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

Media Release

Chasen 3Q FY2023 Gross Profit Rises 13% to S$7.6 Million on Revenue of S$42.3 Million

- *Higher 3Q FY2023 gross profit on the back of higher turnover in the T&E segment, driven by resumption of higher margin projects and increase in solar panel installation projects.*
- *Improved T&E turnover performance offset decline in 9MFY2023 revenue to S$122.8 million from S$127.3 million for 9MFY2022 amid Specialist Relocation project delays in the PRC due to its Dynamic Zero COVID policy and 3PL activities in Malaysia and Thailand softening.*
- *The Group remains cautiously optimistic as pandemic-related restrictions in the PRC ease; however, operating costs still pose a challenge in the current high interest rate environment.*

S$'000	3Q FY2023	3Q FY2022	Change (%)	9M FY2023	9M FY2022	Change (%)
Revenue	42,312	43,357	(2)	122,831	127,324	(4)
Gross profit	7,640	6,762	13	21,036	21,926	(4)
Gross profit margin (%)	18.1	15.6	2.5 ppt*	17.1	17.2	(0.1) ppt
Profit Before Tax	427	1,107	(61)	2,496	4,850	(49)
Net profit after tax	93	583	(84)	1,275	3,341	(62)
Fully Diluted Earnings per share (cents)	(0.03)	0.10	NM^	0.09	0.52	(82.7)

**ppt – Percentage Points*
^ – Not Meaningful

Singapore, 13 February 2022 – SGX Mainboard-listed diversified logistics group Chasen Holdings Limited ("**Chasen**" or "**the Group**") reported today improved performance for its Technical & Engineering ("**T&E**") segment, which lifted gross profit for the three months ended 31 December 2022 ("**3QFY2023**") by 13% to S$7.6 million.

The gross profit was achieved on the back of a 2% decline in quarterly revenue to S$42.3 million from S$43.4 million for the comparative periods. Resumption of positive profit margin to the T&E projects and increase in solar panel installation projects were offset by delays in the Specialist Relocation segment due to the Dynamic Zero policy in the People's Republic of China ("**PRC**"), which has since been lifted, while Third-Party Logistics ("**3PL**") activities softened during the quarter. Despite the marginally lower top line, gross profit margin for 3QFY2023 increased 2.5% to 18.1%, as margins in all three business segments saw an improvement.

As a result, revenue for the nine months ended 31 December 2022 ("**9MFY2023**") declined 4% to S$122.8 million compared to S$127.3 million for 9MFY2022. In line with revenue, 9MFY2023 gross profit declined 4% to S$21.0 million from S$21.9 million for 9MFY2022, while gross profit margin remained relatively stable at 17.1% for 9MFY2023 compared to 17.2% year-on-year.

The Group recorded 9MFY2023 net profit after tax of S$1.3 million compared to S$3.3 million a year ago, mainly due to lower receipt of government grants, higher operations expenses and increased finance expenses amid higher interest rates.

Accordingly, fully diluted earnings per share stood at 0.09 Singapore cent in 9MFY2023 (9MFY2022: 0.52 Singapore cent), while net asset value per share amounted to 16.4 Singapore cents as at 31 December 2022 compared to 16.7 Singapore cents as at 31 March 2022.

Looking ahead, the Group maintains a cautiously optimistic outlook. With the PRC's recent lifting of COVID-related restrictions, the Group expects mid-term business recovery as projects resume but operating costs remain a challenge. Chasen will also continue to monitor the impact on the business environment on a confluence of factors including the geopolitics, trade frictions, and central banks' actions. While this may potentially be driving a slowdown in economic activities, it will push companies to accelerate their strategic shift to mitigate this risk through re-shoring and decentralizing their manufacturing footprint globally, presenting business opportunities for the Group's Specialist Relocation and 3PL business segments in growing and seizing new market share.

For the Specialist Relocation segment, the Group will continue to diversify into the semiconductor and automotive industries, while seeking opportunities within the PRC's display panel sector as it transitions from TFT LCD screens to OLED technology. Chasen also plans to secure new projects from semiconductor and equipment manufacturers in Malaysia and Singapore, as well as electronics and PV solar module players in Vietnam and India.

On the 3PL front, the Group broadly sees the demand for its cross-border transportation services peaking as pandemic-related disruption eases. However, business will remain resilient as customers, who switched from air and sea freight to the Group's 3PL services during the pandemic, have seen value in Chasen's outstanding service quality, which has been further enhanced with the recent integration of railway as an alternative mode of transport.

In addition, business activities on warehousing, freight-forwarding and local/long-haul trucking was significantly higher and are expected to offset any potential decline in cross-border transportation services. Demand for warehouse service is expected to increase in the quarters ahead. In response, the Group will offer its local transportation services, adding value to customers, and lifting revenue.

The Group is also participating in "SG Arrival Card" Cargo, a seamless clearance initiative that would greatly speed up the time required for the Group's container truck drivers to clear the Singapore land checkpoints to less than five minutes, compared to manual paper clearance, which would take 10-15 minutes, shortening the delivery time to the customer's location.

The Group will also focus on strengthening its T&E segment by building its pipeline of solar panel installation projects in Singapore and improving its component and parts manufacturing capabilities, with the aim to capture projects within emerging core technologies such as 5G, Internet of Things, MedTech and the automotive sector.

Hup Lian Engineering Pte Ltd, the Group's wholly-owned subsidiary, is well positioned to expand its solar panel installation service across solar energy system developers and build market share as it supports Singapore's green transition in the quarters ahead. The T&E business segment will focus on improving its bottom line significantly as it capitalizes on post-COVID economic recovery to grow the Group's top line across the region.

Mr Low Weng Fatt, Chasen's Managing Director and CEO, said, *"Chasen's diversified business and geographical spread has allowed us to remain broadly resilient as well as capitalized on opportunities arising from our customers' re-shoring, de-centralising production locations and adjusting their inventory strategies. The lifting of all COVID restrictions in the PRC is positive news to the resumption of projects and a return to normalcy in the medium term.*

"The Group will continue to review our business and diversification strategy to enhance resiliency and bottom line even as we closely monitor the impact of several headwinds, including growing economic uncertainty in the quarters ahead."

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About Chasen Holdings Limited (Bloomberg: CHLD:SP; Reuters: CHHL.SI)

Chasen Holdings Limited is a 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 Singapore, Malaysia, Thailand, Vietnam, the People's Republic of China and the U.S.A., the broadly diversified business Group serves global customers in industries such as semiconductor IC wafer fabrication, testing & packaging, TFT LCD panel production, semiconductor OEM, EV & battery production, GreenTech including solar panel assembly & installation, glass & façade cladding installations, consumer electronics & 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.