
**PROFIT GUIDANCE FOR THE SIX MONTHS ENDED 31 MARCH 2020
AND UPDATE ON BUSINESS DEVELOPMENTS**

The Board of Directors of Chasen Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to provide the following updates:

(A) PROFIT GUIDANCE FOR THE SIX MONTHS ENDED 31 MARCH 2020 ("2H2020")

In anticipation of the announcement of the unaudited financial results for 2H2020, the Board has deemed it appropriate to issue a profit guidance.

Since January 2020, the COVID-19 outbreak and its disruptions to business operations have significantly impacted the progress of the Group's operations in Southeast Asia and the People's Republic of China ("**PRC**").

While the Group's subsidiaries in the PRC have returned to work since April 2020 with the gradual lifting of lockdowns throughout the country, the total shutdown of the country in the first quarter of calendar year 2020 had significantly impacted the Group's operating performance for the 2HFY2020. As our PRC subsidiaries were in the midst of executing several relocation projects it was not possible to downsize the workforce or terminate equipment rental contracts. Similarly, our manufacturing subsidiary had firm orders for delivery after the Lunar New Year holiday period. Operational costs thus continued to be incurred without corresponding revenue earned as all business activities came to a halt. This aggravated an already weak performance by the PRC subsidiaries earlier in financial year ended 31 March 2020 ("**FY2020**") due to a slowing Chinese economy as announced earlier.

By March 2020, Malaysia, Vietnam and Singapore were also at various stages of lockdown, which disrupted operations of the Group's Specialist Relocation and Technical & Engineering ("**T&E**") business segments. Only the Group's Third Party Logistics ("**3PL**") business segment was not adversely affected as it was deemed an essential service in these countries. 3PL accounted for less than 20% of the total Group revenue for the past two financial years. It should also be noted that the various Government schemes to support jobs and businesses came into effect in Singapore and Malaysia only from April 2020.

As a result of the above, while the Group expects to record a gross profit from its operations, it expects to report a net loss in 2H2020 after deducting operating expenses and making provisions for certain receivables arising from customers' reluctance to compensate for project delays as well as for payments adversely delayed by the business disruptions caused by the pandemic. The Board has taken a conservative approach and has therefore made the corresponding receivable provisions. Accordingly, while the Group expects to record a gross profit, it nonetheless expects to report a net loss for the whole of FY2020.

The information contained in this announcement is based on the preliminary review of the Group's unaudited financial results for FY2020, which is currently being finalised. The Group will announce its unaudited financial results for FY2020 by the extended due date of 30 July 2020 (as announced on 30 April 2020).

(B) UPDATE ON BUSINESS DEVELOPMENTS

The Group would like to provide an update to the announcement made on 4 March 2020.

To date, all of the Group's subsidiaries in Southeast Asia and the PRC have fully returned to work except for the T&E subsidiaries in the construction industry in Singapore, which is still under lockdown. The Group continues to monitor the situation in each country where it has

operations, and maintains close communication with its customers and the relevant local authorities to stay up-to-date with developments to the COVID-19 situation, which would affect business operations. In view of the impact to its business in the PRC, Singapore and elsewhere, the Group is reviewing its operating cost structure to consider possible implementation of cost-cutting measures to mitigate further impact to the business and respond to changes in the market going forward.

The Group's 3PL business, including the nascent cross border land freight segment, which conveys cargo to and from Singapore, Malaysia, Thailand, Vietnam and the PRC, continues to perform robustly amidst the very challenging operating environment since the start of the pandemic. The classification of the 3PL business as an essential service by these countries' governments helped to sustain the segment's performance during this period. On a selective and opportunistic basis, some margin expansions were captured in the past few months. Ad hoc projects with new customers on cross border freight due to failure of their original service providers provided further opportunities for the 3PL business segment. The Board is of the view that 3PL will continue to be resilient in the coming months as the COVID-19 response evolves in each of the Group's countries of operation. As such the Group intends to seek out and pursue opportunities to expand and establish a more sustainable foothold in this business segment.

The Board would like to assure shareholders that the Company will continue to keep shareholders updated as and when appropriate, when there is greater clarity on material developments relating to the Company's or the Group's business performance.

(C) CAUTION IN TRADING

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. If in doubt, shareholders of the Company should seek advice from their stockbrokers, bankers, solicitors, accountants, tax advisers or other professional advisers.

By Order of the Board

LOW WENG FATT
Managing Director and CEO

1 July 2020