CHASEN HOLDINGS LIMITED
(Company Registration No.: 199906814G)
(Incorporated in the Republic of Singapore)

RESPONSE TO THE SHAREHOLDER QUERIES

The Company received an email message from a shareholder on 11 December 2017 addressed to 'Chasen Senior Management'. The Company release the shareholder's communication and its response to the shareholder for the information of the market.

The Shareholder's communication -

"I read with extremely cautious heart on your 3Q reporting. Despite your wonderful performance for 3Q, the share of Chasen, a SGX listed entity, has been on the steep decline from 0.100+.

Chasen's listed that the mandate of their FY and also on their website is to create shareholder value. However, we are not seeing that it is being reflected on the share price nor being rewarded in our dividend payout.

To address
1. How can your NAV be at 17c when your current share price is 7c? There has not been any remedy of the share price despite a good 3 quarters. Have the CFO provided an incorrect NAV?

2. Implied confidence by senior management in the business is weak. We have been seeing a number of share buyback by companies who see their share price is under NAV. However senior management of Chasen has never buy back or purchase their stock, instead choose to sell. Can the chairman and CEO explains if they not confident of their own entity/work?

3. What is your plans for share price recovery in the next 2 quarters?

I seek your reply to these messages.

There has been a growing number of dissatisfied shareholders of Chasen."

The Company's response:-

"The directors and management of the Company noted the shareholder's concern at the non-responsiveness of the market to our much improved business results released in the past two quarters.

Whilst the share price is not within the control of the Company's management, it has been the company's policy to reward shareholders with the payment of dividend every year since the Company listed, including in the two years (2013 and 2016) that the Company reported a loss.

That the share price trades below the NAV per share on SGX is not unique to our counter. The trading price on the SGX is a function of a number of factors and market conditions. Kindly be assured that the computation of the NAV is correct as it is a mathematical outcome based on the financial results over the number of issued shares.

In respect of your comment that *"senior management of Chasen has never buy back or purchase their stock"*, we would like to inform that the Singapore Takeover Code restrict the senior management of Chasen to a purchase not exceeding 1% of the total shares in issue every six months. To avoid violating this rule requires substantial co-ordination of share purchases among the 'parties in concert' and hence share purchases were avoided altogether. It was certainly not because "Implied confidence by senior management in the business is weak" that senior management has not been purchasing the Company's shares.

The Company has a share buyback scheme approved by shareholders and there are guidelines to be adhered to in the execution of such share buyback. While your goodself as a shareholder may not have been aware of the Company share buyback activities, our recent share buyback became the subject of a 'case study' by some academics.

The Company wishes to clarify that neither the Chairman nor CEO has sold any share or warrant, even though the latter has been in the money for quite some time. As senior management are also substantial shareholders, any trade in the Company shares has to be announced to the market. Shareholders would be hard put to find any such announcement for a long while. We leave it to shareholders to interpret the level of confidence this represents in our *"entity/work"*.

In response to your query as to management "*plan for share price recovery in the next two quarters*", kindly be informed that management responsibility is to manage performance of business operations and not focus on market price of its shares. Share price is subject to market conditions. Management is focused on strengthening and enhancing its business fundamentals. We also encourage shareholders to take a long term view of the company share price rather than short term price movement.

Management is also currently evaluating the services of Investor Relations professionals with a view to enhancing our market communications and shareholders interaction.

We agree that the points raised in your communication would be of interest to other shareholders of the Company, hence we would release this reply to the market as well.

By Order of the Board

Low Weng Fatt
Managing Director and CEO

20 December 2017