CHASEN HOLDINGS LIMITED
Unique Entity Number 199906814G
Incorporated in the Republic of Singapore

Media Release

Chasen Reverses Losses to Post FY2021 Profit Before Tax of S$4.6 Million; Higher Revenue Driven by Specialist Relocation and Third Party Logistics

- *Specialist Relocation and Third Party Logistics segments seized growth opportunities amid the COVID-19 pandemic, boosting profit before tax to S$4.6 million and S$3.4 million post-tax, which sharply reversed losses from a year ago*
- *Gross profit more than doubled to S$24.2 million from S$12.0 million a year ago in line with rise in revenue to S$130.7 million in FY2021 from S$101.0 million in FY2020*
- *Specialist Relocation segment seeks to widen customer base to semiconductor and OLED sectors within the PRC and other parts of Southeast Asia*
- *3PL segment to enlarge fleet as it seeks to capture land transportation opportunities within mainland China and outbound traffic from the PRC to Southeast Asia*
- *Technical & Engineering segment affected by continuing COVID-19-related restrictions in Singapore; components and parts manufacturing business to capture growth opportunities in 5G, Internet of Things, electric and autonomous mobility themes*

S$'000	2H FY2021	2H FY2020	Change (%)	1H FY2021	Change (%)	FY2021	FY2020	Change (%)
Revenue	72,356	44,769	62	58,367	24	130,723	100,957	29
Gross profit	12,645	1,896	567	11,614	9	24,259	12,009	102
Gross profit margin (%)	17.5	4.2	13.3 ppt*	19.9	(2.4) ppt	18.6	11.9	6.7 ppt
Profit before tax	2,009	(16,289)	112	2,621	(23)	4,630	(15,321)	130
Net profit after tax	1,402	(15,888)	109	2,040	(31)	3,442	(15,244)	123
Fully Diluted Earnings per share (cents)	0.172	(4.085)	104	0.28	(39)	0.449	(3.999)	111

**ppt: percentage points*

Singapore, 30 May 2021 – SGX Mainboard-listed Chasen Holdings Limited ("**Chasen**" or "**the Group**") reversed sharply from losses a year earlier to post a higher profit in the financial year ended 31 March 2021 ("**FY2021**") on the back of stronger performances by its Specialist Relocation and Third Party Logistics ("**3PL**") segments, which captured fresh opportunities amid the disruptions caused by the COVID-19 pandemic.

The diversified business Group said a 29% rise in revenue to S$130.7 million in FY2021 boosted profit before tax to S$4.6 million (FY2020: loss of S$15.3 million) and net profit after tax of S$3.4 million (FY2020: loss of S$15.2 million).The higher revenue was driven by the resumption of backlogged and significant new contracts secured in Specialist Relocation projects in the PRC and

the robust 3PL demand, particularly in cross-border land transportation amid higher rates in air and sea freight as the pandemic continued to disrupt supply chains and constrain capacity.

Revenue for the second half of the year ("**2HFY2021**") rose 24% to S$72.4 million compared to S$58.4 million in 1HFY2021 as business recovery of its customers continued to gain momentum following the initial shocks of the pandemic.

Specialist Relocation operations for electronics manufacturers in mainland China that were earlier backlogged by the lockdowns have resumed and continue to gain momentum in FY2021. It also won new significant contracts in Changsha and Guangzhou in the second half of the year.

The 3PL segment is continuing to benefit from increased warehousing operations and cross-border land transportation order flows due to increased e-commerce and cross-border business activities particularly from its OEM customers in Southeast Asia and in the PRC.

However, the third business segment – Technical & Engineering ("**T&E**") – remains impacted by restrictions on foreign workers and on-site construction activity in Singapore due to the pandemic. As a result, it experienced higher costs and delays in project completion as well as payments. This was largely offset by strong orders from the segment's component and parts manufacturing operations located in Singapore and the PRC, with revenue rising 56% year-on-year.

The increase in sales boosted the 2HFY2021 gross profit to S$12.6 million, more than sixfolds from S$1.9 million for the comparative period a year ago, while the FY2021 gross profit more than doubled to S$24.2 million from S$12.0 million a year ago. Correspondingly, gross profit margin improved to 17.5% for 2HFY2021 (2HFY2020: 4.2%) and 18.6% for FY2021 (FY2020: 11.9%).

Fully diluted earnings per share for FY2021 stands at 0.449 Singapore cent compared to a loss of 3.999 Singapore cent per share in FY2020, while net asset value per share grew to 15.8 Singapore cents as at 31 March 2021 from 13.9 Singapore cents as at 31 March 2020.

The Group recorded an increase in property, plant and equipment of S$22 million mainly due to the acquisition of a warehouse in Penang, revaluation gain in accordance to *Singapore Financial Reporting Standards (SFRS (I) 1-16 Property, Plant and Equipment*, and other capital expenditure offset by depreciation charged during the year.

Overall, the Group's cash and cash equivalent stood at S$13.9 million as at 31 March 2021, an increase of S$8.1 million from S$5.8 million as at 31 March 2020.

On the outlook, the Group said its Specialist Relocation segment is diversifying its customer base from the TFT LCD sector to semiconductor and fabless chip manufacturers, as well as the organic light-emitting diode ("**OLED**") industry. The Group has already completed a project to relocate the production line for the world's first 8.5G OLED plant for a South Korean manufacturer and has also secured another similar project in mainland China this year.

For the 3PL segment, the Group expects the Pan-Asian cross-border land transportation services to remain robust, as air and sea freight continue to be disrupted by pandemic-related constraints in its region of operations. To meet growing demand, Chasen intends to increase its fleet to between

15% and 20% by March 2022 from 120 as at 31 March 2021, while also introducing more fuel-efficient and environment-friendly vehicles. The Group is also looking to target other key long-term customers to enhance the resilience and margins of its revenue streams.

The Group plans to form a joint venture with an experienced local logistics partner in the PRC to tap the vast domestic 3PL and transportation market to service new customers with a focus on the electronics sector while securing more businesses from existing customers in the country.

The 3PL segment is working to implement ACTS (ASEAN Customs Transit System) to deliver a seamless cross-border land transportation service to customers. It has participated in pilot trials with the local authorities in Malaysia to destinations such as Thailand and Cambodia. Concurrently, it is exploring warehouse operations under the AEO (Authorized Economic Operator) System, where Customs check cum clearance will be carried out in-house. Once implemented, the Group's competitive edge is expected to be enhanced.

T&E will continue to see suppressed revenue contribution amid manpower shortages due to COVID-related restrictions to entry, increasing costs as well as delayed project timelines and payments from customers. Nonetheless, the components and parts manufacturing capability within this segment will continue to capture opportunities in emerging core technologies such as 5G, Internet of Things and electric and autonomous vehicles.

T&E business units have realigned strategies to tap opportunities in solar panel installation, and interior space and exterior façade cladding works using specialized industrial-grade glass and aluminium.

Mr Low Weng Fatt, Chasen's Managing Director and CEO, said, *"We have achieved a commendable FY2021 despite the challenges posed by the COVID-19 pandemic. Having restructured our cost structure in the first half of FY2021, we are now well poised to capture growth opportunities in the path ahead, especially in the 3PL and Specialist Relocation segments. We look forward to continue delivering a strong performance in the coming quarters."*

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About Chasen Holdings Limited (Bloomberg: CHLD:SP; Reuters: CHHL.SI)
Chasen Holdings Limited is an SGX Mainboard-listed investment holding company with subsidiaries offering one-stop integrated solutions in Specialist Relocation services, Technical & Engineering services and Third-Party Logistics management and last mile services.

Headquartered in Singapore with operations in Malaysia, Vietnam, the People's Republic of China, Thailand, the U.S. and Singapore, the broadly diversified Group serves global customers in industries such as semiconductor IC wafer fabrication, testing & packaging, TFT LCD panel production, semiconductor equipment OEM, EV and battery production, solar panel assembly and installation, consumer electronics and e-Commerce, 4G & 5G telecommunications, ordnance, facilities maintenance and construction sectors.

Its diversified revenue base, well recognised solutions and long-standing customer relationships underpin its strong fundamentals, brand recognition and franchise, which enable the Group to weather fluctuating business cycles of various industries. Its business model, growth strategy and strong franchise will enable the Group to stay resilient and relevant in all the industries it serves globally.