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

Media Release

Chasen Announces Profit For April-June Quarter Despite Challenges From Pandemic; Will Build on Recent Contract Wins To Improve Performance in FY2021

- *New steel fabrication contract to support solar energy sector in Singapore has opportunity for expansion; expected to contribute to FY2021 performance*
- *Trucking and warehousing activities across ASEAN have increased during pandemic, as air cargo costs and delays in sea freight lead to re-assessment of and new contracts for trucking and warehousing*
- *Specialist Relocation projects in the PRC expected to resume in coming months*
- *Group is reviewing cost structures of all subsidiaries*
- *Cash and cash equivalents of S$13.7 million as at 30 June 2020*

S$'000	Q1FY2021	Q1FY2020	Change (%)
Revenue	24,903	28,307	(12)
Gross profit	3,384	5,267	(36)
Gross profit margin (%)	13.6	18.6	(5)
Profit after tax	257	282	(9)

Singapore, 6 August 2020 – SGX Mainboard-listed Chasen Holdings Limited ("**Chasen**" or the "**Group**") announced today that it returned to profitability in the April-June 2020 ("**Q1FY2021**") quarter, reflecting resilience and business recovery of its three business segments following a loss in the financial year ended 31 March 2020 ("**FY2020**") due to disruptions primarily caused by COVID-19.

Chasen recorded profit after tax for Q1FY2021 of S$257,000, a decrease of 9% from Q1FY2020. This was achieved on the back of revenue of S$24.9 million, compared to S$28.3 million in Q1FY2020. As announced on 29 July 2020, Chasen reported a net loss of S$15.2 million for FY2020. This was a result of loss of revenue due to project delays arising from pandemic control measures without the corresponding reduction in overhead costs, as well as management's conservative approach to the collection of receivables from businesses badly hit by the pandemic in the countries in which the Group's subsidiaries operate, especially the People's Republic of China (PRC) and Singapore.

The Group's Q1FY2021 performance was in line with Management's expectations as regional economies hit by the pandemic gradually opened up. It was aided by new business in the 3PL segment resulting from restrictions on traditional modes of international freight. Government grants in the various countries of operations were also critical in supporting the Group's performance during the quarter.

Subsequent to reporting its FY2020 results Chasen announced new orders worth a combined S$21 million, underscoring the ability of its three business segments to overcome recent

challenges. The wins also reflect new business opportunities arising from changes in the operating environment following the pandemic that the Group can capture opportunistically.

All three business segments – Specialist Relocation, Third Party Logistics ("**3PL**") and Technical & Engineering ("**T&E**") – appear poised to benefit from new business opportunities.

Chasen's T&E subsidiary Hup Lian Engineering recently secured a S$5 million project to fabricate and install steel frame structures for solar panels in Singapore. The project win, expected to be reflected in 2HFY2021, was due to its innovative design using lighter composite materials resulting in more cost-effective installation.

The Group sees more opportunities in the solar energy sector as the Housing Development Board (HDB) aims to install solar panels to power 135,000 four-room flats with clean energy by 2030. Overall, HDB targets to install solar panels on about 10,000 blocks, where feasible. Apart from solar panels, the T&E subsidiary is engaged in fabrication and installation of decorative interior wall cladding and fire safety doors.

For the 3PL sector, business traction for cross-border land transport has improved due to rising costs of and disruption to air cargo as a result of COVID-19, while sea freight takes longer than door-to-door cross-border land freight. Chasen intends to increase its warehouse space in Penang by 128,000 square feet, and also increase its trucking fleet in Malaysia, Thailand and Vietnam from 106 trucks currently to up to 128 by the end of 2021.

The increased warehousing and trucking activities reflect increased 3PL activities in the pandemic-induced regional supply chain. As a leading ASEAN 3PL operator, Chasen provides specialised, specially-fitted transport services for goods that require additional protection during transit such as TV sets and sensitive electronic equipment. Cross-border land traffic of such goods as well as for clothing and other consumer goods has increased in recent months due to the disruption of other delivery modes.

In the PRC, where lockdowns have eased, the Group expects a recovery from the delays experienced in Q1FY2021 as foreign OEM engineers are now allowed to travel to factory sites to complete equipment installation. Its PRC Specialist Relocation subsidiary recently secured a move-in project worth about S$9.95 million, expected to be executed over 12 months commencing from Q3FY2021. The combined Specialist Relocation project wins by the Singapore and Malaysian relocation subsidiaries amounting to approximately S$6 million during this period shows that this sector of the economies of these two countries and the PRC is robust amid the challenges encountered during this pandemic.

Notwithstanding the turnaround in the Group's bottom line and recent success in securing new projects for its Specialist Relocation and Technical & Engineering business segments, there continue to be challenges brought on by the persistence of the pandemic to the global economy in which the Purchasing Managers' Index in the countries the Group operate in have seen both contractions and expansions.

The geographical and business diversification of the Group's operations are expected to offer much needed resilience to its performance in the foreseeable quarters ahead. The Group sees new opportunities as supply chains evolve in the competitive environment on the back of its cost structure rationalisation and asset utilisation improvement efforts.

Mr Low Weng Fatt, Chasen's Managing Director and CEO, said, "*Our first quarter results show clear signs of recovery for all three business segments. While COVID-19 had impacted the*

performance in FY2020, we are also seizing new opportunities that will contribute to our performance in the coming months. We remain focused on building on the business momentum where opportunities present themselves, while reviewing our cost structures to improve efficiency and enhance shareholders value. We look forward to an improvement in our financial performance for FY2021."

- End-

Media & Investor Contact Information
WeR1 Consultants Pte Ltd
3 Phillip Street, #12-01, Royal Group Building
Singapore 048693
Tel: (65) 6737 4844 Jordan Teo: chasen@wer1.net

About Chasen Holdings Limited (Bloomberg: CHLD:SP; Reuters: CHHL.SI)
Chasen Holdings Limited is an SGX Mainboard-listed investment holding company with subsidiaries in Specialist Relocation solutions, Technical & Engineering services and Third-Party Logistics, including facilities for the packing and warehousing of sophisticated machinery and equipment for the region's manufacturing industries.

Headquartered in Singapore with operations in Malaysia, Vietnam, the People's Republic of China, Timor-Leste, Thailand and the U.S., Chasen serves global customers in industries such as wafer fabrication, TFT LCD production, chip testing and assembly, solar panel assembly, consumer electronics, telecommunications, ordnance, cultural relics, facilities maintenance, water treatment, marine and construction sectors.

Its diversified revenue base and long-standing customer relationship underlie its strong fundamentals, which enables the Group to weather fluctuating business cycles of various industries. Its business model and growth strategy are set to propel the Group in riding the opportunities available in the region and building on its recurring income base.