowance for impairment of the Group's trade receivables.

21. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Deposits paid	772	302	–	–
Dividend receivable	–	–	2,000	–
Other receivables & prepayment	7,682	4,085	1,480	619
	8,454	4,387	3,480	619
Less: Non-current portion	(3,091)	(1,488)	(1,381)	(510)
	5,363	2,899	2,099	109

Included in the deposits is an amount of $270,000 (2008: Nil) being deposits for banker's guarantees issued to a customer as performance guarantees on construction contract.

Included in other receivables & prepayment are (1) an amount of $1,110,000 (2008: $978,000) incurred by the Group on system development in a paperless lottery business which will be capitalized upon completion of the system development; (2) an amount of $653,000 (2008: Nil) being prepayment made by the Group and Company in anticipation of potential business of opportunities and (3) an amount of $1,381,000 (2008: $510,000) being down payment by the Group and Company for the purchase of an industrial property.

22. CASH AND BANK BALANCES

	Group		Company	
	2009	2008 (Restated)	2009	2008
	$'000	$'000	$'000	$'000
Cash and bank balances	6,085	5,237	672	105
Fixed deposits placed with banks	2,863	7,991	–	7,000
	8,948	13,228	672	7,105

Included in the fixed deposits of the Group is an amount of approximately $1,086,000 (2008: $905,000) pledged to banks as securities for the bank facilities.

Fixed deposits of the Group bear interest rates ranging from 0.0200% to 1.5000% per annum (2008: ranging from 0.3200% to 0.8125% per annum) with maturity dates within one month from the end of the financial year.

The carrying amounts of cash and cash equivalents approximate their fair values.

The weighted average effective interest rates of cash at bank and fixed deposits at the balance sheet date are as follows:

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Singapore Dollar	0.31%	0.08%	–	–
United States Dollar	0.12%	0.76%	–	–
Chinese Yuan	1.60%	0.58%	–	–
Malaysian Ringgit	1.00%	–	–	–

The exposure of bank and cash balances to interest rate risks is disclosed in Note 36 (c).

22. CASH AND BANK BALANCES (CONT'D)

For the purpose of the consolidated cash flow statement, the consolidated cash and cash equivalents comprise the following:

	Group	
	2009	2008 (Restated)
	$'000	$'000
Cash and bank balances	8,948	13,228
Less: Pledged fixed deposits	(1,086)	(905)
Bank overdraft	(12)	–
Cash and cash equivalents per consolidated cash flow statement	7,850	12,323

23. BANK LOANS (SECURED)

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Bank loans	4,495	1,110	3,020	–
Current portion of bank loans	(1,650)	(236)	(1,004)	–
Non-current portion of bank loans	2,845	874	2,016	–
Bank loans repayable:				
Within one year	1,650	236	1,004	–
Within two to five years	2,762	734	2,016	–
After five years	83	140	–	–
	4,495	1,110	3,020	–

The bank loans are secured by the following:

a) legal mortgage of the Group's leasehold building.

b) corporate guarantee of the Company, Chasen Holdings Limited, and a subsidiary, Chasen Logistics Services Limited (2008: corporate guarantee of the Company, Chasen Holdings Limited).

c) pledge of fixed deposits amounting to about $1,086,000 (2008: $905,000).

d) amount of $796,000 guaranteed by certain directors of subsidiaries (2008: $416,000 guaranteed by a director of a subsidiary).

e) debenture with a fixed charge on certain plant and equipment (2008: Nil).

The bank loans are repayable from 3 to 14 years. Interest is charged at a range from 3.25% to 18.00% per annum (2008: 4.50% to 18.00% per annum).

24. TRADE PAYABLES

	Group		Company	
	2009	2008 (Restated)	2009	2008
	$'000	$'000	$'000	$'000
Outside parties	14,780	2,690	–	–

25. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Accruals	2,242	1,233	185	255
Amounts due to directors*	284	50	–	–
Deposits received	84	93	–	–
Others	1,395	414	149	1
	4,005	1,790	334	256

* These represent amounts owing to directors of the Company which are unsecured, interest-free and repayable on demand.

26. DEFERRED INCOME

	Group		Company	
	2009	2008	2009	2008
	$'000	$'000	$'000	$'000
Balance at date of acquisition of subsidiaries	81	–	–	–
Amount amortised during the year	(12)	–	–	–
Balance at end of the year	69	–	–	–
Current portion	(21)	–	–	–
Non-current portion	48	–	–	–

Deferred income relates to the asset sale and leaseback transactions arising from finance leases recognised as deferred income and is being amounted over the lease term.

27. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

The Group leases certain plant and equipment, and motor vehicles from non-related parties under hire purchase. The hire purchase agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	Group	
	2009 $'000	2008 $'000
Minimum lease payments payable:		
Within one year	1,241	295
Within two to five years	1,644	583
After five years	124	161
	3,009	1,039
Less: Future finance charges	(299)	(161)
Present value of minimum lease payments	2,710	878

The present values of minimum leases payments are analysed as follows:

	Group	
	2009 $'000	2008 $'000
Within one year	1,137	265
Later than one year:		
Within two to five years	1,470	493
After five years	103	120
Total	2,710	878

The rates of interest range from 2.00% to 7.00% per annum (2008: 2.20% to 5.75% per annum).

The carrying amounts of obligations under hire purchase contracts approximate their fair values and are denominated in Singapore dollars.

All assets acquired under hire purchase contracts are secured. The net carrying value of the plant and equipment acquired under hire purchase contracts is disclosed in Note 11.

28. DEFERRED INCOME TAX LIABILITIES

The movement for the period in deferred tax position is as follows:

	Group	
	2009 $'000	2008 $'000
At beginning of the year	50	36
Charge to income for the year	139	–
On acquisition of subsidiaries	108	14
At end of the year	297	50

28. DEFERRED INCOME TAX LIABILITIES (CONT'D)

The following are the major deferred tax liabilities recognised by the Group during the year:

	Group	
	2009	2008
	$'000	$'000
Tax effect of:		
Deferred tax liabilities:		
Excess of capital allowances over depreciation	297	50

29. SHARE CAPITAL

Issued share	Group		Company	
	No of ordinary shares '000	$'000	No of ordinary shares '000	$'000
At 1 April 2007	13,064,389	7,812	13,064,389	49,209
New shares issued arising from reverse acquisition [(1)]	1,635,027	15,925	1,635,027	15,925
Transfer from capital reserve to share capital	–	–	–	1,351
Capital reduction [(2)]	–	–	–	(13,220)
At 31 March 2008	14,699,416	23,737	14,699,416	53,265
Share consolidation [(3)]	(14,552,422)	–	(14,552,422)	–
At 31 March 2009	146,994	23,737	146,994	53,265

(1) Issue of 1,635,027,000 consideration shares at $0.01 per share, pursuant to a rights issue exercise in September 2007.

All issued ordinary shares are fully paid.

(2) The Company carried out a capital reduction of $13,220,000 on 5 July 2007. The share Capital and accumulated losses of the Company were reduced by the corresponding amount after the reduction.

(3) On 1 December 2008, the ordinary shares were consolidated on a 100:1 basis.

Chasen Performance Plan (The "Plan")

From the commencement of the Plan to 31 March 2009, awards comprising an aggregate of 144,600,000 shares prior to share consolidation have been granted. The vesting period of the shares awarded varied from one to three years and is subject to the fulfillment of the conditions stated in the Plan.

As at end of 31 March 2009, details of performance shares awarded under the Plan are set out as below:-

Date of grant	Balance as at 1 April 2008	Share awards granted	Share awards vested	Share awards cancelled	Balance as at 31 March 2009
23 August 2007	47,600,000*	Nil	Nil	Nil	476,000**
1 September 2008	Nil	97,000,000	Nil	Nil	970,000**

* The share awards granted on 23 August 2007 was reported as 6,650,000 in 2008 which have since been corrected to 47,600,000.

** On 1 December 2008, the ordinary shares were consolidated on a 100:1 basis.

30. TREASURY SHARES

	Group and Company 2009	
	Number of ordinary shares	$'000
Repurchased during the year	2,219,444	534
As at end of the year	2,219,444	534

The Company acquired 2,219,444 of its own shares through purchase on the Singapore Exchange during the year. The total amount paid to acquire the shares was $534,000 and has been deducted from shareholders' equity. The shares are held as "Treasury shares".

31. RELATED PARTY TRANSACTIONS

Disclosure on related party transactions

An entity or individual is considered a related party of the Group for the purposes of the financial statements if: (i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Group; or (ii) it is subject to common control or common significant influence.

The following transactions took place between the Group and related parties during the period:

(a) **Significant transactions with related parties:**

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Advances from directors	–	117	–	–

(b) **Key management personnel compensation:**

	Group		Company	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Wages and salaries and other related expenses	1,203	1,082	–	–
Employers' contribution to defined contribution plan	49	51	–	–
	1,252	1,133	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2009

31. RELATED PARTY TRANSACTIONS (CONT'D)

(c) **Significant transactions with subsidiaries:**

	Company	
	2009	**2008**
	$'000	**$'000**
Funds to subsidiaries	910	4,189

Amount due from subsidiaries are unsecured, interest-free and repayable on demand.

32. FINANCIAL GUARANTEES

The Company has given corporate guarantees up to $3,843,000 (2008: $7,651,000) to certain banks and financial institution for credit facilities granted to the subsidiaries. The Company has evaluated the fair value of the corporate guarantee. Consequently, the Company is of the view that the consequential benefit derived from its guarantees to the banks and financial institution with regard to the subsidiaries is minimal. The subsidiaries for which the guarantees were provided are in favourable equity positions and are profitable.

The directors estimated that the fair value of the corporate guarantee is negligible.

33. OPERATING LEASE COMMITMENTS

At the balance sheet date, the Group had outstanding commitments for non-cancellable operating lease payments in respect of the leasehold buildings and warehouse. The non-cancellable leases have remaining lease terms from 1 to 15 years (2008: 3 to 19 years). Future minimum lease payments payable under non-cancellable lease are as follows:

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Lease payable:				
Within one year	842	1,241	–	–
Within two to five years	1,329	1,955	–	–
After five years	2,382	1,777	–	–
	4,553	4,973	–	–

34. CAPITAL COMMITMENT

	Group		Company	
	2009	**2008**	**2009**	**2008**
	$'000	**$'000**	**$'000**	**$'000**
Capital commitments contracted but not provided for				
a. Property – Note 39(1)	390	430	–	–
b. Acquisition of a construction company – Note 39(2)	94	–	–	–

35. SEGMENT INFORMATION

The Group was previously engaged in four business activities namely relocation services, packing services, warehousing and related services, and repair and maintenance and technical/engineering services ("technical/engineering services"). With the expansion of the Group's businesses, these activities have been re-classified into three business segments with the warehousing and packaging services being combined with transportation and distribution services to form the third party logistics segment. These three business segments are the basis on which the Group reports its primary segment information.

The principal business activities are:-

A. Relocation services – being the provision of machinery and equipment moving services through projects or maintenance contracts;

B. Third party logistics services – being the provision of packing services and the supply of packaging and crating materials, the provision of warehousing of customers' new or replaced machinery and equipment in our premises or open yard prior to installation in the customers' premises or shipping out of the country and land transportation services using specialised conveyance vehicles and material handling equipment.

C. Technical/engineering services – being the provision of turnkey facilities and engineering solutions, repair and maintenance services to customers in the high tech electronic industries, construction projects of customers in the marine, property development, oil and gas industries and contact manufacturing services in the electronic, telecommunications and other high technology industries.

Segment revenue and expense are the operating revenue and expense reported in the Group's income statement that are directly attributable to a segment and the relevant portion of such revenue and expense that can be allocated on a reasonable basis to a segment.

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2009

35. SEGMENT INFORMATION (CONT'D)

Segment assets consist principally of fixed assets and trade receivables that are directly attributable to a segment.

Unallocated items comprise property, plant and equipment, other receivables, deposits and prepayments, fixed deposits, cash and bank balances, bank loan and overdraft, trade payables, other payables and provisions, deferred taxation, provision for taxation, obligations under hire purchase contracts, other operating income and operating expense.

For the financial year ended 31 March 2009:

	Relocation services $'000	Thirty Party Logistics services $'000	Technical/ Engineering services $'000	Total $'000
Revenue				
External sales	11,156	9,405	34,379	54,940
Results				
Gross profit	3,174	3,919	7,718	14,811
Unallocated other operating income				1,781
Unallocated expenses				(11,597)
Profit from operations				4,995
Finance costs				(350)
Profit before income tax				4,645
Income tax expense				(768)
Net profit for the financial year				3,877
Other information				
Segment assets – trade receivable	2,721	2,262	17,941	22,924
Segment assets – fixed assets	6,343	3,431	4,381	14,155
Segment assets – Unallocated				26,641
Total assets				63,720
Segment liabilities – Unallocated				(27,182)
Capital expenditure – Unallocated				4,523
Depreciation	1,096	593	808	2,497
Depreciation – unallocated				325
Total depreciation				2,822

35. SEGMENT INFORMATION (CONT'D)

For the financial year ended 31 March 2008:

	Relocation services $'000	Third party logistics services $'000	Technical/ Engineering services $'000	Total $'000
Revenue				
External sales	12,730	6,496	4,998	24,224
Results				
Gross profit	5,277	3,187	1,145	9,609
Unallocated other operating income				501
Unallocated expenses				(5,805)
Profit from operations				4,305
Finance costs				(105)
Profit before income tax				4,200
Income tax expense				(1,131)
Net profit for the financial period				3,069
Other information				
Segment assets – trade receivables	4,956	2,529	764	8,249
Segment assets – fixed assets	5,479	1,404	1,590	8,473
Segment assets – Unallocated				21,234
Total assets				37,956
Segment liabilities – Unallocated				(7,383)
Capital expenditure – Unallocated				3,377
Depreciation	564	145	189	898
Depreciation – unallocated				203
Total depreciation				1,101

35. SEGMENT INFORMATION (CONT'D)

Geographical Segment

Distribution of total revenue by geographical locations of services rendered:-

	2009 $'000	2008 $'000
Singapore and others*	47,714	18,608
PRC	4,982	4,993
Malaysia	2,244	623
Total	54,940	24,224

Assets and capital expenditure by geographical areas based on the location of those assets:

	Carrying amounts of segment assets		Capital expenditure	
	2009 $'000	2008 $'000	2009 $'000	2008 $'000
Singapore and Others*	49,591	27,680	1,717	1,074
PRC	11,867	9,526	2,204	2,263
Malaysia	2,262	750	602	40
	63,720	37,956	4,523	3,377

* Others include countries/city such as Japan, Korea, Hong Kong and United States of America.

36. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to a variety of financial risks. The Group's overall business strategies, tolerance of risk and general risk management philosophy are determined by directors in accordance with prevailing economic and operating conditions.

(a) **Credit risk**

Credit risk is the risk that companies and other parties will be unable to meet their obligations to the Group resulting in financial loss to the Group. The Group manages such risks by dealing with a diversity of credit-worthy counterparties to mitigate any significant concentration of credit risk. Credit policy includes assessing and evaluation of existing and new customers' credit reliability and monitoring of receivable collections. The Group places its cash and cash equivalents with creditworthy institutions.

Trade receivable are generally on 30 days to 90 days term. As the Group does not hold any collateral, the maximum exposure to credit risk in the event that the counterparties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of these assets in the balance sheet.

36. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) **Credit risk (cont'd)**

The credit risk for financial guarantees based on the information provided to key management is as follows:

Company	**2009 $'000**	**2008 $'000**
Financial guarantees	3,843	7,651

Financial assets that are neither past due nor impaired.

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

Financial assets that are past due and/or impaired.

There is no other class of financial assets that is past due and/or impaired except for trade receivables as shown in the balance sheet.

The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2009 $'000	**2008 $'000**
Past due 0–30 days	3,897	2,768
Past due 31–60 days	1,640	1,419
Past due 61–90 days	870	937
More than 90 days	8,729	2,034
Total	15,136	7,158

The management has evaluated the credit standing of the customers with significant outstanding balances with the Group as the balance sheet date. As the majority of them are multinational corporations, the management has reasonable grounds to believe that the Group does not have significant credit risk at the balance sheet date. Credit risks arising from sales are evaluated on an on-going basis. The receivables are also monitored continually and hence the Group does not expect to incur material credit losses.

36. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) Foreign exchange risk

Foreign exchange risk arises from a change in foreign currency exchange rate, which is expected to have adverse effect on the Group in the current reporting period and in future years.

The Group's main foreign currency risk arises from foreign currency denominated sales and purchases, and operating expenses. This risk is mitigated to certain extent by the natural hedge between sales receipts and purchases, and operating expenses disbursement.

Companies within the Group maintain their books in their respective functional currencies. Profits and net assets of overseas companies are translated into Singapore dollars, the Group's reporting currency for consolidation purposes.

The Group also maintains foreign currency bank accounts for operating purposes.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD $'000	RMB $'000	MYR $'000	USD $'000	YEN $'000	EURO $'000	BAHT $'000	Total $'000
The Group								
At 31 March 2009								
Financial assets								
Bank and cash balances	2,899	3,850	679	1,505	15	–	–	8,948
Trade and other receivables	19,051	2,682	1,054	8,591	–	–	–	31,378
	21,950	6,532	1,733	10,096	15	–	–	40,326
Financial liabilities								
Other liabilities	11,425	196	324	6,778	12	27	23	18,785
Net financial assets / (liabilities)	10,525	6,336	1,409	3,318	3	(27)	(23)	21,541
Less: Net financial assets denominated in the respective entities' functional currencies	10,525	6,336	1,409	–	–	–	–	18,270
Net financial assets	–	–	–	3,318	3	(27)	(23)	3,271

36. FINANCIAL RISK MANAGEMENT (CONT'D)

(b) **Foreign exchange risk (cont'd)**

	SGD $'000	RMB $'000	MYR $'000	USD $'000	YEN $'000	Total $'000
The Group						
At 31 March 2008						
Financial assets						
Bank and cash balances	10,407	2,255	244	308	14	13,228
Trade and other receivables	7,960	3,617	278	781	–	12,636
	18,367	5,872	522	1,089	14	25,864
Financial liabilities						
Trade and other liabilities	3,955	171	93	261	–	4,480
Net financial assets	14,412	5,701	429	828	14	21,384
Less: Net financial assets denominated in the respective entities' functional currencies	14,412	5,701	429	–	–	20,542
Net financial assets	–	–	–	828	14	842

If the USD varies against the SGD by 10.00% (2008: 10.00%), the YEN varies against SGD by 10.00% (2008: 8.00%) and with all other variables including tax rate being held constant, the effects from the net financial asset position will be as follows:

	Net Profit 2009 $'000	Net Profit 2008 $'000
USD against SGD		
- strengthen	332	83
- weaken	(332)	(83)
YEN against SGD		
- strengthen	–	1
- weaken	–	(1)

36. FINANCIAL RISK MANAGEMENT (CONT'D)

(c) Interest rate risk

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Group's financial conditions and/or results. The primary source of the Group's interest rate risk is its borrowings from financial institutions in Singapore. The Group's and Company's policy is to manage its interest cost using a combination of fixed and variable interest rate borrowings, where applicable.

The Group has adequate credit facilities to ensure necessary liquidity as provided from the consolidated balance sheet.

The Group has cash balances placed with reputable banks. The Group manages its interest rate risks on its interest income by placing the cash balances in varying maturities and interest rate terms.

The financial assets and liabilities of the Group are non-interest bearing except for bank and cash balances and borrowings as set out in the table below, categorised by the earlier of contractual repricing or maturity dates.

	Variable Rates less than 12 months $'000	Variable Rates more than 12 months $'000	Fixed Rates less than 12 months $'000	Total $'000
The Group				
At 31 March 2009				
Assets				
Long term fixed deposits	–	1,000	–	1,000
Cash and cash equivalents	6,085	–	2,863	8,948
Liabilities				
Borrowings	–	4,495	–	4,495
The Group				
At 31 March 2008				
Assets				
Long term fixed deposits	–	2,000	–	2,000
Cash and cash equivalents	5,237	–	7,991	13,228
Liabilities				
Borrowings	–	1,110	–	1,110

The Company's borrowings at variable rates are denominated mainly in SGD and USD. If the interest rates increase by 0.5% (2008: 0.5%) with all other variables including tax rate being held constant, the net profit will be lower by $22,000 (2008: $3,600) as a result of higher interest expense on these borrowings.

36. FINANCIAL RISK MANAGEMENT (CONT'D)

(d) **Liquidity risk**

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Group maintains sufficient cash balances to provide flexibility in meeting its day to day funding requirements.

(e) **Capital risk**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, issue new shares, buy back issued shares or obtain new borrowings.

The capital structure of the Group and Company is predominately equity. In view of the strong cash and net equity position, gearing is currently considered not significant.

(f) **Fair values of financial assets and financial liabilities**

The fair values of financial assets and financial liabilities approximate their carrying amount as reflected in the consolidated balance sheet.

37. DIVIDENDS

	Group and Company	
	2009	2008
	$'000	$'000
Declared and paid during the year:		
Dividends on ordinary shares:		
Interim exempt (one-tier) dividend for 2008 at $0.00004 per share	–	587
Final exempt (one-tier) dividend for 2008 at $0.00004 per share	587	–
Proposed but not recognized as a liability as at 31 March 2009/2008		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
Final exempt (one-tier) dividend for 2009 at $0.0052 (2008: $0.00004 per share)	764	587

38. RESTATEMENT AND RECLASSIFICATION OF COMPARATIVE FIGURES

(i)

	Group		
	As previously reported	Purchase price allocation adjustments	As restated
	$'000	$'000	$'000
Property, plant and equipment	8,724	(251)	8,473
Goodwill on consolidation	520	839	1,359
Trade debtors	8,847	(598)	8,249
Cash and bank blances	13,218	10	13,228
Trade payables	2,208	482	2,690
Minority interests	597	(482)	115

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2009

38. RESTATEMENT AND RECLASSIFICATION OF COMPARATIVE FIGURES (CONT'D)

(i) (cont'd)

As disclosed in Note 15 (i), the fair value of the materials of the acquired subsidary Companies, companies, GKH Group as at 29 January 2008 had been determined on a provisional basis as the results of the independent valuation report was not obtained by the date of the issue of the financial statements for the financial year ended 31 March 2008.

During the year, the independent valuation report was received and the fair value of the net assets acquired was restated. Accordingly, adjustments were made to the purchase price allocation ("PPA") on the acquisition of GKH Group as if the adjustments had been made on the effective date of acquisition of 29 January 2008. The 2008 comparative figures of the Group was restated as shown above.

(ii) Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements.

The items were reclassified as follows:

	Group		Company	
	Previously reported $'000	After reclassification $'000	Previously reported $'000	After reclassification $'000
Other receivables, deposits and prepayments - non-current	978	1,488	–	510
Other receivables, deposits and prepayments - current	3,409	2,899	619	109

39. EVENTS AFTER BALANCE SHEET DATE

(1) Subsequent to the balance sheet date, the subsidiary, Chasen Logistics Services Limited, acquired a warehouse located at 194 Pandan Loop #04-06 Pantech Business Hub (formerly known as Pantech Industrial Complex) for an amount of $390,000.

(2) Subsequent to the balance sheet date, the subsidiary, REI Hitech Sdn Bhd, paid the balance amounting to RM224,500 (equivalent to S$94,000) of purchase consideration for the acquisition of 51% equity interest in REI-KIPS Construction & Engineering Sdn Bhd.

STATISTICS OF SHAREHOLDINGS

18 June 2009

I.	Class of shares	:	Ordinary
	No. of ordinary shares	:	144,774,662 *
	Voting right	:	One vote per share (excluding treasury shares)
	Treasury Shares	:	2,219,444

** Excludes non-voting treasury shares*

DISTRIBUTION OF SHAREHOLDINGS AS AT 18 JUNE 2009

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	2,150	30.64	720,088	0.50
1,000 - 10,000	4,282	61.01	13,362,049	9.23
10,001 - 1,000,000	580	8.26	23,534,221	16.25
1,000,001 and above	6	0.09	107,158,304	74.02
Total	7,018	100.00	144,774,662	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 18 JUNE 2009

No.	Name	No. of Shares	%
1	Low Weng Fatt	43,680,689	30.17
2	Yap Koon Bee	29,963,169	20.70
3	Yeo Seck Cheong	16,758,620	11.58
4	Siah Boon Hock	9,506,551	6.57
5	Cheong Tuck Nang (Zhang Deneng)	5,078,275	3.51
6	Hong Leong Finance Nominees Pte Ltd	2,171,000	1.50
7	United Overseas Bank Nominees Pte Ltd	950,394	0.66
8	Cho Kim Seng	830,440	0.57
9	DBS Nominees Pte Ltd	679,325	0.47
10	Phillip Securities Pte Ltd	623,032	0.43
11	Tan Kwee Kim	500,000	0.35
12	OCBC Nominees Singapore Pte Ltd	471,020	0.33
13	Citibank Nominees Singapore Pte Ltd	365,150	0.25
14	Yeo Hwee Ching Alice	346,000	0.24
15	DixzyQuo Nurman	344,000	0.24
16	Yap Kheng Wah	320,625	0.22
17	Liten Logistics Services Pte Ltd	301,250	0.21
18	DBS Vickers Securities (S) Pte Ltd	269,487	0.19
19	CIMB-GK Securities Pte. Ltd.	260,806	0.18
20	Lee Kong Soon	260,000	0.18
	Total	113,679,833	78.55

STATISTICS OF SHAREHOLDINGS

18 June 2009

II.	Total Number of Ordinary Shares held in treasury (“Treasury Shares”)	:	2,219,444
	Voting right	:	None
	Percentage of this holding against total number of issued shares excluding Treasury Shares	:	1.53%

SUBSTANTIAL SHAREHOLDERS AS AT 18 JUNE 2009

Name	Direct Interest	%	Indirect Interest	%
Low Weng Fatt (1)	45,680,689	31.55	110,000	0.08
Siah Boon Hock	9,506,551	6.57	–	–
Yap Koon Bee	29,963,169	20.70	–	–
Yeo Seck Cheong	16,758,620	11.58	–	–

Note (1) 2,000,000 shares held by Hong Leong Finance Nominees Pte Ltd, acting as his nominee.

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on information available to the Company as at 18 June 2009, approximately 25.93% of the Company’s total number of issued shares excluding treasury shares listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public. Therefore, the Company has complied with Rule 723 of the Listing Manual.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CHASEN HOLDINGS LIMITED ("the Company") will be held at the Banquet Hall 3, Raffles Country Club, 450 Jalan Ahmad Ibrahim, Singapore 639932 on 24th day of July 2009 at 11.00 am for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company and the Group for the year ended 31 March 2009 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a one-tier tax exempt final dividend of S$0.0052 per share for the year ended 31 March 2009 (2008: S$0.00004 per share). **(Resolution 2)**

3. To re-elect Ng Jwee Phuan @ Frederick (Eric), a Director of the Company retiring pursuant to Article 110 of the Articles of Association of the Company.
[See Explanatory Note (a)] **(Resolution 3)**

4. To re-appoint Yap Koon Bee @ Louis Yap, a Non-Executive Director of the Company retiring under Section 153(6) of the Companies Act, Chapter. 50, to hold office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.
[See Explanatory Note (b)] **(Resolution 4)**

5. To approve the payment of Directors' fees of S$300,000 for the year ended 31 March 2009 (2008: S$270,000). **(Resolution 5)**

6. To re-appoint Messrs LTC LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

7. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

8. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the SGX-ST Listing Manual – Section B: Rules of Catalist**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the SGX-ST Listing Manual - Section B: Rules of Catalist, the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "**Share Issue Mandate**")

provided that:

(1) The aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments;

(b) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the SGX-ST Listing Manual – Section B: Rules of Catalist for the time being in force (unless such compliance has been waived by the Singapore Exchange Securities Trading Limited) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force until the conclusion of the next annual general meeting ("**AGM**") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (c)] **(Resolution 7)**

9. **Authority to allot and issue shares and Instruments other than on a pro-rata basis at a discount not exceeding 20 per centum (20%)**

That notwithstanding Rule 811 of the SGX-ST Listing Manual – Section B: Rules of Catalist, and subject to and pursuant to the Share Issue Mandate being obtained in Resolution 7 above, approval be and is hereby given to the Directors of the Company to allot and issue shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to the Share Issue Mandate) other than on a pro-rata basis at an issue price per share as the Directors of the Company may in their absolute discretion deem fit, provided that such price shall not represent a discount of more than 20 per centum (20%) to the weighted average price per share determined in accordance with the requirements of the SGX-ST.
[See Explanatory Note (d)] **(Resolution 8)**

10. **Renewal of Share Buyback Mandate**

That:-

(a) for the purposes of the Companies Act, Cap. 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) on-market purchases, transacted on the SGX-ST through the SGX-ST's Central Limit Order Book ("CLOB") trading system or through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or

(ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, Cap. 50 and the Listing Rules ("**Off-Market Purchase**"),

(the "**Share Buyback Mandate**")

(b) Unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM is held or required by law to be held;

(ii) the date on which the share buybacks are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked.

(c) In this Resolution:

"**Prescribed Limit**" means 10% of the total number of ordinary shares in the Company (excluding any treasury shares) as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act Cap. 50, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution;

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase : 105% of the Average Closing Price;

(ii) in the case of an Off-Market Purchase : 120% of the Highest Last Dealt Price;

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) The Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (e)] **(Resolution 9)**

11. That the proposed grant to Low Weng Fatt, an Executive Director and a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award of 126,000 post-consolidated shares for the year ended 31 March 2008, in the share capital of the Company, in accordance with the Chasen Performance Share Plan ("**Plan**"), be and is hereby approved.
[See Explanatory Note (f)] **(Resolution 10)**

12. That the proposed grant to Yap Koon Bee @ Louis Yap, a Non-Executive Director and a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award of 31,500 post-consolidated shares for the year ended 31 March 2008, in the share capital of the Company, in accordance with the Plan, be and is hereby approved.
[See Explanatory Note (g)] **(Resolution 11)**

13. That the proposed grant to Yap Beng Geok Dorothy, an associate of a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award of 31,500 post-consolidated shares for the year ended 31 March 2008, in the share capital of the Company, in accordance with the Plan, be and is hereby approved.
[See Explanatory Note (h)] **(Resolution 12)**

14. That the proposed grant to Low Weng Fatt, an Executive Director and a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award of 200,000 shares for the year ending 31 March 2010, in the share capital of the Company, in accordance with the Plan, be and is hereby approved.
[see explanatory note (i)] **(Resolution 13)**

15. That the proposed grant to Yap Koon Bee @ Louis Yap, a Non-Executive Director and a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award of 50,000 shares for the year ending 31 March 2010, in the share capital of the Company, in accordance with the Plan, be and is hereby approved.
[see explanatory note (j)] **(Resolution 14)**

16. That the proposed grant to Yap Beng Geok Dorothy, an Associate of a Controlling Shareholder (as defined in the SGX-ST Listing Manual – Section B: Rules of Catalist), of an award of 50,000 shares for the year ending 31 March 2010, in the share capital of the Company, in accordance with the Plan, be and is hereby approved.
[see explanatory note (k)] **(Resolution 15)**

By Order of the Board

CHEW KOK LIANG
Secretary
Singapore, 2 July 2009

Notes:

1. A member entitled to attend and vote at this meeting is entitled to appoint one or two proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. If a proxy is to be appointed, the form must be deposited at the registered office of the Company, at 18 Jalan Besut, Singapore 619571 not less than 48 hours before the meeting.

3. The proxy form must be signed by the appointor or his attorney duly authorised in writing.

4. In case of joint shareholders, all holders must sign the proxy form.

Explanatory Notes:

a. Mr Ng Jwee Phuan @ Frederick (Eric) will, upon re-election as Director of the Company, remain as the Lead Independent Director, Chairman of the Audit and Remuneration Committees and as a member of the Nominating Committee and will be considered independent.

b. The effect of the Ordinary Resolution 4 above, is to re-appoint a director of the Company who is over 70 years of age. Mr Yap Koon Bee @ Louis Yap will, upon re-appointment as a Non-Executive Director of the Company, remain as a member of the Audit Committee/Remuneration Committee and will be considered non-independent.

c. The Ordinary Resolution 7 above, if passed, will empower the Directors of the Company from the date of this Meeting until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 50% may be issued other than on a pro-rata basis to existing shareholders of the Company.

d. The Ordinary Resolution 8 above, if passed, will empower the Directors of Company to issue shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to the Share Issue Mandate) other than on a pro-rata basis at a discount of not more than 20% to the weighted average price per share determined in accordance with the requirements of the SGX-ST.

   The maximum discount of 20% is proposed pursuant to the SGX-ST's news release of 19 February 2009 which took effect on 20 February 2009 to introduce further measures to accelerate and facilitate the fund raising efforts of listed issuers.

e. The Ordinary Resolution 9 above, if passed, will empower the Directors of the Company from the date of the above Meeting until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company as at the date of the AGM at which this Ordinary Resolution is passed.

f. Resolution 10 above, if passed, will empower the Directors to grant to Mr Low Weng Fatt, who is an Executive Director and a Controlling Shareholder, an award of 126,000 (post-consolidated) shares for the year ended 31 March 2008, in the share capital of the Company.

   The Company released an announcement in relation to the clarification on grant of share awards pursuant to the Plan on 3 June 2009. There was an inadvertent typographical error which omitted a zero ("0") in the number of (pre-consolidated) performance shares granted on 23 August 2007 and 8 September 2008. The Remuneration Committee has considered and deliberated on the Company's performance for the financial year ended 31 March 2008 and Mr Low's contributions to the Company's performance and is of the view that 126,000 (post-consolidated) share awards should be granted to Mr Low. This resolution seeks for the above-stated reasons, shareholders approval for the Directors decision to grant an award of 126,000 post-consolidated shares, arising from the inadvertent error, to Mr Low Weng Fatt in accordance with the Plan.

g. Resolution 11 above, if passed, will empower the Directors to grant to Mr Yap Koon Bee @ Louis Yap, who is a Non-Executive Director and a Controlling Shareholder, an award of 31,500 post-consolidated shares for the year ended 31 March 2008, in the share capital of the Company.

   The Company released an announcement in relation to the clarification on grant of share awards pursuant to the Plan on 3 June 2009. There was an inadvertent typographical error which omitted a zero ("0") in the number of (pre-consolidated) performance shares granted on 23 August 2007 and 8 September 2008. The Remuneration Committee has considered and deliberated on the Company's performance for the financial year ended 31 March 2008 and Mr Yap's contributions to the Company's performance and is of the view that 31,500 (post-consolidated) share awards should be granted to Mr Yap. This resolution seeks for the above-stated reasons, shareholders approval for the Directors decision to grant an award of 31,500 post-consolidated shares, arising from the inadvertent error, to Mr Yap Koon Bee @ Louis Yap in accordance with the Plan.

h. Resolution 12 above, if passed, will empower the Directors to grant to Ms Yap Beng Geok Dorothy, who is an Associate of a Controlling Shareholder, an award of 31,500 post-consolidated shares for the year ended 31 March 2008, in the share capital of the Company.

   The Company released an announcement in relation to the clarification on grant of share awards pursuant to the Plan on 3 June 2009. There was an inadvertent typographical error which omitted a zero ("0") in the number of (pre-consolidated) performance shares granted on 23 August 2007 and 8 September 2008. The Remuneration Committee has considered and deliberated on the Company's performance for the financial year ended 31 March 2008 and Ms Yap's contributions to the Company's performance and is of the view that 31,500 (post-consolidated) share awards should be granted to Ms Yap. This resolution seeks for the above-stated reasons, shareholders approval for the Directors decision to grant an award of 31,500 post-consolidated shares, arising from the inadvertent error, to Ms Yap Beng Geok Dorothy in accordance with the Plan.

i. Resolution 13 above, if passed, will empower the Directors to grant to Mr Low Weng Fatt, who is an Executive Director and a Controlling Shareholder, an award of 200,000 shares in the share capital of the Company.

   Mr Low Weng Fatt is the Managing Director of our Company and is responsible for the overall management and strategic growth direction of our Group.

   Mr Low took over the helm of the Company's subsidiary, Chasen Logistics Services Limited, in 2001. He has been with the Company since 1996 when it operated as a partnership and has played a pivotal role in steering the growth of the Company since he became its Managing Director. He has ably led the Group with his extensive experience in the logistics industry by exploiting its first mover advantage in meeting the growing specialist relocation needs of manufacturers and other businesses who use sophisticated and expensive machines and equipment in their operations locally and in this region and building up a good track record and reputation for the Group.

   He has in-depth knowledge of the needs of the business as it evolved over the years. His ability to anticipate business trend and demand has enabled us to offer the right type of skills, equipment and value added services to meet the total relocation needs of customers. The development of this comprehensive range of services to meet the customers' relocation logistics needs also enabled us to replicate our services capabilities overseas in particular the People's Republic of China and Malaysia.

   Since the Company was listed on SGX in February 2007, Mr Low continues to play an instrumental role in charting our Group's business development, growth and expansion into the region. The Directors are of the view that the remuneration package of Mr Low which includes awards under the Plan, is fair given his contributions to the Group. The extension of the Plan to Mr Low is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr Low already has a shareholding interest in the Company, the extension of the Plan to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long term commitment to the Group.

   During the year in review Mr Low successfully implemented the strategy to extend the scope of the Group's capability and to diversify its revenue base to other high growth industries such as solar energy, marine and construction in Singapore. He identified the new businesses and led in the negotiation to acquire them. The results of the Group's performance for the financial year ended 31 March 2009 which saw its revenue grew by more than 120% and Profit after tax by more than 26% from last financial year is testimony to the success of the corporate growth strategy.

   The participation of and grant of Awards to Mr Low Weng Fatt under the Plan has been approved in principle by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. This resolution seeks for the above-stated reasons, shareholders approval for the Directors decision to grant an award of 200,000 shares to Mr Low Weng Fatt in accordance with the Plan.

j. Resolution 14 above, if passed, will empower the Directors to grant to Mr Yap Koon Bee @ Louis Yap, who is a Non-Executive Director and a Controlling Shareholder, an award of 50,000 in the share capital of the Company.

   Mr Yap Koon Bee @ Louis Yap is a Non-Executive Director of the Company and has been a director of the Company's subsidiary, Chasen Logistics Services Limited since its incorporation in 1999.

   Mr Yap is the founder of the Company, which started its business in 1995 as a partnership to supply labour for the stuffing and unstuffing of containers, packing and warehousing. He managed the Company's business until 2001 when he retired from the day-to-day management. Although he is a Non-Executive Director, Mr Yap possesses substantial experience in the business of labour supply as well as transport and warehousing as he has been in this line since the 1960s. Mr Yap still maintains an advisory role in the Company and the Company is of the view that he will be able to provide business networks and market contacts to the Company and its subsidiaries which will be invaluable in assisting the Company in its objective of achieving a higher level of performance.

The extension of the Plan to Mr Yap is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. Although Mr Yap already has a shareholding interest in the Company, the extension of the Plan to him will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his continued commitment to the Group.

The participation of and grant of Awards to Mr Yap Koon Bee @ Louis Yap under the Plan has been approved in principle by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. For the above-stated reasons, the Directors propose to grant an award of 50,000 shares, as the case may be, to Mr Yap Koon Bee @ Louis Yap in accordance with the Plan.

k. Resolution 15 above, if passed, will empower the Directors to grant to Ms Yap Beng Geok Dorothy, who is an Associate of a Controlling Shareholder, an award of 50,000, in the share capital of the Company.

Ms Yap Beng Geok Dorothy is the daughter of our Non-Executive Director and Controlling Shareholder of the Company, Mr Yap Koon Bee @ Louis Yap. Ms Yap is the Group Administration Manager and is responsible for the day-to-day administrative workflow at the Company, human resource policy and other general administrative matters of the Group, including co-ordinating with professional service providers in corporate activities of the Company as a publicly listed company.

Having been with the Group since 1995, Ms Yap has acquired in-depth knowledge of many aspects of the Group's business, including its operation and administration.

The Directors are of the view that the remuneration package of Ms Yap which includes awards under the Plan is fair given her contributions to the Group. The extension of the Plan to Ms Yap is consistent with the Company's objectives to motivate its employees to achieve and maintain a high level of performance and contribution which is vital to the success of the Company. As the Plan serves as a recognition of the past contributions of those eligible to participate in the Plan, as well as to secure future contributions for the Company and the Group from them, the Directors consider it important that Ms Yap should not be excluded from the Plan on account of her being an associate of a substantial shareholder. The Directors consider it crucial that the Company compensates its employees on the merit of their work performance regardless of their relationship with shareholders.

The participation of and grant of Awards to Ms Yap Beng Geok Dorothy under the Plan has been approved in principle by shareholders when they approved the Plan at the Extraordinary General Meeting held on 16 May 2007. For the above-stated reasons, the Directors propose to grant an award of 50,000 shares, to Ms Yap Beng Geok Dorothy in accordance with the Plan.

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CHASEN HOLDINGS LIMITED

(Company Registration No. 199906814G)
(Incorporated In the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. For investors who have used their CPF monies to buy CHASEN HOLDINGS LIMITED's shares, this Proxy Form is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, ____

of ____

being a member/members of CHASEN HOLDINGS LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Banquet Hall 3, Raffles Country Club, 450 Jalan Ahmad Ibrahim, Singapore 639932 on 24 July 2009 at 11.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1.	Directors' Report and Audited Accounts for the year ended 31 March 2009		
2.	Payment of proposed one-tier tax exempt final dividend of S$0.0052 per share for financial year ended 31 March 2009		
3.	Re-election of Mr Ng Jwee Phuan @ Frederick (Eric) as a Director		
4.	Re-appointment of Mr Yap Koon Bee @ Louis Yap as a Director		
5.	Approval of Directors' fees for financial year ended 31 March 2009		
6.	Re-appointment of Messrs LTC LLP as Auditors		
7.	Authority to issue shares pursuant to Section 161 of the Companies Act		
8.	Authority to issue new shares on a pro-rata at a discount not more than 20%		
9.	Renewal of Share Buyback Mandate		
10.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Low Weng Fatt for year ended 31 March 2008		
11.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Yap Koon Bee @ Louis Yap for year ended 31 March 2008		
12.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Yap Beng Geok Dorothy for year ended 31 March 2008		
13.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Low Weng Fatt for year ending 31 March 2010		
14.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Yap Koon Bee @ Louis Yap for year ending 31 March 2010		
15.	Approval of grant of awards made pursuant to Chasen Performance Share Plan to Yap Beng Geok Dorothy for year ending 31 March 2010		

Dated this __________ day of ________________ 2009

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder
**Delete where inapplicable*

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If the proportion of shareholding is not indicated, the second proxy will be deemed as alternate.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 18 Jalan Besut, Singapore 619571, not less than 48 hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CHASEN™

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Singapore 619571
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Fax: (65) 6262 4286
Co. Reg. No. 199906814G