GENERAL ANNOUNCEMENT::CHASEN 9MFY2022 NET PROFIT RISES 33% TO S$3.3 MILLION ON HIGHER REVENUE

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Submitted By (Co./ Ind. Name)

Low Weng Fatt

Designation

Managing Director and CEO

Description (Please provide a detailed description of the event in the box below)

Please refer to the attachment.

Attachments

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CHASEN HOLDINGS LIMITED
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Incorporated in the Republic of Singapore

Media Release

Chasen 9MFY2022 Net Profit Rises 33% to S$3.3 Million on Higher Revenue; Improved Performance Due to Economic Reopening and Strong Pandemic-Driven Demand

- *Higher revenue contribution from all 3 segments lifted 9MFY2022 revenue by 37% to S$127.3 million a year ago; Net profit up 33% to S$3.3 million*
- *New Specialist Relocation project to be secured as TFT LCD and semiconductor sectors remain resilient with past cost-rationalisation effort supporting performance*
- *T&E segment to benefit from easing of manpower constraints and increase in solar panel installation projects*
- *Disruptions to air and sea freight caused by pandemic have driven up demand for cross border land transportation as manufacturers relocate or add new facilities, benefiting the Group's 3PL segment*

S$'000	3Q FY2022	3Q FY2021	Change (%)	9M FY2022	9M FY2021	Change (%)
Revenue	43,357	34,817	25	127,324	93,184	37
Gross profit	6,762	6,462	5	21,926	18,076	21
Gross profit margin (%)	15.6	18.6	(3.0) ppt*	17.2	19.4	(2.2) ppt
Profit Before Tax	1,107	654	69	4,850	3,275	48
Net profit after tax	583	475	23	3,341	2,515	33
Fully Diluted Earnings per share (cents)	0.10	0.05	100	0.525	0.327	61

**ppt – Percentage Points*

Singapore, 15 February 2022 – SGX Mainboard-listed Chasen Holdings Limited ("**Chasen**" or "**the Group**") announced today higher revenue and net profit after tax for the nine months ended 31 December 2021 ("**9MFY2022**") driven by a broad-base recovery and pandemic-driven demand for its specialised services.

3QFY2022 and 9MFY2022 Financial Performance

The diversified logistics group recorded higher revenue from all 3 business segments – Specialist Relocation, Third-Party Logistics ("**3PL**") and Technical and Engineering ("**T&E**"). Revenue 9MFY2022 rose 37% to S$127.3 million compared to a year ago while net profit after tax was

33% higher at S$3.3 million. Gross profit margin for 9MFY2022 held steady for the Specialist Relocation Services and 3PL segments despite higher cost of sales; however, manpower constraints, costs and power shortages in the PRC led to a 2 percentage-point decline in the overall gross profit margin for the Group to 17.2%.

Revenue for the three months ended 31 December 2021 ("**3QFY2022**") increased 25% to S$43.4 million from S$34.8 million a year ago while net profit after tax rose 23% to S$583,000 over the comparative periods.

The Specialist Relocation segment, the Group's leading revenue contributor, continues to secure new projects, as the semiconductor, solar panel and TFT LCDs sectors remain resilient despite the pandemic. The Group expects to secure a move-in project for a TFT LCD company in the People's Republic of China ("**PRC**") and is also tapping opportunities in Singapore as semiconductor activity picks up locally.

The 3PL business segment saw comparatively strong revenue growth, driven in particular by cross-border transportation and associated warehouse services. Revenue and net profit attributable to warehouse services, feeding through new contracts in Penang previously announced, contributed to the division's performance.

In the T&E segment, construction activities in Singapore continue to be challenged. However, the gradual re-opening of the border has eased manpower constraints. As announced previously, Chasen has been awarded a project to install solar panels for 180 public housing blocks and three commercial buildings. It has further secured a separate project to install solar panels for four commercial buildings. As border controls ease, the T&E segment aims to accelerate training of new workers and draw from its recent project experience to improve team productivity and take on additional solar panel installation projects.

Fully diluted earnings per share increased to 0.53 Singapore cent in 9MFY2022 from 0.33 Singapore cent in 9MFY2021, while net asset value per share grew to 16.4 Singapore cents as at 31 December 2021 from 15.8 Singapore cents as at 31 March 2021.

The outlook for the three business segments in the next few quarters look positive on the back of resumption of activities based on successful vaccination programs and a less virulent though highly transmissible Omicron variant of the coronavirus.

The outlook for Specialist Relocation Services is predicated by the on-going global chip shortages and pandemic-driven supply chain disruptions. Singapore is home to several key global semiconductor players who are poised to continue expansion plans disrupted by the pandemic. These include makers of the memory chip, IC foundries and Fabless chip "manufacturers" who consign equipment to chip foundries. In turn, they drive Original Equipment Manufacturers ("**OEMs**") in the region to invest or expand capacity to meet demand. Chasen aims to secure its fair share of revenue from providing Specialist Relocation services to some of these players.

For the 3PL segment, the Group's 72%-held Penang-based subsidiary City Zone Express Sdn Bhd ("**CZE**") continues to expand its fleet of trucks to meet the pandemic-driven demand for cross-border transportation. Its fleet has increased to 135 trucks as at end-December 2021 from 105 pre-pandemic. It will add more trucks and drivers to its network connecting Singapore-Malaysia-Thailand-Vietnam-PRC at a pace that commensurate with margin and service efficiency targets. To enhance service quality, it will beef up operations and service centres, including at the Tanjung Pelepas Port, Malaysia. The segment's warehouse services are expected to experience sustained growth due to pandemic-driven demand for e-commerce and expansion of OEM activity in Malaysia.

With the easing of entry for foreign workers, and expectation of more commercial solar panel installation projects in Singapore (having successfully completed one such project), on top of previously announced HDBs projects, the outlook for the T&E segment is very positive. It also expects to pick up contracts for specialty glass and façade cladding, which has already been deployed in projects such as the Singapore-Johor Bahru RTS in Woodlands. The component and parts manufacturing activities, the segment's leading revenue contributor, continue to perform despite power outages in the PRC and cost increases. This segment will also benefit from long-term growth drivers in the AI, energy stability, EV mobility and 5G activities in the PRC. In particular, demand for 5G components in the PRC is expected to offer strong growth opportunities in the next few years.

Mr Low Weng Fatt, Chasen's Managing Director and CEO, said, *"Our improved financial performance highlights the efforts put in by the Chasen team over the last few years. Having achieved a decisive recovery, we are seeing several bright spots on the horizon, and are well-positioned to capitalise on them.*

"The 3PL cross-border land transportation segment is well anchored even as it continues to capture growth in an underserved market disrupted by the pandemic. We will also focus efforts to execute several growth strategies in the Specialist Relocation and T&E segments. We expect the shift towards OLED adoption and increased solar panel installation in Singapore to gain momentum in the coming months."

– End –

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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 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 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.