

## Media Release

# Chasen's FY 2024 Results Impacted by Non-Recurring Charge and Challenging Business Conditions While Hup Lian Engineering Hits Record Revenue on Solar Panel Installation Projects

- *Non-recurring charge, due to the demolition of property at 18 Jalan Besut, is to make way for the development of Chasen's new Integrated Logistics Hub due to complete in First Half 2025*
- *Business performance was impacted by macroeconomic and geopolitical headwinds*
- *Chasen sets to strengthen the Statement of Financial Position when Asset Disposal of CZ Group completes in the quarters ahead*

S\$'000	2H FY2024	2H FY2023	Change (%)	FY2024	FY2023	Change (%)
Revenue	45,653	58,955	(23)	95,712	115,165	(17)
Gross profit	5,337	10,127	(47)	12,796	17,809	(28)
Gross profit margin (%)	12	17	(5)*	13	15	(2)*
Loss Before Tax for continuing operations	(10,233)	(1,078)	N.M.	(12,696)	(2,327)	N.M.
Net Loss after tax for continuing operations	(9,710)	(941)	N.M.	(12,590)	(2,327)	N.M.
Profit after tax from discontinued operation	2,319	1,811	28	6,015	4,655	29
Net Loss / Profit after tax	(7,391)	870	N.M.	(6,575)	2,052	N.M.
Fully Diluted Earnings per share (cents)	(1.88)	0.27	N.M.	(1.76)	0.39	N.M.

\*ppt – Percentage Points

N.M. – Not Meaningful

**Singapore, 29 May 2024** – Chasen Holdings Limited (“Chasen” or “the Group”) announced results today after taking into account Singapore Financial Reporting Standards (International) 5 on Non-Current Assets Held For Sale and Discontinued Operations (“SFRS (I) 5”).

Chasen had on 24<sup>th</sup> April 2024 announced that its shareholders had approved the offer from an International Company for the proposed disposal for the entire Group interest in City Zone (“CZ”) Group of companies for an estimated amount of S\$67.4 million, on a cash-free, debt-free basis and other adjustments.

As a result of above, the Group is required to present the proposed disposal of CZ Group as asset and liability held for sale separately from other assets and liabilities in the statement of financial

position. For the consolidated statement of profit or loss, the profit of the CZ Group will be reflected in a single line item as discontinued operations as per SFRS (I) 5.

Accordingly, Chasen reported its financial results for the second half (“2HFY2024”) and full year ended 31 March 2024 (“FY2024”) for the continuing operations with revenue of S\$45.6 million and S\$95.7 million respectively, which represented a decrease in revenue of 23% and 17% respectively, compared to the previous year.

The decline in revenue was mainly attributable to the uncertain global economic environment brought about by escalating geopolitical tensions, and the wars and conflicts in the Middle-East that impacted investment sentiments and factory expansion plans in the Group’s region of operations. In the meantime, in the People’s Republic of China (“PRC”), the negative sentiments in the property sectors and tentative Government policy actions are limiting the speedier recovery of manufacturing activities and this in turn, crimped the Group’s revenue recovery to pre-Covid levels. The decline in revenue is compounded by high interest rates and persistent cost pressures faced by the Group.

Correspondingly, gross profit for 2HFY2024 and FY2024 stood at S\$5.3 million and S\$12.8 million, respectively, reflecting decrease of 47% and 28%, respectively while the gross margin for 2HFY2024 and FY2024 decreased by 5% and 2% respectively.

The loss before tax for 2HFY2024 and FY2024 of S\$10.1 million and S\$12.5 million, respectively, including a one-off non-recurring charge arising from the demolition of 18 Jalan Besut property to make way for the development of Chasen’s new Integrated Logistics Hub on the amalgamated sites at 16 and 18 Jalan Besut as required under the Singapore Financial Reporting Standard (International) 1-16, Property, Plant and Equipment (“SFRS(I) 1-16”).

Within the Specialist Relocation segment, the two business units in Malaysia and Vietnam saw significant decline to their revenue both in the 2HFY2024 and FY2024 due to geo-political factors impacting sentiments as well as a slowdown in semiconductor demand. In Vietnam, an additional factor may be attributable to administrative paralysis brought on by tough anti-graft actions that caused delays to investment decisions due to regulatory hurdles and lengthy approval process.

In the Technical & Engineering (“T&E”) segment, Hup Lian Engineering (“HLE”) continues to perform exceptionally well in the solar panel installation space. Top line remains strong though cost pressures continue to challenge profitability. This segment’s components and parts manufacturing unit in the PRC saw its upstream end-customers’ loss of demand caused by changes in product mix and the resultant drop in plant utilisation below optimal operating load profile. Its revenue declined significantly from the prior year.

However, Third Party Logistics (“3PL”) segment continued to demonstrate resilience amidst economic adversity in both its top and bottom-line performance.

Fully diluted loss per share for FY2024 was 1.76 Singapore cents as compared to fully diluted earnings per share of 0.39 cents in the previous year.

Looking ahead, the Group will focus to complete the disposal of the City Zone Group of Companies and the resultant strengthening of the statement of financial position of the Group. In the quarters to follow, the Group’s Management is single-minded in ensuring the resilience and vitality of the remaining businesses while navigating the complexities of the global economic environment to capture new business opportunities and improve market share.

Mr Low Weng Fatt, Chasen's Managing Director and CEO, said *"In today's ever-evolving geopolitical landscape, we are witnessing significant shifts in the strategies and investments of our clients and potential partners. These shifts, while presenting challenges, also open doors to new opportunities and sustained demand for our services in the years to come. Our operational presence in key markets, including Singapore, Malaysia, Thailand, Vietnam, the PRC, India and the USA, positions us strategically to capitalize on these trends and drive sustainable growth for our organization in the remaining businesses. We remain committed to adapting to change, staying agile, and continuing to deliver value to our stakeholders."*

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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 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.