



Securities Investors Association (Singapore)
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Email: admin@sias.org.sg
www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y0Y

Issuer: Chasen Holdings Limited

Stock code: 5NV

Meeting details:

Date: 30 Jul 2024

Time: 11.00 a.m.

Venue: Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961

Q1. For the financial year ended 31 March 2024, the group recognised a loss after tax of \$(6.6) million, primarily due to challenging operating environment, particularly in China, and a non-recurring charge of \$(4.7) million, attributable to the demolition of the property at 18 Jalan Besut, Singapore.

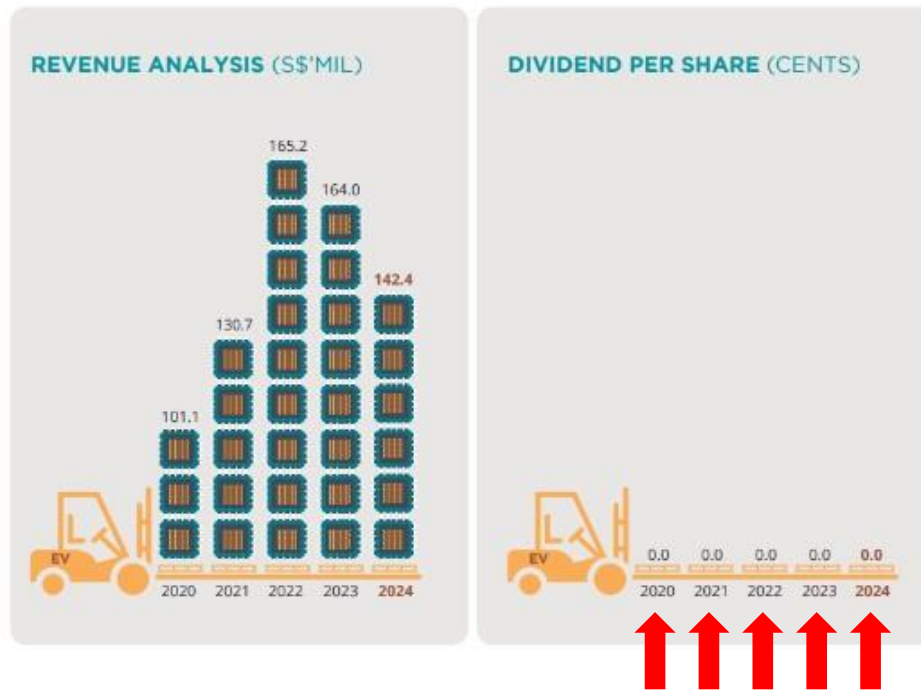
- (i) **Chasen Logistics Hub (“CLH”):** Can management provide shareholders with an overview of the new flagship logistics hub, CLH, including its development timeline, capital cost, specifications, and capabilities?
- (ii) **Specialist relocation:** What are the key growth drivers of the specialist relocation segment? In additional, what are the major industries, such as semiconductor and electronics, served by the group, and who are the major customers?
- (iii) **Solar:** What comprehensive strategy is in place to expand Hup Lian's market presence and capitalise on the global energy transition towards sustainable sources? How does the company plan to position Hup Lian as a key player in the renewable energy sector, and what specific initiatives or partnerships are being pursued to achieve this goal?
- (iv) **Contract manufacturing:** The group’s contract manufacturing operations, under the Promax group in China, appear to be facing strong headwinds as revenue more than halved in 2024, and losses continue to escalate. The REI Promax is now in a net liability position of \$(1.7) million. **Will the board conduct a strategic review of the contract manufacturing business to evaluate its competitive advantage, scale, profitability, and required investments? Has the group secured any new significant contracts in the manufacturing of automotive mechanical parts to bolster this segment?**

Q2. On 24 April 2024, shareholders approved the disposal of the City Zone Group of companies. The company is currently focused on completing the transaction. This corporate action is stated to unlock intrinsic enterprise value, significantly strengthening the group's financial position. It also provides the flexibility and resources needed to pursue new growth drivers and business opportunities, thereby enhancing shareholder value.

The company expects to receive net proceeds of approximately \$57.2 million after deducting expenses. Two-fifths of the proceeds are earmarked for new opportunities, a fifth for a one-off special dividend, another fifth for repaying bank borrowings, and remaining funds will be equally distributed between supporting the development of a new warehouse and addressing the general working capital needs of the group.

- (i) **Could the board provide a detailed breakdown of the capital allocation strategy across its various business segments, specifically specialist relocation solutions, third-party logistics, and technical & engineering, and by geography? How does the board evaluate and prioritise these segments to ensure the highest potential returns and alignment with the group's strategic objectives?**
- (ii) **Has the board determined the optimal capital structure to support the group's growth plans?**
- (iii) **Can the board provide insights into the decision-making process behind allocating just 20% of the net proceeds to a one-off special dividend?**
- (iv) Despite years of strong revenue growth, the company has chosen not to reward shareholders with dividends over the past five years (see financial highlights below). The last dividend paid by the company was in 2019, before the pandemic.

FINANCIAL HIGHLIGHTS



(Source: company annual report; emphasis added)

What deliberations did the board have regarding instating regular dividend payments to shareholders? How does the board balance rewarding shareholders via regular dividend payments and supporting the group's growth plans?

Q3. As disclosed in the corporate governance report, the internal audit function of the group is outsourced to NLA Risk Consulting Pte Ltd.

- (i) **Can the audit committee provide a detailed overview of the scope of the internal audit for FY2024, along with the key findings and specific recommendations made by the internal auditor?**
- (ii) **Can the audit committee (AC) confirm that all the foreign operating subsidiaries in China, India, Malaysia, Thailand, USA and Vietnam were included in the internal audit? How was the internal audit carried out for these foreign subsidiaries?**
- (iii) **What is the level of oversight by the AC on the actions taken by management to follow up on the recommendations?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Check out the latest questions on the annual reports of listed companies on [SIAS website](#)

Join our mailing list [here](#) to receive latest news and upcoming events.

CONNECT WITH US

