

CHASEN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Company registration number: 199906814G

**CHASEN HOLDINGS LIMITED
AND ITS SUBSIDIARIES**

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022

CHASEN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Company registration number: 199906814G

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A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Group		
	First half year ended		
	30-Sep-22	30-Sep-21	Change
	S\$'000	S\$'000	%
Revenue	80,519	83,967	-4%
Cost of sales	(67,123)	(68,803)	2%
Gross profit	13,396	15,164	-12%
Other operating income	2,225	2,660	-16%
Distribution and selling expenses	(2,921)	(3,474)	16%
Administrative expenses	(7,672)	(8,360)	8%
Other operating expenses	(1,322)	(1,101)	-20%
Finance expenses	(1,637)	(1,146)	-43%
Profit before income tax	2,069	3,743	-45%
Income tax expense	(887)	(985)	10%
Net profit for the financial period	1,182	2,758	-57%
Profit attributable to:			
Equity holders of the Company	479	1,647	-71%
Non-controlling interests	703	1,111	-37%
Net profit for the financial period	1,182	2,758	-57%

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**Condensed interim consolidated statement of profit or loss and other comprehensive income
(Cont'd)**

	Group		
	First half year ended	30-Sep-21	Change
	30-Sep-22	30-Sep-21	%
	S\$'000	S\$'000	%
Net profit for the financial period	1,182	2,758	-57%
Other comprehensive (loss)/income:			
Exchange differences on translating foreign operations	(896)	250	N.M.
Other comprehensive (loss)/income for the financial period, net of tax	(896)	250	N.M.
Total comprehensive income for the financial period	286	3,008	-90%
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(167)	1,899	-109%
Non-controlling interests	453	1,109	-59%
Total comprehensive income for the financial period	286	3,008	-90%

Note:

N.M. - Not meaningful

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B. Condensed interim statements of financial position

	Group		Company	
	As at 30-Sep-22 S\$'000	As at 31-Mar-22 S\$'000	As at 30-Sep-22 S\$'000	As at 31-Mar-22 S\$'000
ASSETS				
Non-current assets				
Investment properties	930	930	6,000	6,000
Property, plant and equipment	80,859	81,047	549	564
Investment in subsidiaries	-	-	37,150	37,150
Investment in associate	-	-	-	-
Goodwill on consolidation	10,559	10,559	-	-
Intangible assets	-	-	-	-
Land use rights	1,199	1,292	-	-
Club membership	1	1	-	-
Other investments	364	-	-	-
Trade receivables	271	271	-	-
Deferred tax assets	1,240	1,251	-	-
	95,423	95,351	43,699	43,714
Current assets				
Inventories	8,275	8,157	-	-
Contract assets	1,000	1,008	-	-
Trade receivables	54,378	48,602	-	-
Other receivables, deposits and prepayments	18,976	16,858	69	81
Amount due from subsidiaries	-	-	48,753	45,725
Cash and cash equivalents	17,906	19,132	277	326
	100,535	93,757	49,099	46,132
Total assets	195,958	189,108	92,798	89,846
EQUITY AND LIABILITIES				
Equity				
Share capital	53,086	53,086	82,614	82,614
Treasury shares	(145)	(145)	(145)	(145)
Other reserves	(1,276)	(630)	(5,120)	(5,120)
Retained profits	12,660	12,181	1,619	1,535
Equity attributable to owners of the Company	64,325	64,492	78,968	78,884
Non-controlling interests	7,439	7,066	-	-
Total equity	71,764	71,558	78,968	78,884

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B. Condensed interim statements of financial position (Cont'd)

	Group		Company	
	As at 30-Sep-22 S\$'000	As at 31-Mar-22 S\$'000	As at 30-Sep-22 S\$'000	As at 31-Mar-22 S\$'000
Non-current liabilities				
Bank loans	21,941	23,132	3,440	3,548
Lease liabilities	13,068	12,043	557	568
Deferred tax liabilities	3,418	3,732	-	-
	38,427	38,907	3,997	4,116
Current liabilities				
Bank loans	43,578	41,686	9,204	6,391
Lease liabilities	6,934	7,485	23	22
Trade payables	24,838	18,747	-	-
Other payables and accruals	8,913	9,635	606	433
Income tax payable	1,504	1,090	-	-
	85,767	78,643	9,833	6,846
Total liabilities	124,194	117,550	13,830	10,962
Total equity and liabilities	195,958	189,108	92,798	89,846

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C. Condensed interim statements of changes in equity

			Attributable to owners of the Company									
	Total equity	Total	Share capital	Treasury shares	Retained profits	Other reserves, Total	Capital reserve	Assets Revaluation reserve	Foreign currency translation reserve	Fair value adjustment reserve	Non-controlling interests	
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
Balance as at 1 April 2022	71,558	64,492	53,086	(145)	12,181	(630)	(755)	10,753	(776)	(9,852)	7,066	
Profit for the financial period	1,182	479	-	-	479	-	-	-	-	-	703	
<u>Other comprehensive loss for the period</u>												
Exchange differences on translating foreign operations	(896)	(646)	-	-	-	(646)	-	-	(646)	-	(250)	
Other comprehensive loss for the period, net of tax	(896)	(646)	-	-	-	(646)	-	-	(646)	-	(250)	
Total comprehensive income / (loss) for the period	286	(167)	-	-	479	(646)	-	-	(646)	-	453	
<u>Contributions by and distributions to owners</u>												
Dividend paid to non-controlling interest	(80)	-	-	-	-	-	-	-	-	-	(80)	
Total contributions by and distributions to owners	(80)	-	-	-	-	-	-	-	-	-	(80)	
Balance as at 30 September 2022	71,764	64,325	53,086	(145)	12,660	(1,276)	(755)	10,753	(1,422)	(9,852)	7,439	

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C. Condensed interim statements of changes in equity (Cont'd)

Group	Total equity	Total	Attributable to owners of the Company								Non-controlling interests
			Share capital	Treasury shares	Retained profits	Other reserves, Total	Capital reserve	Assets Revaluation reserve	Foreign currency translation reserve	Fair value adjustment reserve	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2021	66,668	61,182	53,086	(145)	9,075	(834)	(491)	6,101	(1,224)	(5,220)	5,486
Profit for the financial period	2,758	1,647	-	-	1,647	-	-	-	-	-	1,111
<u>Other comprehensive income/ (loss) for the period</u>											
Exchange differences on translating foreign operations	250	252	-	-	-	252	-	-	252	-	(2)
<u>Other comprehensive income/ (loss) for the period, net of tax</u>	250	252	-	-	-	252	-	-	252	-	(2)
Total comprehensive income for the period	3,008	1,899	-	-	1,647	252	-	-	252	-	1,109
<u>Contributions by and distributions to owners</u>											
Dividend paid to non-controlling interest	(80)	-	-	-	-	-	-	-	-	-	(80)
Total contributions by and distributions to owners	(80)	-	-	-	-	-	-	-	-	-	(80)
<u>Changes in ownership interest in subsidiary</u>											
Reduction of interest in a subsidiary without loss of control	-	(240)	-	-	-	(240)	(240)	-	-	-	240
Total changes in ownership interest in a subsidiary	-	(240)	-	-	-	(240)	(240)	-	-	-	240
<u>Transaction with non-controlling interests</u>											
Additional capital investment in a subsidiaries	40	(24)	-	-	-	(24)	(24)	-	-	-	64
Total Transaction with non-controlling interests	40	(24)	-	-	-	(24)	(24)	-	-	-	64
Balance as at 30 September 2021	69,636	62,817	53,086	(145)	10,722	(846)	(755)	6,101	(972)	(5,220)	6,819

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C. Condensed interim statements of changes in equity (Cont'd)

	Total equity	Share capital	Treasury shares	Retained profits	Other reserves, Total	Capital reserve	Fair value adjustment reserve
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 April 2022	78,884	82,614	(145)	1,535	(5,120)	100	(5,220)
Profit for the financial period	84	-	-	84	-	-	-
Balance as at 30 September 2022	78,968	82,614	(145)	1,619	(5,120)	100	(5,220)
Balance as at 1 April 2021	79,577	82,614	(145)	2,228	(5,120)	100	(5,220)
Loss for the financial period	(260)	-	-	(260)	-	-	-
Balance as at 30 September 2021	79,317	82,614	(145)	1,968	(5,120)	100	(5,220)

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D. Condensed interim consolidated statement of cash flows

	Group	
	First half year ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
Operating activities		
Profit before taxation	2,069	3,743
Adjustments for:		
Loss allowance for trade receivables	230	478
Loss allowance for other receivables	126	-
Reversal of loss allowance on financial assets	-	(573)
Amortisation of land use rights	14	14
Bad debts written-off (trade)	22	109
Depreciation of property, plant and equipment	6,335	5,982
Interest expenses	1,637	1,146
Interest income	(34)	6
Net gain on disposal of plant and equipment	(121)	(50)
Operating cash flows before working capital changes	10,278	10,855
Movement in working capital:		
Inventories	(118)	(760)
Contract assets and liabilities	8	1
Trade and other receivables	(8,272)	(11,083)
Trade and other payables	5,369	3,168
Cash generated from operations	7,265	2,181
Income tax paid	(711)	(702)
Net cash generated from operating activities	6,554	1,479

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D. Condensed interim consolidated statement of cash flows (Cont'd)

	Group	
	First half year ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
Investing activities		
Additional capital investment by non-controlling interests	-	40
Interest received	34	(6)
Purchase of property, plant and equipment	(2,854)	(1,862)
Proceeds from disposal of property, plant and equipment	206	119
Effects of foreign currency re-alignment on investing activities	(431)	(179)
Net cash flows used in investing activities	(3,045)	(1,888)
Financing activities		
Dividend paid to non-controlling interests	(80)	(80)
Interest paid	(1,637)	(1,146)
Proceeds from bank loans	45,675	30,640
Repayment of bank loans	(44,016)	(27,485)
Repayment of lease liabilities	(4,331)	(3,543)
(Placement of)/Proceed from pledged fixed deposits with banks	(259)	205
Net cash flows used in financing activities	(4,648)	(1,409)
Net decrease in cash and cash equivalents	(1,139)	(1,819)
Effect of exchange rate changes on cash and cash equivalents	18	-
Cash and cash equivalents at beginning of year	16,042	13,876
Cash and cash equivalents as at end of the financial year	14,921	12,057

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

	Group	
	First half year ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
Cash and bank balances	13,903	11,000
Fixed deposits	4,003	3,046
	17,906	14,046
Less: Fixed deposits pledged	(2,985)	(1,989)
Cash and cash equivalents	14,921	12,057

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E. Notes to the condensed interim consolidated financial statements**1. Corporate information**

Chasen Holdings Limited (the “Company”) (Registration Number: 199906814G) is a limited liability company incorporated and domiciled in 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 located at 18 Jalan Besut, Singapore 619571.

The principal activity of the Company is that of investment holding. The principal activities of the respective subsidiaries and associate are:

- (a) Specialist Relocation Solutions – being the provision of specialist manpower equipped with specialized material handling tools, equipment and vehicles to relocate machinery and equipment of customers within their premises, from one location to another location within a country, or from one country to another. Being a strategic partner to its customers in the management of their global relocation needs through projects or maintenance contracts. The Group is equipped to handle very sensitive machinery and equipment in cleanroom and “raised floor” environment. It also manufactures customized wooden crates and pack machinery and equipment for Original Equipment Manufacturer (“OEM”) based on their specifications, utilizing specialized packaging material before they are transported to their new locations.
- (b) Third Party Logistics – being the provision of packaging, trucking, distribution, freight forwarding, non-bonded and bonded warehousing (with in-house customs clearance), cargo management and last mile services. The seamless cross-border trucking services are capable of delivering goods from Singapore through Peninsular Malaysia into Thailand, Myanmar and across Indo-China, Vietnam and into the People’s Republic of China. Most of the Group’s warehouses are air-conditioned and humidity-controlled, with floor load built for heavy equipment/machinery or racked for palletized goods storage. In addition, it includes complementary third-party logistics business activities for the provision of logistic services or support complementing Specialist Relocation and Technical and Engineering Business.
- (c) Technical & Engineering – being the provision of design, fabrication and installation of steel structures, mechanical and electrical installations including hook-up for production facilities, parts refurbishment, engineering and spares support, facilities management and maintenance, contract manufacturing, process engineering services, 4G & 5G telecommunications, ordnance, solar panel installation, scaffolding equipment and services and construction activities.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 September 2022 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 March 2022.

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The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1. The condensed interim financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1. New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2. Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 March 2022.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organized into business units based on their products and services, and has three reportable segments as follows:

- (a) Specialist Relocation Solutions
- (b) Third Party Logistics
- (c) Technical & Engineering

The Group's reportable segments are strategic business units that are organized based on their function and targeted customer groups. They are managed separately because each business unit requires different skill sets and marketing strategies. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

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4.1. Reportable segments

	Specialist Relocation		Third Party logistics		Technical & Engineering		Total	
	First half year ended							
	30-Sep-22 S\$'000	30-Sep-21 S\$'000	30-Sep-22 S\$'000	30-Sep-21 S\$'000	30-Sep-22 S\$'000	30-Sep-21 S\$'000	30-Sep-22 S\$'000	30-Sep-21 S\$'000
Revenue:								
External sales	29,376	34,399	36,714	45,091	23,647	17,605	89,737	97,095
Inter-segment revenue	(831)	(654)	(7,795)	(12,237)	(592)	(237)	(9,218)	(13,128)
Total revenue	28,545	33,745	28,919	32,854	23,055	17,368	80,519	83,967
Results:								
Profit from operations	2,412	5,061	5,940	4,725	1,448	1,109	9,800	10,895
Bad debts written off	(22)	-	-	-	-	(109)	(22)	(109)
Depreciation and amortization	(2,694)	(2,820)	(2,259)	(1,760)	(1,236)	(1,267)	(6,189)	(5,847)
Fair value gain on investment property	-	-	-	-	-	-	-	-
Gain/(Loss) on disposal of property, plant and equipment	3	(2)	72	35	46	18	121	51
Loss allowance on financial assets	(26)	-	-	-	(330)	(478)	(356)	(478)
Reversal of loss allowance on financial assets	-	-	-	-	-	573	-	573
Interest income	22	18	4	9	2	(33)	28	(6)
Interest expense	(587)	(439)	(412)	(315)	(240)	(207)	(1,239)	(961)
Unallocated other expenses, net							(74)	(375)
Profit before income tax							2,069	3,743
Income tax expenses							(887)	(985)
Profit for the financial period							1,182	2,758

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4.1. Reportable segments (Cont'd)**Analysis by geographical segment**

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets		expenditure	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
First half year ended						
Singapore	28,884	22,925	50,589	50,284	678	477
PRC	22,520	26,669	13,459	16,065	382	864
Malaysia	21,272	20,534	27,245	23,462	2,518	1,884
USA	90	2,008	803	98	745	-
Vietnam	3,296	4,245	1,083	643	396	6
Thailand	4,457	7,586	1,004	974	137	51
	80,519	83,967	94,183	91,526	4,856	3,282

Note:

The above non-current assets do not include deferred tax assets.

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4.2. Disaggregation of Revenue

The disaggregation of revenue from contracts with customers is as follows:

<u>First half year ended</u>	<u>Specialist relocation</u>		<u>Third-party logistics</u>		<u>Technical and Engineering</u>		<u>Total</u>	
	<u>services</u>				<u>Services</u>			
	<u>30-Sep-22</u>	<u>30-Sep-21</u>	<u>30-Sep-22</u>	<u>30-Sep-21</u>	<u>30-Sep-22</u>	<u>30-Sep-21</u>	<u>30-Sep-22</u>	<u>30-Sep-21</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Geographical markets								
Singapore	13,063	10,267	5,803	5,904	10,018	6,754	28,884	22,925
PRC	9,073	15,682	413	378	13,034	10,609	22,520	26,669
Malaysia	3,242	1,998	18,027	18,531	3	5	21,272	20,534
United States of America	90	2,008	-	-	-	-	90	2,008
Vietnam	3,077	3,790	219	455	-	-	3,296	4,245
Thailand	-	-	4,457	7,586	-	-	4,457	7,586
Total	<u>28,545</u>	<u>33,745</u>	<u>28,919</u>	<u>32,854</u>	<u>23,055</u>	<u>17,368</u>	<u>80,519</u>	<u>83,967</u>
Timing of revenue recognition								
Goods or services transferred at a point in time	-	-	-	-	16,319	14,023	16,319	14,023
Services transferred overtime	28,545	33,745	28,919	32,854	6,736	3,345	64,200	69,944
Total	<u>28,545</u>	<u>33,745</u>	<u>28,919</u>	<u>32,854</u>	<u>23,055</u>	<u>17,368</u>	<u>80,519</u>	<u>83,967</u>

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5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2022 and 31 March 2022:

	Group		Company	
	As at 30-Sep-22 S\$'000	As at 31-Mar-22 S\$'000	As at 30-Sep-22 S\$'000	As at 31-Mar-22 S\$'000
Financial Assets				
Cash and cash equivalents	17,906	19,132	277	326
Trade receivables	54,649	48,873	-	-
Other receivables	10,682	10,537	45	64
	83,237	78,542	322	390
Financial Liabilities				
Trade payables	24,838	18,747	-	-
Other payables	8,913	9,635	606	433
Borrowings	65,519	64,818	12,644	9,939
	99,270	93,200	13,250	10,372

6. Profit before taxation
6.1. Significant items

Profit before income tax is arrived after charging/(crediting) the following:

	Group		
	First half year ended		
	30-Sep-22 S\$'000	30-Sep-21 S\$'000	Change %
Loss allowance for trade receivables	230	478	-52%
Loss allowance for other receivables	126	-	N.M.
Reversal of loss allowance on financial assets	-	(573)	100%
Amortisation of land use rights	14	14	0%
Bad debts written-off (trade)	22	109	-80%
Depreciation of property, plant and equipment	6,335	5,982	6%
Government grants income	(299)	(792)	62%
Interest expenses	1,637	1,146	43%
Net gain on disposal of plant and equipment	(121)	(50)	-142%
Realised foreign exchange gain	(426)	(40)	N.M.
Unrealised foreign exchange (gain)/loss	(83)	68	-222%

Note:

N.M. - Not meaningful

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6.2. Related party transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group	
	First half year ended	
	30-Sep-22	30-Sep-21
	S\$'000	S\$'000
Current income tax expense	1,125	951
Deferred income tax (credit) / expense relating to origination and reversal of temporary differences	(238)	34
	887	985

8. Dividends

No ordinary dividend is paid for the first half ended 30 September 2022 and first half ended 30 September 2021.

9. Net Asset Value

	Group	
	As at	
	30-Sep-22	31-Mar-22
Net asset value per share (cents) based on the total number of issued shares excluding treasury shares	16.6	16.7
Total number of issued shares excluding treasury shares ('000)	387,027	387,027

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10. Other investments

Other investments comprise the following:

	Group		Company	
	As at 30-Sep-22 S\$'000	As at 31-Mar-22 S\$'000	As at 30-Sep-22 S\$'000	As at 31-Mar-22 S\$'000
Details of other investments				
Investment in insurance contract	364	-	-	-

Fair value measurement

The fair value of applicable other investment is determined and categorized using a fair value hierarchy as follows:

- (a) Level 1 – the fair values of assets and liabilities with standard terms and conditions and which trade in active markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).
- (b) Level 2 – in the absence of quoted market prices, the fair values of the assets and liabilities are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets or included within Level 1, quoted prices for identical or similar assets/liabilities in non-active markets.
- (c) Level 3 – in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table presented the assets measured at fair value:

	Level 1		Level 2		Level 3	
	As at 30-Sep-22 S\$'000	As at 31-Mar-22 S\$'000	As at 30-Sep-22 S\$'000	As at 31-Mar-22 S\$'000	As at 30-Sep-22 S\$'000	As at 31-Mar-22 S\$'000
Group						
Other investments	-	-	-	-	364	-
Company						
Other investments	-	-	-	-	-	-

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11. Intangible assets

	Group			
	Goodwill on consolidation	Know-how*	Non-contractual customer relationship**	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Cost				
At 31 March 2022 and 30 September 2022	10,559	440	966	11,965
Accumulated amortisation				
At 31 March 2022 and 30 September 2022	-	440	966	1,406
Carrying Amount				
At 31 March 2022 and 30 September 2022	10,559	-	-	10,559

* Cost of Know-how is attributable to the skills and technical talent in relation to the artifact packaging and transportation business.

** Cost of Non-contractual customer relationship is attributable to long-term relationship with its major customers since incorporation.

No impairment loss was recognised during the current financial period ended 30 September 2022 and 2021.

12. Property, plant and equipment

During the six months ended 30 September 2022, the Group acquired assets amounting to S\$8,045,000 (31 March 2022: S\$16,909,000) and disposed of assets amounting to S\$79,000 (31 March 2022: S\$110,000).

As at 31 March 2022, leasehold land and buildings were revalued by independent professional valuers based on the presumption that the Group's current use of the properties is their highest and best use in the absence of other factors proving otherwise. As at 30 September 2022, there is no material change in the valuation as done on 31 March 2022.

13. Investment properties

	Group		Company	
	30-Sep-22 S\$'000	31-Mar-22 S\$'000	30-Sep-22 S\$'000	31-Mar-22 S\$'000
Cost				
Beginning of financial period	930	850	6,000	5,900
Fair value gain	-	80	-	100
End of financial period, representing net book value	930	930	6,000	6,000

Investment properties of the Group and the Company are stated at fair value, which have been determined based on valuation performed as at 31 March 2022. As at 30 September 2022, there is no material change in the valuation as done as at 31 March 2022.

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14. Borrowings

The Group's borrowings (including lease liabilities*) are as follows:

	As at 30 September 2022		As at 31 March 2022	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	35,158	15,354	34,148	15,023
Amount repayable after one year	28,927	6,082	30,170	5,005
Total	64,085	21,436	64,318	20,028

Details of collateral

The banking facilities are secured by the following collaterals:

- (a) legal mortgage of the Group's investment property and leasehold buildings; and
- (b) pledge of fixed deposits amounting to \$3.0 million (31 March 2022: \$3.1 million).
- (c) investment in insurance contract amounting to \$0.4 million (31 March 2022: Nil)

In addition, the banking facilities are secured by:

- (a) corporate guarantee by the Company and/or a subsidiary; and
- (b) personal guarantee from directors of certain subsidiaries that are not wholly-owned by the Group.

* The Group has adopted Singapore Financial Reporting Standards (International) ("SFRS(I)") 16 Leases and the effect on lease obligation recognition was \$14.7 million as at 30 September 2022. (\$15.0 million as at 31 March 2022)

15. Share Capital

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

	No. of shares	
	FY2023	FY2022.
Issued and paid up capital excluding treasury share		
As at 1 April and 30 September	387,026,748	387,026,748
Treasury shares		
As at 1 April and 30 September	1,841,107	1,841,107

As at 30 September 2022, the number of treasury shares represented 0.48% (30 September 2021: 0.48%) of the total number of issued and paid-up shares of the Company.

The Company has no subsidiary holdings as at 30 September 2022 and 30 September 2021.

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Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year is as followed:

	As at 30-Sep-22	As at 31-Mar-22
Total number of issued shares	388,867,855	388,867,855
Less: Treasury shares	(1,841,107)	(1,841,107)
	<u>387,026,748</u>	<u>387,026,748</u>

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on.

There were no sales, transfers, disposal, cancellation and/or use of subsidiary holdings during the current financial period reported on.

Chasen Performance Share Plan 2017

At the Extraordinary General Meeting of the Company held on 28 July 2017, the shareholders of the Company approved the adoption of the Chasen Performance Share Plan 2017 (the "CPSP").

No shares were granted under CPSP as at 30 September 2022 and 30 September 2021.

F. Other information required by Listing Rule Appendix 7.2**F1 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by the Company's auditors.

F2 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

F2A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable.

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F3 Whether the same accounting policies and methods of computations as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and method of computation in the current period's financial statements as those of the previous audited financial statements.

F4 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

F5 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(a) Based on the weighted average number of ordinary shares on issue; and

(b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	First half year ended	
	30-Sep-22	30-Sep-21
EPS based on average number of shares (cents)	0.12	0.43
EPS based on a fully diluted basis (cents)	0.12	0.43
Weighted average number of shares ('000)	387,027	387,027
Weighted average number of shares - diluted ('000)	387,027	387,027

The basic and diluted EPS were the same for the both financial periods as there were no potentially dilutive ordinary securities existing during both financial periods.

F6 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

A) Consolidated Income Statement**i) Revenue**

For the first half ("1H FY2023") ended 30 September 2022, the Group's revenue of S\$80.5 million was lower than last year's corresponding period by S\$3.5 million (or 4%) mainly due to lower contributions from Specialist Relocation and Third Party Logistics (3PL) business segments arising from delays in project timelines and disruptions due to COVID-19 travel restrictions in the People's Republic of China ("PRC"). The decline was partially offset by an increase in the Group's Technical and Engineering ("T&E") business segment.

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ii) Gross profit and gross profit margin

For 1HFY2023, the Group's gross profit of S\$13.4 million was lower than last year's corresponding period by S\$1.8 million (or 12%). The decline was mainly attributable to higher operating costs for the Group's Specialist Relocation and T&E operations in the PRC. The gross profit margin of 17% remained relatively the same as last year's corresponding period.

iii) Other operating income

For 1HFY2023, the Group's other operating income of S\$2.2 million was lower than last year's corresponding period by S\$0.4 million (or 16%) mainly due to lower receipt of government grants.

iv) Distribution and selling expenses

For 1HFY2023, the Group's distribution and selling expenses of S\$2.9 million were lower than last year's corresponding period by S\$0.6 million (or 16%) due to lower selling expenses. As a percentage of revenue, it was 3.6%, which was 0.5 percentage point lower than the comparative period a year ago.

v) Administrative expenses

For 1HFY2023, the Group's administrative expenses of S\$7.7 million was lower than last year's corresponding quarter by S\$0.7 million (or 8%) due to lower payroll costs. As a percentage of revenue, it was 9.5%, which was 0.5 percentage point lower than the comparative period a year ago.

vi) Other Operating expenses

For 1HFY2023, the Group's other operating expenses increased by S\$0.2 million (or 20%) as compared to last year's corresponding quarter mainly due to higher unrealised exchange losses.

vii) Finance expenses

For 1HFY2023, the Group's finance expenses increased by S\$0.5 million (or 43%) as compared to last year's corresponding period mainly due to increase in bank borrowings and higher interest rate.

viii) Profit before income tax

As a result of the above, the Group recorded a profit before income tax of S\$2.1 million for 1HFY2023, which was lower than last year's corresponding period by S\$1.7 million.

ix) Income tax expense

For 1HFY2023, the income tax expense of S\$0.9 million was lower than last year's corresponding period by S\$0.1 million due to lower chargeable income.

x) Profit after income tax

As a result, the Group recognised a profit after income tax of S\$1.2 million for 1HFY2023, which was lower than last year's corresponding period by S\$1.6 million.

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B) Statements of Financial Position**i) Property, plant and equipment**

The decrease in net book value by S\$0.2 million was mainly due to depreciation charge during the period offset by capital expenditure incurred and right-of-use assets for assets recognised on operating lease for the Group as lease, in accordance with SFRS(I) 16 Lease.

ii) Other investments

The increase in other investments of S\$0.4 million was mainly due to purchase of insurance contract during the period.

iii) Trade receivables

The increase in trade receivables of S\$5.8 million was mainly due to an increase in period-end billing to customers.

iv) Other receivables , deposits and prepayments

The increase in other receivables, deposits and prepayments of S\$2.1 million was mainly due to an increase in deposits and prepayments.

v) Bank loans

The increase in bank loans of S\$0.7 million was due to the proceeds from new loans offset by repayment of bank loans.

vi) Lease liabilities

The increase in lease liabilities by S\$0.5 million was mainly due to addition of lease liabilities recognized for the new leases entered during the period offset by the repayment of lease liabilities.

vii) Trade payables

The increase in other payables by S\$6.1 million was due to an increase in period-end billing by trade suppliers and contractors.

viii) Other payables and accruals

The decrease in other payables and accruals by S\$0.7 million was due to decrease in accruals.

C) Consolidated Statement of Cash Flows

Net cash generated from operating activities for 1HFY2023 of S\$6.6 million was higher than last year's corresponding period by S\$5.1 million mainly due to changes in working capital, which resulted in higher net cash inflows from operating activities during the period.

The net cash used in investing activities for 1HFY2023 of S\$3.0 million was higher than last year by S\$1.1 million. This was mainly due to higher capital expenditure incurred.

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Net cash used in financing activities for 1HFY2023 of S\$4.6 million was higher than last year's corresponding period by S\$3.2 million. This was mainly due to higher repayment of bank loans, interest and lease liabilities and placement of pledged fixed deposits with bank.

Overall, the Group's cash and cash equivalent as at 30 September 2022 of S\$14.9 million was higher by S\$2.9 million as compared to 30 September 2021.

F7 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The results are consistent with the commentary of the last period.

F8 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The operating environment in this fiscal year has been challenging and will remain so amidst economic uncertainty. This is the result of decade-high inflation brought on by global supply chain disruptions, geo-political conflict in Ukraine, sanctions and trade wars between traditionally large trading partners like the US, EU and China. Inflationary pressures have driven up operating costs significantly across the board on labour, materials, energy and other overheads. This is compounded by central banks racing to hike rates to counter high inflation, triggering higher interest costs and thus dampening the economic outlook in the forward period. The PRC's zero-Covid policy continues to constrain economic normalcy even as the rest of the world looked past the pandemic.

The above notwithstanding, the Group sees pockets of business opportunities as existing and potential customers rejig, pivot and redeploy their investment and assets in response to the evolving economic, financial and political challenges. These developments are especially set to benefit the countries where the Group has an operational presence. The Group is cautiously optimistic but is prepared for any significant slowdown in business conditions.

For Specialist Relocation, the Group has expanded its customer base to include Original Equipment Manufacturers (OEMs), and will continue diversifying into markets such as semiconductors, PV solar modules manufacturers, automotive as well as OLED display technology. Capitalising on its core competence and branding, it will seek out new industries such as solar photovoltaic (PV) modules production plants and other large-scale ESG projects where this core competence will be needed and can value-add. Chasen secured a relocation project for a US-based PV solar modules MNC setting-up its manufacturing facility in Pillaipakkam, Tamil Nadu, marking the Group's first foray into India.

The pandemic, geo-political and trade war has forced companies to run higher inventories, search for alternative suppliers and seek out friendly shores. The Group sees sustainable growth in long-term demand for 3PL services as companies' transition to a "just-in-case" approach to logistics from "just-in-time" mode of operations to mitigate current and future disruptions to supply chains. This presents a significant growth opportunity for the Group's integrated warehouse services, cross-border land freight and multi-modal freight services to Europe as demand grows.

The Group's 3PL has increased its trucking fleet to 165 trucks as at September 2022 from 148 trucks in March 2022 and is set to increase its warehouse capacity following approval to construct a 280,000sqft (26,000sqm) warehouse in Batu Kawan Industrial Park in addition to its current one million square feet (capacity).

With the full re-opening of Singapore's border, the Group's T&E segment has seen manpower constraints easing. That said, the cost of operations will continue to see a sustained increased going forward; in response, the Group will focus its efforts to move up the value-chain as well as enter into higher-rate contracts. T&E expects to continue to build on its healthy pipeline of solar

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panel installation projects in the quarters ahead on the back of the Singapore Green Plan 2030. The Group will continue to improve production capabilities and capacities of its components and part manufacturing entity in PRC. The zero-Covid policy in the PRC will continue to challenge both the top and bottom line due to disruption to operations until this is eased significantly.

F9 If a decision regarding dividend has been made:-**(a) Whether an interim (final) ordinary dividend has been declared (recommended); and**

No.

(b) (i) Amount per share cents

Nil

(ii) Previous corresponding period cents

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

F10 If no dividend has been declared(recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommendeded for six months ended 30 September 2022. The Group will advise subsequently if and when a dividend has been decided.

F11 If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained an IPTs general mandate at the General Meeting. There was no IPT exceeding \$100,000 for the period under review.

F12 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 pursuant to Rule 720(1) of the SGX-ST Listing Manual.

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BY ORDER OF THE BOARD

Low Weng Fatt
Managing Director and Chief Executive Officer
14 November 2022

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Confirmation by the Board pursuant to Rule 705(5) of the Main Board Listing Manual

We, Low Weng Fatt and Siah Boon Hock, being two directors of Chasen Holdings Limited (the "Company"), do hereby confirm on behalf of the board of directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial statements for the six months ended 30 September 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Low Weng Fatt
Managing Director and
Chief Executive Officer

Siah Boon Hock
Executive Director