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

Media Release

Global Economic Challenges Drive Resilience and Adaptability in Chasen's First Half FY2024 Performance

- *Gross Profit increased by 8% to S$14.5 million despite lower revenue for the Group.*
- *The Group will continue to mitigate the effects of economic headwinds in key regions.*

S$'000	1H FY2024	1H FY2023	Change (%)
Revenue	75,104	80,519	(7)
Gross profit	14,480	13,396	8
Gross profit margin (%)	19.3	16.6	2.7 ppt*
Profit Before Tax	2,105	2,069	2
Net profit after tax	816	1,182	(31)
Fully Diluted Earnings per share (cents)	0.11	0.12	(8)

**ppt – Percentage Points*

Singapore, 10 November 2023 – SGX Mainboard-listed Chasen Holdings Limited ("**Chasen**" or the "**Group**") reported gross profit for the six months ended 30 September 2023 ("1HFY2024") that saw an increase of S$1.1 million or 8% to S$14.5 million and a 2.7% boost in gross margin despite a 7% decline in revenue to S$75.1 million with the decline attributable to a cyclical global slowdown in goods consumption following a post-pandemic spike in consumption. The Group's profit before tax of S$2.1 million remained relatively the same as last year's corresponding period despite the prevailing global economic landscape marked by elevated interest rates to contained inflation globally, a deceleration in economic growth, and escalating geopolitical tensions.

The decline in sales was mainly attributable to the People's Republic of China ("PRC") as entities in Specialist Relocation ("SR") and Technical & Engineering ("T&E") business segments registered lower sales while Third Party Logistics ("3PL") recorded higher sales thereby marking its resilience and ability to grow its top line by capturing new revenues and growing its business with existing customers in cross-border transportation and an upswing in warehouse activities.

Within the SR segment, the expected business recovery on account of Covid policy reversal in the PRC did not take hold while the property sector continues to be an overhang on the PRC's economy that contributed to uncertainties. The SR segment was further impacted by slowing semiconductor demands and factories' activities. Policy support from the PRC government thus far has not resulted in a meaningful boost to display panel sector improvement in outlook though the transition to OLED has begun. In Vietnam, a net beneficiary of the shift in FDI due to geopolitical frictions, projects has seen a slowdown due to funding and construction issues. However, this should be transient in nature as geo-political and national security concerns present growing opportunities to the SR segment as companies decentralise production facilities to multiple geographical locations worldwide on the back of Government funded investment incentives such as the US Chips Act.

The 3PL segment continues to be the revenue leader in the Group with 7% growth over the comparable half in the previous year even as some cross-border transportation ("CBT") volume returned to air and sea freight. The increase in revenue was contributed mainly by the Malaysian entity's warehouse improved margins. This resultant effect is due to the increase in CBT volume as the PRC's borders return to normal operations. Furthermore, overall business activities in warehousing, freight-forwarding, and local/long-haul trucking have seen recovery especially in 1QFY2024 against the previous year.

Meanwhile, T&E segment saw a decline in revenue mainly attributable to component and parts sector in the PRC and technical engineering labour services to wafer fabrication semiconductor sector. Given the continued geo-politics, increased trade frictions and containment of the PRC by the US on national security ground, improving external demands as forecast by various MNCs, OEMs and the Group's customers will be challenged and take some time to come to fruition as companies and the Group's customers assess their supply chain configurations in the quarters ahead. However, the Group is hopeful strong policy support from the PRC government, if given timely, may mitigate against continued decline in business confidence. The energy transition has and will continue to present a robust growth trajectory to T&E such as solar panel installation, as well as increasing adoption for AI, EV, IoT and autonomous mobility that will drive high volume demands for IC chips, components and parts as an irreversible long term trend.

Looking ahead, Chasen remains vigilant in navigating the ever-evolving economic landscape, focusing on potential challenges arising from inflation, interest rates, and geopolitical developments while capturing opportunities in all our core businesses.

As Chasen charts its course for the future, it will explore diversification strategies and market-specific approaches to mitigate the effects of economic headwinds in key regions. Proactive measures aimed at enhancing cost structures, improving operational efficiencies, and capitalizing on growth opportunities through higher value-add delivery to customers. The Group is confident to adroitly navigate the ever-evolving landscape to continue delivering to shareholders and stakeholders expectations.

Fully diluted earnings per share stood at 0.11 Singapore cent in 1HFY2024, compared to 0.12 Singapore cent in 1HFY2023, while net asset value per share declined to 16.8 Singapore cents as at 30 September 2023 from 16.9 Singapore cents as at 31 March 2023.

Mr Low Weng Fatt, Chasen's Managing Director and CEO, said, *"Despite the challenging global economic conditions, Chasen has demonstrated resilience and is well-positioned for growth in our key segments by expanding our customer base and delivering innovative solutions to our customers."*

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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, India 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 and PV 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 longstanding 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.