

CIRCULAR DATED 9 APRIL 2024

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about this Circular, or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately send this Circular, the Notice of EGM and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular was prepared by the Company with assistance from RHTLaw Asia LLP, which was appointed as the legal adviser to the Company for the preparation of this Circular. RHTLaw Asia LLP has not independently verified the contents of this Circular.

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

Please refer to Section 15 of this Circular and the Notice of Extraordinary General Meeting for further information including the steps to be taken by Shareholders to participate in the EGM. The Notice of Extraordinary General Meeting may also be accessed at the URL <https://www.chasen.com.sg/ir-news-announcements.php>.



CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED DISPOSAL OF THE ENTIRE INTEREST IN CITY ZONE EXPRESS
GROUP OF COMPANIES**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	21 April 2024 at 10:00 a.m.
Date and time of Extraordinary General Meeting	:	24 April 2024 at 10:00 a.m.
Place of Extraordinary General Meeting	:	The EGM will be held at Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:-

- “Associate”* : A person who:
- (a) in relation to any Director, chief executive officer or Substantial Shareholder or Controlling Shareholder (being an individual) means:
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Associated Company”* : A company in which at least 20% but not more than 50% of its shares are held by the listed company or group, as defined in the Listing Manual
- “Aggregate CZ Group Consideration”* : The aggregate consideration payable pursuant to both the Malaysia SPA and Non-Malaysia SPA for the CZ Group shall be an amount equal to S\$93,613,000 (a) plus an amount equal to the Cash, (b) minus an amount equal to the Debt, (c) minus the amount by which the Working Capital is less than the Target Working Capital and (d) minus the amount by which the Net Debt exceeds the Target Net Debt by more than five per cent (5%), or plus the amount by which the Net Debt is less than the Target Net Debt by more than five per cent (5%) as defined in Clause 5.1 of both the Malaysia SPA and Non-Malaysia SPA
- “Aggregate Malaysia Consideration”* : An aggregate consideration payable to the Company for all the shares in CZ Malaysia and CZ Warehouse Malaysia on the date of completion
- “Aggregate Malaysia Completion Payment”* : The aggregate consideration for all the shares in CZ Malaysia and CZ Warehouse Malaysia shall be an amount equal to 86% of the Aggregate CZ Group Consideration
- “Aggregate Non-Malaysia Consideration”* : An aggregate consideration payable to the Company for all the shares in CZ Singapore, CZ Thailand, CZ Express Thailand, CZ Vietnam, CZ China on the date of completion
- “Aggregate Non-Malaysia Completion Payment”* : The aggregate consideration for all the shares in CZ Singapore, CZ Thailand, CZ Express Thailand, CZ Vietnam, CZ China shall be an amount equal to 14% of the Aggregate CZ Group Consideration

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<i>“Cash”</i>	:	An aggregate amount of all (a) cash on hand; (b) cash standing to the credit of any account with any bank, financial, acceptance credit, lending or other similar institution or organisation; and (c) cash equivalents, including payments made by cheques or debit cards which are yet to be received in cleared funds, less amounts for cheques written that have not yet been presented for payment (outstanding cheques), in each case to which the CZ Group is beneficially entitled as at close of Business on the date of completion as defined in the Malaysia SPA or the Non-Malaysia SPA
<i>“Board”</i>	:	The board of Directors of the Company as at the Latest Practicable Date
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Circular”</i>	:	This circular to Shareholders dated 9 April 2024
<i>“Completion Accounts”</i>	:	Accounts comprising a balance sheet and profit and loss account of the CZ Group as at the date of completion, prepared and agreed or determined according to the Basis of Computation as defined in the Malaysia SPA and the Non-Malaysia SPA
<i>“CZ Singapore”</i>	:	City Zone Express Pte. Ltd. (incorporated in Singapore)
<i>“CZ Malaysia”</i>	:	City Zone Express Sdn. Bhd. (incorporated in Malaysia)
<i>“CZ Group”</i>	:	The City Zone Group of Companies consist of (a) CZ Malaysia and its wholly-owned subsidiary, CZ Warehouse Malaysia, (b) CZ Singapore and its subsidiaries, CZ Vietnam, CZ Thailand, CZ Express Thailand and CZ PRC
<i>“CZ Express Thailand”</i>	:	City Zone Express Worldwide Co., Ltd (incorporated in Thailand)
<i>“CZ PRC”</i>	:	City Zone Express (Shanghai) Pte. Ltd. (incorporated in The People’s Republic of China)
<i>“CZ Thailand”</i>	:	City Zone Express Co., Ltd (incorporated in Thailand)
<i>“CZ Vietnam”</i>	:	City Zone Express Vietnam Company Limited (incorporated in Vietnam)
<i>“CZ Warehouse Malaysia”</i>	:	City Zone Express Warehouse Sdn. Bhd. (incorporated in Malaysia)
<i>“Companies Act”</i>	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
<i>“Company” or “Chasen”</i>	:	Chasen Holdings Limited
<i>“Control”</i>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

DEFINITIONS

<i>“Controlling Shareholder”</i>	:	A person who: <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or(b) in fact exercises control over the Company
<i>“Debt”</i>	:	An aggregate amount of the bank borrowings, borrowings from financial institutions, and finance lease liabilities as at the close of business on the date of completion for the Malaysia SPA or the Non-Malaysia SPA as the case may be
<i>“Directors”</i>	:	The directors of the Company as at the date of this Circular
<i>“EGM”</i>	:	The extraordinary general meeting of the Company to be convened on 24 April 2024 at 10:00 a.m. at Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961
<i>“EPS”</i>	:	Earnings per Share
<i>“FY”</i>	:	The financial year for the Group ended or ending 31 March
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Independent Valuer”</i>	:	Chay Corporate Advisory Pte. Ltd.
<i>“Latest Practicable Date”</i>	:	26 March 2024, the latest practicable date prior to the date of this Circular
<i>“Listing Manual”</i>	:	The listing manual of the Mainboard of the SGX-ST, or the rules contained therein, as may be amended, varied or supplemented from time to time
<i>“Malaysia SPA”</i>	:	The share sale and purchase agreement relating to the sale and purchase of shares in City Zone Express Sdn. Bhd. executed on 29 February 2024 between Ruiheng International Pte. Ltd., and amongst others, Kuehne + Nagel (Asia Pacific) Holding Pte. Ltd.
<i>“Market Day”</i>	:	A day on which the SGX-ST is open for trading in securities
<i>“Net Debt”</i>	:	The aggregate Debt of the CZ Group less the aggregate Cash of the CZ Group, in each case as at close of business on the Completion Date and as set out in the Completion Accounts as defined in the Malaysia SPA and the Non-Malaysia SPA
<i>“Non-Malaysia SPA”</i>	:	The share sale and purchase agreement relating to the sale and purchase of shares in (i) City Zone Express Pte. Ltd.; (ii) City Zone Express Vietnam Company Limited; (iii) City Zone Express Co., Ltd; and (iv) City Zone Express Worldwide Co., Ltd., executed on 29 February 2024 between Chasen Holdings Limited, Chasen Transport Logistics Co., Ltd. and amongst other, Kuehne + Nagel (Asia Pacific) Holding Pte. Ltd.
<i>“Notice of EGM”</i>	:	The notice of the EGM
<i>“NTA”</i>	:	Net tangible assets

DEFINITIONS

<i>“Ordinary Resolution”</i>	:	The ordinary resolution in connection with the Proposed CZ Group Disposal
<i>“Proposed CZ Group Disposal”</i>	:	The proposed disposal of the Group’s entire interest in the CZ Group as stated in Paragraph 1.1.1.
<i>“Purchase Price Statement”</i>	:	The statement setting out the amount of Cash, Debt, Net Debt and Working Capital as shown in or derived from the Completion Account, together with the resulting calculation of the Aggregate CZ Group Consideration, the Aggregate Malaysia Consideration and the Aggregate Non-Malaysian Consideration as prepared and agreed in accordance with the terms of the Malaysia SPA or the Non-Malaysia SPA as the case may be
<i>“Register of Members”</i>	:	The principal register of members (duly registered holders of Shares)
<i>“Securities Account”</i>	:	A securities account maintained by a Depositor with the CDP, but does not include a securities sub-account
<i>“SFA”</i>	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
<i>“Shareholders”</i>	:	Persons (not being Depositors) who are registered as holders of Shares in the Register of Members of the Company and Depositors, who have Shares entered against their names in the Depository Register except where the registered holder is the CDP, the term “Shareholders” shall in relation to such Shares mean the Depositors whose Securities Accounts are credited with the Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“Substantial Shareholder”</i>	:	A Shareholder who has an interest or interests in one or more voting shares in the Company, and the total votes attached to that share, or to those shares, is not less than 5% of the total votes attached to all the voting shares of the Company
<i>“Working Capital”</i>	:	The accounts trade receivables less accounts trade payable at close of business on the Completion Date and as set out in the Completion Accounts as defined in the Malaysia SPA and the Non-Malaysia SPA
<i>“S\$”, and “cents”</i>	:	Singapore dollar and cents, respectively
<i>“%”</i>	:	Per centum or percentage

The terms **“Depositor”** and **“Depository Register”** shall have the meanings ascribed to them respectively in the SFA.

The terms **“subsidiary”** and **“treasury shares”** shall have the meanings ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

DEFINITIONS

Any reference in this Circular to an enactment is a reference to that enactment as for the time being amended or re-enacted.

Any word defined under the Companies Act or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act or such modification, as the case may be, unless the context otherwise requires.

Any reference in this Circular to a time of day and date shall be a reference to Singapore time and date respectively, unless otherwise stated.

References to “**paragraph**” are to the paragraphs of this Circular, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in figures included in this Circular between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward looking statements. Forward-looking statements include but are not limited to, those using words such as “expect”, “seek”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements for any reasons, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

CHASEN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199906814G)

Directors:

Low Weng Fatt (*Managing Director and CEO*)
Siah Boon Hock (*Executive Director*)
Lim Yew Si (*Lead Independent Director*)
Chew Mun Yew (*Independent Director*)
Chew Choy Seng (*Independent Director*)

Registered Office:

6 Tuas Avenue 20
Singapore 638820

To: The Shareholders of Chasen Holdings Limited

Date: 9 April 2024

Dear Sir / Madam

PROPOSED DISPOSAL OF THE ENTIRE INTEREST IN CITY ZONE GROUP OF COMPANIES

1. INTRODUCTION

1.1 Background on the Proposed CZ Group Disposal

1.1.1 On 1 March 2024, the Company announced that the Group has agreed to sell and Kuehne + Nagel (Asia Pacific) Holding Pte. Ltd. ("**Purchaser**") has agreed to purchase the Group's entire interest in the City Zone Group of Companies for an aggregate consideration of S\$67,401,360 including certain minority interests¹, on a cash-free, debt-free basis subject to post-completion adjustments as described in paragraphs 4.5.1(a) and 4.5.2(a) below ("**Adjustments**"). The net amount expected to be received by the Company excluding certain minority interests will be approximately S\$57.7 million subject to Adjustments.

1.1.2 The City Zone Group of Companies consists of (a) CZ Malaysia and its wholly-owned subsidiary, CZ Warehouse Malaysia and (b) CZ Singapore and its subsidiaries, CZ Vietnam, CZ Thailand, CZ Express Thailand and CZ PRC (collectively, the "**CZ Group**").

1.1.3 In relation to the Proposed CZ Group Disposal above, the Company has further announced on 1 March 2024 that: -

- (i) The Company and its wholly-owned subsidiary, Ruiheng International Pte. Ltd. (the "**Malaysia Vendor**"), have entered into a conditional share sale and purchase agreement on 29 February 2024 with, amongst others, the Purchaser pursuant to which (a) the Malaysia Vendor has agreed to sell, and the Purchaser has agreed to purchase 49% of the issued and paid-up share capital in CZ Malaysia and (b) the Malaysia Vendor has agreed to sell, and a Malaysia purchaser ("**Malaysian Purchaser**") has agreed to purchase 23% of the Group's effective interest² in the issued and paid-up share capital in CZ Malaysia for a consideration of S\$57,965,170, subject to the adjustment provisions in the Malaysia SPA, upon the terms and subject to the conditions of the Malaysia SPA; and

¹ The certain minority interest refers to Tran Van Hao ("**Tran**") and Chanida Kovichskul. The difference between the gross consideration of S\$67.4 million and net amount expected to be received of S\$57.7 million is after deducting the amount attributable to certain minority interest of S\$1.7 million and net debt of S\$8.0 million.

² CZ Malaysia is owned by: (a) 72% - Ruiheng, (b) 20% - S Pirithivaraj a/l Selvarajoo ("**Raj**"), (c) 6% - S. Parimila a/p Selvarajoo ("**Raj's sister**"), and (d) 2% - Logeswary a/p Subramaniam ("**Raj's wife**"). The Purchaser and the Malaysian Purchaser will acquire 100% of CZ Malaysia. Raj is managing CZ Group. Raj's sister and wife are managers in CZ Malaysia. Save as disclosed, there is no relationship between Raj, Raj's sister, Raj's wife and the Company, its directors and its substantial shareholders.

LETTER TO SHAREHOLDERS

- (ii) The Company and Chasen Transport Logistics Co., Ltd (“**Chasen Vietnam**”) have entered into a conditional share sale and purchase agreement on 29 February 2024 with, amongst others, the Purchaser pursuant to which, amongst others, (a) the Company has agreed to sell, and the Purchaser has agreed to purchase 75% of the issued and paid-up share capital in CZ Singapore³; and (b) Chasen Vietnam has agreed to sell and the Purchaser has agreed to purchase 10% of the capital contribution in CZ Vietnam for a consideration of S\$9,436,190 including certain minority interests⁴, subject to Adjustments, upon the terms and subject to the conditions of the non-Malaysia SPA.

The Malaysia SPA and the non-Malaysia SPA are inter-conditional upon each other, and completion under the Malaysia SPA is conditional upon completion under the non-Malaysia SPA and *vice versa*.

Please refer to the **Appendix A** for the Group Structure before and after completion of the Malaysia and Non-Malaysia SPA.

- 1.1.4 The Proposed CZ Group Disposal constitutes a major transaction as defined in Chapter 10 of the Listing Manual and is accordingly subject to the approval of the Shareholders at the EGM. For further details on the relative figures in respect of the Proposed CZ Group Disposal computed on the bases set out in Rule 1006 of the Listing Manual, please refer to paragraph 9 of this Circular.

1.2 EGM

- 1.2.1 The Directors propose to convene an EGM to seek approval from Shareholders for the Proposed CZ Group Disposal, for which approval will be sought by way of an Ordinary Resolution.

1.3 Purpose of the Circular

- 1.3.1 The purpose of this Circular is to provide Shareholders with the relevant information on the Proposed CZ Group Disposal, the Ordinary Resolution in respect thereof to be tabled at the EGM, and to seek the approval of Shareholders for the Ordinary Resolution relating to the same. The Notice of EGM is set out on pages N-1 to N-3 of this Circular.
- 1.3.2 The SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the statements made, opinions expressed or reports contained in this Circular.

2. INFORMATION ON THE CZ GROUP AND THE PURCHASER

2.1 Information on the CZ Group

CZ Malaysia and its subsidiary

- 2.1.1 CZ Malaysia is a private company limited by shares incorporated in Malaysia on 5 December 2006, and as at the date of this announcement, has an issued and paid-up share capital of MYR 1,371,681 comprising 1,250,000 ordinary shares. Ruiheng holds 72% effective shareholding interest in the issued and paid-up capital of CZ Malaysia.

³ The other 25% in CZ Singapore is owned by Raj. The Purchaser is buying 25% in CZ Singapore from Raj.

⁴ Remaining 30% of CZ Vietnam is held by Tran and he will sell his interest to the local buyer arranged by the Purchaser. The Proposed CZ Group Disposal is conditional upon Raj and Tran selling because the Purchaser wants to buy 100% of CZ Group. The Company has guaranteed to the Purchaser that Raj and Tran will sell. The Proposed CZ Group Disposal cannot be completed in the unforeseen event (which is remote) that Raj and Tran fail to sell their stakes to local buyer arranged by the Purchaser. Raj has signed both Malaysia SPA and Non-Malaysia SPA. The Company has signed a Non-Disclosure Agreement with Tran and has obtained his verbal agreement to sell his shares to the Purchaser. The Company shall procure Tran to sign his local sale and purchase agreement to sell his shares to the local buyer arranged by the Purchaser and does not foresee any issues in obtaining such written agreement, given that he has already provided his verbal consent.

LETTER TO SHAREHOLDERS

- 2.1.2 CZ Malaysia has a wholly-owned subsidiary, CZ Warehouse Malaysia, which is incorporated in Malaysia on 28 November 2017.
- 2.1.3 CZ Malaysia and CZ Warehouse Malaysia are primarily in the business of transport, logistics, warehousing, and freight forwarding. CZ Malaysia provides a full range of warehouse and logistics services including domestic, long haul and cross border transportation while CZ warehouse Malaysia provides warehousing services only.

CZ Singapore and its subsidiaries

- 2.1.4 CZ Singapore is a private company limited by shares incorporated in Singapore on 25 March 2008, and as at the date of this announcement, has an issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares. The Company holds 75% shareholding interest in the issued and paid-up capital of CZ Singapore.
- 2.1.5 CZ Singapore's subsidiaries are CZ Vietnam, CZ Thailand, CZ Express Thailand and CZ PRC. Please refer to **Appendix A** for more details of CZ Group structure.
- 2.1.6 CZ Singapore and its subsidiaries are primarily in the business of transport, logistics, warehousing and freight forwarding. The businesses in the jurisdictions of operations of CZ Singapore are as follows: (i) CZ Singapore – an investment holding company for CZ Malaysia and to handle billing for Singapore customers in S\$ and GST permit declaration; (ii) CZ Thailand – transportation domestic, long haul and cross border trucking freight forwarding, warehousing, domestic trucking, custom brokerage; (iii) CZ Vietnam – long haul, cross border transport; and (iv) CZ China – long haul, cross border trucking and warehousing.

2.2 Information on the Purchaser

- 2.2.1 The Purchaser is a Singapore based, wholly-owned subsidiary of Kuehne + Nagel International AG, which is listed on the SIX Swiss Stock Exchange, Zurich. The Purchaser is specialised in global transport and logistics services.
- 2.2.2 With over 80,000 employees at almost 1,300 sites in close to 100 countries, the Kuehne + Nagel Group is one of the world's leading logistics providers. Headquartered in Switzerland, Kuehne + Nagel is listed in the Swiss blue-chip stock market index, the SMI. The Group is the global number one in air and sea logistics and has strong market positions in road and contract logistics,
- 2.2.3 Kuehne + Nagel is the logistics partner of choice for 400,000 customers worldwide. Using its global network, logistics expertise and data-based insights, the Group provides end-to-end supply chain solutions for global companies and industries. As a member of the Science Based Target Initiative (SBTi), Kuehne + Nagel is committed to sustainable logistics by reducing its own environmental footprint and by supporting its customers with low-carbon logistics solutions.
- 2.2.4 Please note that the above information is extracted from public sources and the Company has not verified the information.
- 2.2.5 As at the Latest Practicable Date, the Purchaser, its directors and substantial shareholders do not have any shareholding interest, direct or indirect in the Company, nor is the Purchaser, its directors and substantial shareholders related to any of the directors or substantial shareholders of the Company or their respective Associates. None of the directors or substantial shareholders of the Company or their respective Associates have any shareholding interests, direct or indirect, in the Purchaser, nor are any of the directors, controlling shareholders and their respective Associates related to the Purchaser's directors, controlling shareholders, or their respective Associates.

LETTER TO SHAREHOLDERS

3. RECENT FINANCIAL PERFORMANCE OF THE CZ GROUP

- 3.1 The recent financial performance of the CZ Group as well as the Group and the proportion of CZ Group to the Group is summarised below:

	CZ Group									
	Revenue (S\$'000)		Profit before tax (S\$'000)		Net Tangible Assets (S\$'000)		Net Asset Value (S\$'000)		Cashflow from operations (S\$'000)	
		% to Group		% to Group		% to Group		% to Group		% to Group
Year ended 31.03.2021	42,584	33%	5,088	110%	6,553	14%	6,617	11%	7,729	37%
Year ended 31.03.2022	59,117	36%	5,706	88%	9,501	18%	9,565	15%	2,163	21%
Year ended 31.03.2023	51,982	32%	6,359	158%	12,219	23%	12,283	19%	5,598	39%

	Group				
	Revenue (S\$'000)	Profit before tax (S\$'000)	Net Tangible Assets (S\$'000)	Net Asset Value (S\$'000)	Cashflow from operations (S\$'000)
Year ended 31.03.2021	130,723	4,630	48,124	61,181	21,051
Year ended 31.03.2022	165,194	6,483	51,390	64,492	10,283
Year ended 31.03.2023	164,035	4,032	52,502	65,463	14,390

- 3.2 Based on the audited financial statements of the Group for the financial year ended 31 March 2023, the book value and net tangible asset value of the Group are approximately S\$72,574,000 and S\$52,502,000, respectively. Based on the foregoing, the book value and net tangible asset value attributable to the CZ Group for that financial year were approximately S\$12,283,000 and S\$12,219,000, respectively.

4. KEY TERMS OF THE PROPOSED CZ GROUP DISPOSAL

4.1 Malaysia SPA and non-Malaysia SPA

Malaysia SPA

- 4.1.1 Subject to the terms and conditions of the Malaysia SPA, (a) the Malaysia Vendor shall sell to the Purchaser and the Purchaser agrees to purchase from the Malaysia Vendor 49% of the issued and paid-up share capital in CZ Malaysia and (b) the Malaysia Vendor has agreed to sell, and a Malaysia Purchaser has agreed to purchase 23% of the Group's effective interest in the issued and paid-up share capital in CZ Malaysia ("**Sale Shares in CZ Malaysia**").

Non-Malaysia SPA

- 4.1.2 Subject to the terms and conditions of the Non-Malaysia SPA, (a) the Company shall sell to the Purchaser and the Purchaser agrees to purchase from the Company 75% of the issued and paid-up share capital in CZ Singapore and (b) Chasen Vietnam shall sell to the Purchaser and the Purchaser agrees to purchase from Chasen Vietnam 10% of the capital contribution in CZ Vietnam ("**Sale Shares in CZ Singapore and CZ Vietnam**").

LETTER TO SHAREHOLDERS

4.2 Consideration

The total CZ Group Consideration is S\$93,613,000. The Company's share of the total CZ Group Consideration is computed as S\$93,613,000 x 72% = S\$67,401,360 which is arbitrarily apportioned as follows:

1. 86% x S\$67,401,360 = S\$57,965,170 for CZ Malaysia and CZ Warehouse Malaysia
2. 14% x S\$67,401,360 = S\$9,436,190 (the Company including certain minority interests) for the rest i.e. CZ Singapore, CZ Vietnam.

Malaysia SPA

4.2.1 The consideration for the Sale Shares in CZ Malaysia is S\$57,965,170 on a cash-free, debt-free basis, to be satisfied entirely in cash upon the completion of the Malaysia SPA, subject to Adjustments. The term cash-free, debt-free basis was used in the Offer Letter and announcements which means cash will be paid back to Chasen and there is no debt. In the Malaysia SPA, the consideration for the Sale Shares in CZ Malaysia will be an amount of S\$57,965,170 will (a) plus an amount equal to the Cash, (b) minus an amount equal to the Debt, (c) minus the amount by which the Working Capital is less than the Target Working Capital and (d) minus the amount by which the Net Debt exceeds the Target Net Debt by more than five per cent (5%), or plus the amount by which the Net Debt is less than the Target Net Debt by more than five per cent (5%).

10% of the consideration will be retained by the Purchaser on completion date for six (6) months. The balance 90% of the consideration will be payable by the Purchaser on completion date. Parties will agree on the Completion Account and Purchase Price Statement within the six (6) months period to determine the Adjustments, if any. There is no deposit.

4.2.2 The consideration for the Sale Shares in CZ Malaysia was arrived at after arm's length negotiations between, amongst others, the Purchaser and the Company, and on a willing buyer and willing seller basis. The Company has also considered the valuation report.

Non-Malaysia SPA

4.2.3 The consideration for the Sale Shares in CZ Singapore and CZ Vietnam is S\$9,436,190 including certain minority interests on a cash-free, debt-free basis, to be satisfied entirely in cash upon the completion of the Non-Malaysia SPA, subject to Adjustments. The term cash-free, debt-free was used in the Offer Letter and announcements which means cash will be paid back to Chasen and there is no debt. In the Non-Malaysia SPA the consideration for the Sale Shares in CZ Singapore and CZ Vietnam shall be an amount of S\$9,436,190 including certain minority interests (a) plus an amount equal to the Cash, (b) minus an amount equal to the Debt, (c) minus the amount by which the Working Capital is less than the Target Working Capital and (d) minus the amount by which the Net Debt exceeds the Target Net Debt by more than five per cent (5%), or plus the amount by which the Net Debt is less than the Target Net Debt by more than five per cent (5%).

10% of the consideration will be retained by the Purchaser on completion date for six (6) months. The balance 90% of the consideration will be payable by the Purchaser on completion date. Parties will agree on the Completion Account and Purchase Price Statement within the six (6) months period to determine the Adjustments, if any. There is no deposit.

4.2.4 The consideration for the Sale Shares in CZ Singapore and CZ Vietnam was arrived at after arm's length negotiations between, amongst others, the Purchaser and the Company, and on a willing buyer and willing seller basis. The Company has also considered the valuation report.

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4.3 Completion

4.3.1 Completion of the Malaysia SPA and the Non-Malaysia SPA shall take place on the completion date (“**Completion Date**”) or at such other place and time as shall be mutually agreed in writing between the Purchaser and the Company. Completion Date means the third business day after the date on which all of the conditions precedent have been fulfilled or waived or such other time as shall be mutually agreed between the Purchaser and the Company.

4.4 Conditions Precedent of the Malaysia SPA and Non-Malaysia SPA

Malaysia SPA

4.4.1 The completion of the Malaysia SPA is subject to and conditional upon, *inter alia*, the satisfaction (or such waiver agreed by the Purchaser in writing) of certain key conditions precedent on or before midnight on 31 August 2024 (or such other time and date as the Purchaser and the Company may from time to time agree) (“**Long Stop Date**”), including: -

- (a) the passing by the board of directors of the Purchaser of a resolution approving the Malaysia SPA, the Non-Malaysia SPA, any further necessary agreements and their implementation;
- (b) the passing by the board of directors of the Company and the Malaysia Vendor and by the members of the Company and the Malaysia Vendor in general meeting of respective resolutions approving the Malaysia SPA, the Non-Malaysia SPA and their implementation;
- (c) the approval by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) of the circular to the shareholders of the Company to seek approval for the implementation of the Malaysia SPA and the Non-Malaysia SPA;
- (d) the relevant parties having entered into the Non-Malaysia SPA and all conditions in the Non-Malaysia SPA being satisfied (or waived) in accordance with the terms of the Non-Malaysia SPA;
- (e) the relevant third party consents and waivers in the Malaysia SPA being obtained in form and substance reasonably satisfactory to the Purchaser. Third party consents refer to consents from relevant authorities for the change in shareholders;
- (f) each of the warranties in the Malaysia SPA being true, accurate and not misleading in all material respects on completion;
- (g) each seller having complied and continuing to comply in all material respects with their obligations under the pre-completion covenants set out in the Malaysia SPA;
- (h) no occurrence of any materially adverse event; and
- (i) no authority shall have issued, enacted, entered, promulgated or enforced any law or order restraining, enjoining or otherwise prohibiting any of the transactions contemplated by the relevant transaction documents under the Malaysia SPA or the Non-Malaysia SPA.

Non-Malaysia SPA

4.4.2 The completion of the Non-Malaysia SPA is subject to and conditional upon, *inter alia*, the satisfaction (or such waiver agreed by the Purchaser in writing) of certain conditions precedent on or before the Long Stop Date, including: -

- (a) the passing by the board of directors of the Purchaser of a resolution approving the Malaysia SPA, the Non-Malaysia SPA, any further necessary agreements and their implementation;

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- (b) the passing by the board of directors of the Company and by the members of the Company in general meeting of respective resolutions approving the Malaysia SPA, the Non-Malaysia SPA and their implementation;
- (c) the approval by the SGX-ST of the circular to the shareholders of the Company to seek approval for the implementation of the Malaysia SPA and the non-Malaysia SPA;
- (d) the passing by the members' council of Chasen Vietnam of a resolution approving the non-Malaysia SPA, the sale and purchase agreement to be entered into between Chasen Vietnam and the Purchaser at completion, and their implementation;
- (e) the relevant parties having entered into the Malaysia SPA and all conditions in the Malaysia SPA being satisfied (or waived) in accordance with the terms of the Malaysia SPA;
- (f) the relevant third party consents and waivers in the Malaysia SPA being obtained in form and substance reasonably satisfactory to the Purchaser. Third party consents refer to consents from relevant authorities in Malaysia for the change in shareholders;
- (g) each of the warranties in the Non-Malaysia SPA being true, accurate and not misleading in all material respects on completion of the Non-Malaysia SPA by reference to the facts and circumstances then existing;
- (h) no occurrence of any materially adverse event; and
- (i) no authority shall have issued, enacted, entered, promulgated or enforced any law or order restraining, enjoining or otherwise prohibiting any of the transactions contemplated by the relevant transaction documents under the Malaysia SPA or the Non-Malaysia SPA.

4.5 Other Salient Terms of the Malaysia SPA and Non-Malaysia SPA

Malaysia SPA

4.5.1 Other salient terms of the Malaysia SPA include the following: -

- (a) If following the agreement or determination (as the case may be) of the Completion Accounts and the purchase price statement, the amount of the Aggregate Malaysian Consideration (as defined in the Malaysia SPA) is less than the Aggregate Malaysian Completion Payment ("**Aggregate Malaysian Shortfall**"),
 - (i) the Malaysia Vendor will repay to the Purchaser's account an amount in cash equal to 49% of the Aggregate Malaysian Shortfall; and
 - (ii) the Malaysia Vendor will procure the repayment to the Malaysian Purchaser's account an amount in cash equal to 23% of the Aggregate Malaysian Shortfall.

The Completion Accounts shall be first prepared by the Purchaser as soon as reasonably practicable and in any event not later than forty-five (45) Business Days following the completion and consist of the following:

1. state the assets and liabilities of the CZ Group;
2. (except as otherwise specifically provided in this Schedule) be prepared in accordance with generally accepted accounting principles and International Financial Reporting Standards adopted for use in Singapore from time to time and on a basis consistent with that applied in the preparation of the audited financial statements of every CZ Group Company for the financial year ended 2023.

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3. not re-appraise the value of any of the assets of any CZ Group Company as a result of the change in ownership of the share capital of the CZ Group (or any changes in the business of any CZ Group Company since Completion following such change in ownership) except only as specifically set out in this Schedule; and
4. only take account of information available to the parties at Completion and not take account of any event happening after Completion (except in relation to information known to all the Parties about that event at Completion).

The consideration will be subject to the adjustment provision after the date of completion. Shortfall will result if the Aggregate Malaysian consideration is less than Aggregate Malaysian Completion Payment, the Sellers will pay the difference back to the Purchasers (as stated within the Malaysia SPA).

Illustration as follows:

Aggregate Malaysian Consideration	S\$9 million
Aggregate Malaysian Completion Payment	S\$10 million
Shortfall payable to Purchaser	(S\$1) million

In the event that the Aggregate Malaysian Consideration is more than Aggregate Malaysian Completion Payment, the Purchaser will pay the difference back to the Sellers (as stated within the Malaysia SPA).

- (b) The Company shall not, and the Company shall procure that no member of its Group shall directly or indirectly, amongst others, establish, operate or carry on or be concerned, interested or engaged in any business that competes or proposes to compete with the whole or any part of the business of the CZ Group, for a period of three years from completion within Malaysia, Singapore, Thailand, Vietnam and the People's Republic of China.

There is substantially no overlap between the CZ Group and the remaining businesses (Specialist Relocation and Technical & Engineering businesses) that may trigger this clause. Therefore there is no material impact. The Group has 3 business segments as follows: (a) Third Party Logistics consisting of CZ Group + DNKH Logistics Pte. Ltd. (the remaining business in this segment and not a subsidiary of CZ Group). DNKH will remain as part of the Chasen Group following the disposal. DNKH's principal business is to carry on the business of logistics, transportation and warehousing services in Singapore only and no cross border business. As such, it would not compete with CZ Group, which operates in Malaysia, Thailand, Vietnam and China. Therefore, there is no substantial overlap. (b) Specialist Relocation and (c) Technical & Engineering. The businesses and assets between CZ Group and the remaining businesses are clearly differentiated and managed independently. For specialist relocation, the nature of logistics/transportation business is different from CZ Group, which focuses on truck transportation for domestic and cross border services. Specialist relocation focuses on relocation of machinery and equipment from one location to another location within a country, or from one country to another.

- (c) The Company covenants to pay and indemnify in full CZ Malaysia, CZ Warehouse Malaysia, and the Purchaser from and against all losses and liabilities which may arise in connection with failure to be in compliance with regulations and contractual requirements prior to completion of the Malaysia SPA.

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- (d) The Company irrevocably and unconditionally guarantees as a continuing obligation the proper and punctual performance by the Malaysia Vendor and the other sellers⁵ of all their obligations under the Malaysia SPA and any transaction document relating to the Malaysia SPA.

Non-Malaysia SPA

4.5.2 Other salient terms of the Non-Malaysia SPA include the following: -

- (a) If following the agreement or determination (as the case may be) of the Completion Accounts and the purchase price statement, the amount of the Aggregate Non-Malaysian Consideration (as defined in the Non-Malaysia SPA) as set out in the purchase price statement is greater than the Aggregate Non-Malaysian Completion Payment (as defined in the Non-Malaysia SPA), the Purchaser shall pay to the Company's account an amount in cash equal to 75% of the excess.

The Completion Accounts shall be first prepared by the Purchaser as soon as reasonably practicable and in any event not later than forty-five (45) Business Days following the completion and consist of the following:

1. state the assets and liabilities of the CZ Group;
2. (except as otherwise specifically provided in this Schedule) be prepared in accordance with generally accepted accounting principles and International Financial Reporting Standards adopted for use in Singapore from time to time and on a basis consistent with that applied in the preparation of the audited financial statements of every CZ Group's company for the financial year ended 2023;
3. not re-appraise the value of any of the assets of any CZ Group's company as a result of the change in ownership of the share capital of the CZ Group (or any changes in the business of any CZ Group's company since Completion following such change in ownership) except only as specifically set out in this Schedule; and
4. only take account of information available to the Parties at Completion and not take account of any event happening after Completion (except in relation to information known to all the Parties about that event at Completion).

The consideration will be subject to the adjustment provision after the date of completion. Shortfall will result if the Aggregate Non-Malaysia consideration is less than Non-Aggregate Malaysia Completion Payment, the Sellers will pay the difference back to the Purchasers (as stated within the Non-Malaysia SPA).

Illustration as follows:

Aggregate Non-Malaysian Consideration	S\$9 million
Aggregate Non-Malaysian Completion Payment	S\$10 million
Shortfall payable to Purchaser	(\$1) million

If the Aggregate Non-Malaysia Consideration is higher than the Aggregate Non-Malaysia Completion Payment, the Purchaser will have to pay the difference back to the Sellers.

⁵ CZ Malaysia is owned by: (a) 72% - Ruiheng, (b) 20% - Raj, (c) 6% - Raj's sister, and (d) 2% - Raj's wife. The other sellers in the Malaysia SPA are as follows: (a) the 20% shareholder in CZ Malaysia - Raj, (b) the 6% shareholder in CZ Malaysia - Raj's sister, and (c) the 2% shareholder in CZ Malaysia - Raj's wife.

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- (b) If following the agreement or determination (as the case may be) of the Completion Accounts and the purchase price statement, the amount of the Aggregate Non-Malaysian Consideration as set out in the purchase price statement is less than the Aggregate Non-Malaysian Completion Payment, the Company will repay to the Purchaser's account an amount in cash equal to 75 per cent. of the Aggregate Non-Malaysian Shortfall, such repayment to be made by telegraphic transfer to the Purchaser's account by no later than the fifth day following the date on which the Completion Accounts are agreed or determined in accordance with the Non-Malaysia SPA.
- (c) The Company irrevocably and unconditionally guarantees as a continuing obligation the proper and punctual performance by Chasen Vietnam and the other sellers⁶ of all their obligations under the Non-Malaysia SPA and any transaction document relating to the Non-Malaysia SPA.
- (d) The Company covenants to pay and indemnifies in full the CZ Group and the Purchaser from and against all losses and liabilities which may arise in connection with failure to be in compliance with regulations and contractual requirements prior to completion of the Non-Malaysia SPA.
- (e) The Company shall procure that the other sellers in paragraph (c) above shall sign their respective local sale and purchase agreement to sell their shares.

5. **FINANCIAL PERFORMANCE OF REMAINING BUSINESSES IN THE GROUP**

The financial performance of Remaining Businesses in the Group (i.e. without CZ Group) and the proportion of the Remaining Businesses to the Group for the past 3 years are as follows:

	Remaining businesses									
	Revenue (S\$'000)		Profit before tax (S\$'000)		Net Tangible Assets (S\$'000)		Net Asset Value (S\$'000)		Cashflow from operations (S\$'000)	
		% to Group		% to Group		% to Group		% to Group		% to Group
Year ended 31.03.2021	96,008	73%	(458)	-10%	41,571	86%	54,564	89%	13,322	63%
Year ended 31.03.2022	110,017	67%	777	12%	41,889	82%	54,927	85%	8,120	79%
Year ended 31.03.2023	117,278	71%	(2,327)	-58%	40,283	77%	53,180	81%	8,792	61%

⁶ The other sellers in the Non-Malaysia SPA are as follows: (i) the 25% shareholder in CZ Singapore - S Pirithivaraj a/l Selvarajoo, (ii) the minority shareholders in CZ Thailand - Chanida Kovichskul (15%), Bhanumas Wattanalapa (15%), (iii) the minority shareholders in CZ Express Thailand - Bhanumas Wattanalapa (0.005%), Nutjitra Jaroenthong (15%) and (iv) the minority shareholder in CZ Vietnam - Tran Van Hao (30%). In the unforeseen event, which is unlikely, that some of the shareholders of CZ Group do not sell and/or deliver on completion, the Proposed CZ Group Disposal cannot be completed and the CZ Group will remain with the Company. There is no recourse for the Company.

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Following the Proposed Disposal, the Company will not be considered as a cash company under Listing Rule 1018 based on the above.

Though the Proposed CZ Group Disposal will result in a one-third reduction in Group's Revenue, there are still Remaining Businesses within the Group ("**the Specialist Relocation and Technical and Engineering Segment Businesses**") that are and continue to be viable. The basis for this assessment is in 2 significant aspects:

1. Net assets of the Remaining Businesses will significantly expand with the completion of the integrated ramp-up warehouse (with future cleanroom) at 16/18 Jalan Besut, Singapore in about a year's time. The completion of the Proposed CZ Group disposal of assets will further add to the significant strengthening of the Group's balance sheet in the forward period.
2. The on-going geo-political conflict and the ensuing global supply chains' re-configuration and re-jigging plays into the key strengths of the Remaining Businesses with its continued diversified presence in ASEAN, the PRC and USA markets. The Group's financial heave as explained in 1. above will allow the Group to chart a sustainable growth trajectory with current and new businesses and market shares to grow top and bottom line.

For the year ended 31 March 2022 and 2023, the Remaining Businesses had revenue of S\$110 million and \$117 million respectively, comprising 67% and 71.0% of Group's Revenue respectively. The net assets value of the Remaining Businesses were approximately S\$55 million and S\$53 million for the financial year ended 31 March 2022 and 2023 respectively representing 85% and 81% of the group net assets for the year ended 31 March 2022 and 2023 respectively. Profit for the year ended 31 March 2022 was S\$0.8 million. Notwithstanding the loss for the year ended 31 March 2023 of S\$2.3 million mainly due to the slower than expected opening up of China due to their Covid lockdown policy, the Company is confident to leverage its strong market presence augmented by its strong asset and financial position in the forward period for sustainable future growth and stay viable in the Remaining Businesses. Based on the above assessment, the Board is of the view that the Remaining Businesses is a viable business.

6. RATIONALE OF THE PROPOSED DISPOSAL

- 6.1 The Board considers that the Proposed CZ Group Disposal is in the best interest of the Company and its Shareholders to unlock shareholders' value. It is also in line with the Company's strategic plan to rationalize its investments in the following long term strategic value proposition as set out in Section 7 (Use of Proceeds) below.
 - 6.1.1 Deploying a significant percentage of the proceeds to seeking new opportunities in high growth industries and markets that will advance the Group to the next level of value-added business activities for a sustainable growth trajectory.
 - 6.1.2 Collaborating with key Government agencies, to judiciously deploy the proceeds to stay relevant (& committed) to Singapore's robust economy as well as ride Singapore's transformation map for sustainable growth in key industries e.g. semiconductor (AI, IoT, R&D, Advance Manufacturing), Solar/PV transition, etc.
 - 6.1.3 Seeking out regional opportunities & "New Economy" logistics/specialist/engineering services to capture growth driven by favorable trade agreements within ASEAN/North Asia, customers' supply chain decentralization and country-specific growth sectors including M & A activities while diversifying industry and country risks.
 - 6.1.4 Strengthening balance sheet (reduce debt gearing) and corporate infrastructural needs such as digitalization, accelerate de-carbonization and electrification adoption in business operations and Human Resource training and development.

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6.2 For the reasons set out above and the terms and conditions of the Malaysia SPA and the non-Malaysia SPA, the Company considers it to be in the interests of the Group to dispose of the Group's entire interest in the City Zone Group of Companies.

7. **USE OF PROCEEDS**

7.1 The Company expects to receive net proceeds of approximately S\$57.2 million (after deducting estimated expenses of approximately S\$0.5 million) from the Proposed CZ Group Disposal. The Company intends to utilise the net proceeds towards: -

7.1.1 40% investment in new opportunities to be identified;

7.1.2 20% one-off special dividends;

7.1.3 20% repayment of bank borrowings;

7.1.4 10% investment in the development of the new warehouse Chasen Logistics Services Ltd Proposed Leases and Development Plan as defined in the Circular dated 13 June 2023; and

7.1.5 10% balance figure for the general working capital requirements of the Group.

The Company will comply with the Listing Rules with regard to seeking shareholders' approval for investment in new opportunities to be identified. For example, (a) if the new business is a diversification from the principal activities, (b) if there is a change in risk profile if the new business is in the ordinary course of business under the criteria set out in the Listing Rules. Pending the identification of the new opportunities, the net proceeds will be put in interest bearing bank account. The Company has not identified any acquisition targets as at the date of this circular.

The Company will comply with the disclosure requirements under the Listing Rules with regard to the use of proceeds for working capital purposes. Where the proceeds are used for general working capital purposes, the Company must announce a breakdown with specific details on the use of proceeds for working capital. Where there is any material deviation from the stated use of proceeds, the Company must also announce the reasons for such deviation.

8. **INDEPENDENT VALUATION**

8.1 **Independent Valuer**

8.1.1 Pursuant to Rule 1014(5) of the Listing Rules, as the relative figures computed under Rule 1006(c) exceeds 75%, the Company has appointed Chay Corporate Advisory Pte Ltd ("**Independent Valuer**") as the competent and independent valuer of the indicative valuation of 100% of CZ Group which is the third party logistics segment of the Company, comprising CZ Singapore, CZ Malaysia, CZ Warehouse Malaysia, CZ PRC, CZ Thailand, CZ Express Thailand and CZ Vietnam ("**Business**") as at 30 September 2023 in accordance with the International Valuation Standards as prescribed by the International Valuation Standards Council ("**Valuation Date**"). A copy of the Summary Valuation Letter dated 26 December 2023 is attached as **Appendix B** to the Circular and the Valuation Report dated 26 December 2023 is available as a document for inspection. For avoidance of doubt, the valuation of 100% of CZ Group includes the equity interest of the Group under the Proposed Disposal and all the minority interests.

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This valuation has been prepared by Chay Yiowmin who is currently the chief executive officer of Chay Corporate Advisory Pte. Ltd. He holds a Bachelor of Accountancy (Hons) and a Master of Business from Nanyang Technological University, and a Master of Business Administration from the University of Birmingham. Yiowmin is also a Fellow Chartered Accountant (FCA Singapore) of the Institute of Singapore Chartered Accountants (ISCA), an Associate Chartered Accountant (ACA) of the Institute of Chartered Accountants in England and Wales (ICAEW), and a Chartered Valuer and Appraiser (CVA) of the Institute of Valuers and Appraisers of Singapore (IVAS). He currently sits on the Singapore steering committee of the Professional Risk Managers' International Association (PRMIA), and the Standards and Technical Committee of IVAS, the latter of which he is also a programme instructor. He is also an associate lecturer with the Singapore University of Social Sciences (SUSS) teaching financial statements analysis and valuation. He has more than 10 years of experience in business valuation.

- 8.1.2 There is no open market value for CZ Group as they are not publicly traded. The Company has, however, commissioned the Independent Valuer to assess and determine the total (or 100%) value of CZ Group. Based on the valuation report dated 26 December 2023 (the "**Valuation Report**") the range of fair value corresponding to the implied equity value for the Business is between S\$ 67.2 million and S\$ 83.8 million, with a base value of S\$ 74.6 million as at the Valuation Date. The Independent Valuer has adopted the discounted cash flow as the primary valuation methodology and the comparable companies analysis as a reference cross-check in deriving the aforesaid valuation. A copy of the Summary Valuation Letter is set out in **Appendix B (Summary Valuation Letter)** to this Circular. The Company is of the view that based on the Valuation Report and the implied equity value of the business (being between S\$ 67.2 million and S\$ 83.8 million), the implied fair value attributable to the underlying business of the Proposed CZ Group Disposal is in the approximate range of S\$ 46.3 million and S\$ 57.7 million.

Shareholders are advised to read and consider the Valuation Report issued by the Independent Valuer carefully, in particular the terms of reference, key assumptions and critical factors taken into account by the Independent Valuer.

9. RELATIVE FIGURES UNDER RULE 1006 OF THE MAINBOARD RULES OF THE SGX-ST

- 9.1 Under Chapter 10 of the Listing Manual, transactions which are classified under any of the four categories specified in Rule 1004 of the Listing Manual will trigger certain obligations on the Company.
- 9.2 The relative figures computed on the relevant bases set out in Rule 1006 of the Listing Manual in respect of the Proposed CZ Group Disposal and based on the latest announced financial statements of the Group for the financial year ended 31 March 2023 are as follows:

Listing Manual	Relative Figures
Rule 1006(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	30.4% ⁽¹⁾
Rule 1006(b) The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	157.6% ⁽²⁾

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<p>Rule 1006(c)</p> <p>The aggregate value of the consideration given or received, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares.</p>	<p>156.9%⁽³⁾</p>
<p>Rule 1006(d)</p> <p>The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.</p>	<p>Not applicable as this not an acquisition transaction.</p>
<p>Rule 1006(e)</p> <p>The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets. If the reserves are not directly comparable, the Exchange may permit valuations to be used instead of volume or amount.</p>	<p>Not applicable as the Company is not disposing a mineral, oil and gas asset.</p>

Notes:

1. Based on the net asset value of the Group as at 31 March 2023 amounting to S\$59.61 million and the net asset value of CZ Group as at 31 March 2023 amounting to S\$18.13 million.
2. Based on the net profits before tax of the Group for FY2023 amounting to S\$4.03 million and the net profits before tax of CZ Group for FY2023 amounting to S\$6.35 million.
3. Pursuant to Rule 1002(5) of the Mainboard Rules, “market capitalisation” is calculated by the number of issued and paid-up shares of the Company (excluding treasury shares), amounting to 387,026,748 shares as at 26 March 2024, multiplied by the volume weighted average price of the Company’s shares on 26 March 2024, being the market day preceding the date of the Malaysia SPA and Non-Malaysia SPA. The Company’s market capitalisation is approximately S\$36.77 million derived by multiplying the issued share capital of the Company of shares by the volume weighted average price of such shares transacted on 26 March 2024, of S\$0.095. The aggregate of the consideration received for the disposed asset is S\$57.67 million, on a cash-free and debt-free basis.

10. FINANCIAL EFFECTS OF THE PROPOSED CZ GROUP DISPOSAL

- 10.1 The *pro forma* financial effects of Proposed CZ Group Disposal as set out below are for **illustrative purposes only**, and are neither indicative of the actual financial effects of the Proposed CZ Group Disposal nor representative of the future financial performance and position of the Group after entering into Proposed CZ Group Disposal.
- 10.2 The *pro forma* financial effects of the Proposed CZ Group Disposal are based on the latest announced audited consolidated financial statements of the Group for financial year ended 31 March 2023, being the most recently completed financial year, and have been prepared on the following assumptions:
 - 10.2.1 The estimated net proceeds of approximately S\$57.2 million (after deducting estimated expenses of approximately S\$0.5 million);

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10.2.2 The effect of the Proposed CZ Group Disposal on the Group's consolidated NTA per Share is based on the assumption that the Proposed CZ Group Disposal had been effected at the end of FY2023; and

10.2.3 The effect of the Proposed CZ Group Disposal on the Group's consolidated earnings per Share is based on the assumption that the Proposed CZ Group Disposal had been effected at the beginning of FY2023.

10.3 NTA

For illustrative purposes only, the *pro forma* financial effects of the Proposed CZ Group Disposal on the Group's NTA per share, assuming that the Proposed CZ Group Disposal had been completed on 31 March 2023, being the end of the most recently completed financial year, are set out below:

	As at 31 March 2023	
	Before Proposed CZ Group Disposal	After Proposed CZ Group Disposal
NTA (S\$ '000) ⁽¹⁾	52,502	97,454
Number of shares issued (excluding treasury shares as at 31 March 2023) ('000)	387,027	387,027
NTA per Share (SG cents)	13.57	25.18

Note:

(1) NTA is computed based on net assets less intangible assets and non-controlling interest. The increase in estimated FY2023 NTA after disposal of CZ Group of S\$44.95 million is computed as follows: estimated proceeds of S\$57.67 million from the Proposed CZ Group Disposal less net assets of CZ Group of S\$12.22 million and estimated expenses of S\$0.50 million incurred in connection with the Proposed CZ Group Disposal.

10.4 EPS

For illustrative purposes only, the *pro forma* financial effects of the Proposed CZ Group Disposal on the consolidated earnings of the Group, assuming that the Proposed CZ Group Disposal had been completed on 1 April 2022, being the beginning of the most recently completed financial year, are set out below:

	For the financial year ended 31 March 2023	
	Before Proposed CZ Group Disposal	After Proposed CZ Group Disposal
Profits attributable to shareholders (S\$ '000) ⁽¹⁾	1,516	45,790
Weighted average number of shares for FY2023	387,027	387,027
Earnings per Share (SG cents)	0.39	11.83

Note:

(1) The profits attributable to the Shareholders is computed as follows: the sum of the Group's profits of S\$1.52 million attributable to the Shareholders for FY2023 and the estimated gain on disposal of CZ Group of S\$48.11 million, less profit after tax of CZ Group of S\$3.33 million for FY2023. The gain on disposal of S\$48.11 million is determined using the consideration received of S\$57.67 million less net assets derecognised of Proposed Disposal of CZ Group of S\$9.56 million.

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11. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- 11.4 The interests of the Directors and Substantial Shareholders as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively, are as follows:

	Direct Interest		Deemed Interest		Total	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Directors						
Low Weng Fatt ⁽¹⁾	50,883,708	13.15	662,500	0.17	51,546,208	13.32
Siah Boon Hock	10,824,901	2.80	–	–	10,824,901	2.80
Chew Mun Yew	–	–	–	–		
Chew Choy Seng	–	–	–	–		
Lim Yew Si	–	–	–	–		
Substantial Shareholders (excluding Directors)						
Yap Beng Geok Dorothy ⁽²⁾	35,244,083	9.11	7,945,912	2.05	43,189,995	11.16

Notes:-

- (1) Low Weng Fatt is deemed to be interested in the 662,500 Shares held by his spouse, Chua Kim Eng.
- (2) Yap Beng Geok Dorothy is deemed to be interested in the 7,945,912 Shares held by her spouse, Cheong Tuck Nang.

- 11.5 Save for their respective shareholdings in the Company as disclosed above, none of the Directors, Substantial Shareholders, or Controlling Shareholders have any interest, direct or indirect, in the Proposed CZ Group Disposal.

12. **SERVICE AGREEMENTS**

No person is proposed to be appointed as a director of the Company or any of its subsidiaries in connection with the Proposed CZ Group Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

13. **DIRECTORS' RECOMMENDATIONS**

- 13.1 Having reviewed, among other things, the rationale for the Proposed CZ Group Disposal, taking into consideration the Independent Valuation Report, in assessing whether the Proposed Disposal of the CZ Group is in the best interest of the Group, the Directors are of the view that the Proposed Disposal of the CZ Group are in the best interests of the Group. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution at the EGM.
- 13.2 In giving the above recommendation, the Directors have not had regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

14. **CONSENTS**

14.1 **Legal adviser to the Company, RHTLaw Asia LLP**

RHTLaw Asia LLP, as the legal adviser to the Company for the Circular, has given and has not withdrawn its written consent to the issue of this Circular and the inclusion of its name and to act in such capacity in relation to this Circular.

LETTER TO SHAREHOLDERS

14.2 Independent Valuer

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and the Summary Valuation Letter as set out in **Appendix B** of this Circular, and all references to the Valuation Report, in the form and context in which it appears in this Circular, and to act in such capacity in relation to this Circular.

15. **ACTIONS TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive (a) if in hard copy the Company's share registrar's office, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 by mail, or (b) email to egm2024@chasen-logistics.com, in either case, to be received by 21 April 2024, not less than 72 hours before the time fixed for the EGM. The completion and return of the proxy form by such Shareholder will not prevent him from attending and voting in person at the EGM in place of his proxy should he subsequently wish to do so.

A Depositor will not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register, as certified by the CDP, as at 72 hours before the EGM.

16. **DIRECTORS' RESPONSIBILITY STATEMENT**

16.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed CZ Group Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

17. **EXTRAORDINARY GENERAL MEETING**

17.1 The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held on 24 April 2024 at Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolution set out in the Notice of EGM.

18. **INSPECTION OF DOCUMENTS**

18.1 Subject to the prevailing laws and guidelines relating to safe distancing measures and prior appointment being made, copies of the following documents are available for inspection at the registered office of the Company at 6 Tuas Avenue 20, Singapore 638820, during normal business hours for a period of three (3) months from the date of this Circular:

- (i) the Malaysia SPA and Non-Malaysia SPA;
- (ii) the Summary Valuation Letter;
- (iii) the Valuation Report;
- (iv) the Independent Valuer's letter of consent; and
- (v) RHTLaw Asia LLP letter of consent.

LETTER TO SHAREHOLDERS

18.2 Shareholders who wish to inspect the above documents should contact the Company to enable arrangements to be made. Shareholders will need to identify themselves by stating his/her/its full name as it appears on his/her/its CDP/CPF/SRS share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

Yours faithfully
For and on behalf of the Board of Directors
CHASEN HOLDINGS LIMITED

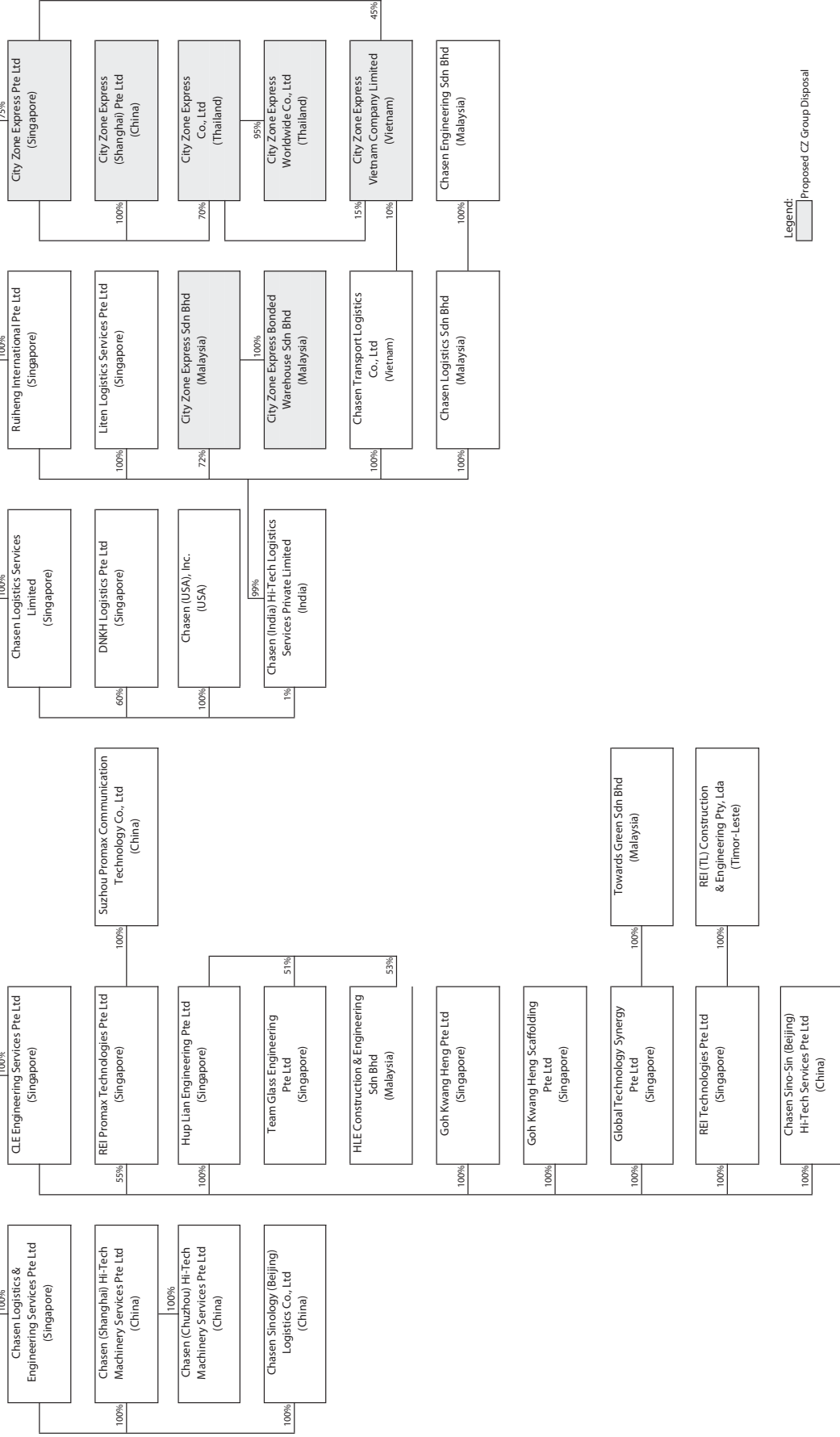
Low Weng Fatt
Managing Director and CEO

Date: 9 April 2024

APPENDIX A

Chasen Holdings Limited's Group Structure Before Proposed CZ Group Disposal

CHASEN HOLDINGS LIMITED

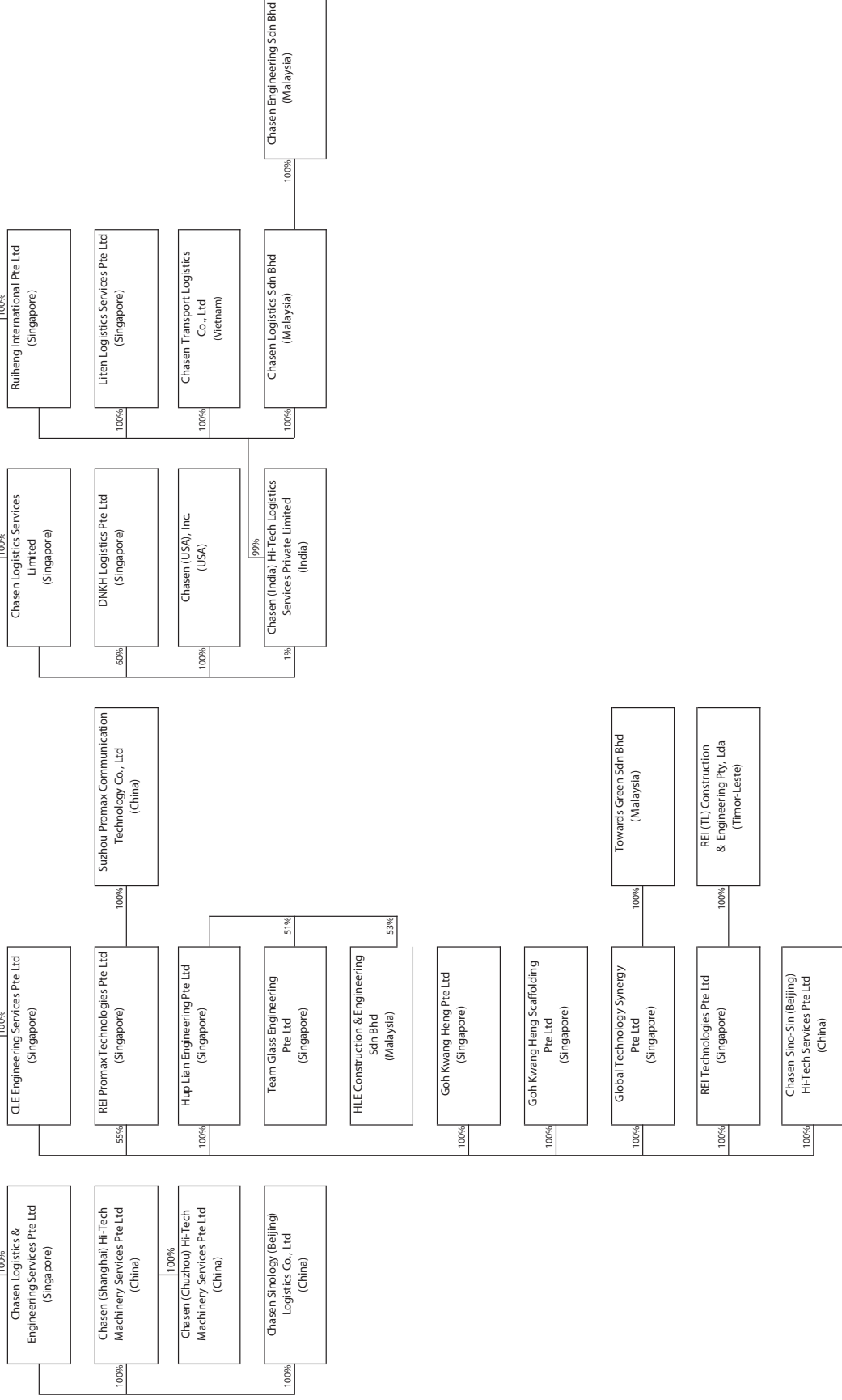


Legend: Proposed CZ Group Disposal

APPENDIX A

Chasen Holdings Limited's Group Structure After Proposed CZ Group Disposal

CHASEN HOLDINGS LIMITED



APPENDIX B



Summary Valuation Letter

26 December 2023

The Board of Directors
Chasen Holdings Limited
6 Tuas Avenue 20
Singapore 638820

Business Valuation of the Third Party Logistics segment of Chasen Holdings Limited

Dear Sirs,

1. Introduction

Chay Corporate Advisory Pte Ltd (“CCA”) has been appointed by the Board of Directors (“Directors”) of Chasen Holdings Limited (“Chasen” or the “Company”) to perform an indicative valuation of the third party logistics segment of Chasen, comprising of City Zone Express Pte. Ltd., City Zone Express Sdn. Bhd., City Zone Express Warehouse Sdn. Bhd., City Zone Express (Shanghai) Pte. Ltd., City Zone Express Co., Ltd., City Zone Express Worldwide Co., Ltd. and City Zone Express Vietnam Company Limited (“3PL” or the “Business”) as at 30 September 2023 (“Valuation Date”).

This letter has been prepared for the purpose of disclosure as an appendix to the Company’s Circular to be issued in relation to, inter alia, the purposes of a proposed divestment of the Business by Chasen (“Proposed Divestment”).

The letter is a summary containing information from our valuation report dated 26 December 2023 (the “Valuation Report”). Accordingly, this letter and its contents should be read in conjunction with the full text in the full Valuation Report.

2. Terms of reference

- i) The objective of the Valuation Report is to provide an independent view of the fair value of the third party logistics segment of Chasen, comprising of City Zone Express Pte. Ltd., City Zone Express Sdn. Bhd., City Zone Express Warehouse Sdn. Bhd., City Zone Express (Shanghai) Pte. Ltd., City Zone Express Co., Ltd., City Zone Express Worldwide Co., Ltd. and City Zone Express Vietnam Company Limited as at 30 September 2023 in accordance with the International Valuation Standards (“IVS”) as prescribed by the International Valuation Standards Council (“IVSC”).

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- ii) We have not undertaken any due diligence or audit of the financial information provided to us. The accuracy of such information is the sole responsibility of the management of the Company (“Management”).
- iii) Our estimation of the indicative valuation of the Business is based on its existing operations and likely future expansion plans only, and does not take into account of any fundamentally different business that Management may pursue in the foreseeable future.
- iv) We are not expressing an opinion on the commercial merits and structure on the transaction of the Business and accordingly, this valuation report does not purport to contain all the information that may be necessary to fully evaluate the commercial or investment merits of the transaction of the Business. The assessment of the commercial and investment merits of this transaction is solely the responsibility of the Management. In addition, our work should not be constructed as an investment advice to the current or prospective shareholders / investors of the Company.
- v) We have not conducted a comprehensive review of the operation or financial conditions of the Business, nor any work in relation to the feasibility or tax efficiency of the Business’ operation, and accordingly our Valuation Report will not make any representation or warranty, expressed or implied in this regard.
- vi) Our scope in this engagement does not require us to express, and we do not express a view on the future prospects of the Business, or any views on the future trading process of the shares or the financial condition of the Business.
- vii) Our terms of reference do not require us to provide advice on legal, regulatory, accounting or taxation matters made available to us if the Company has obtained specialist advice, and where we will consider, and where appropriate, relied upon such advice.
- viii) The information used by us in preparing the Valuation Report has been obtained from a variety of sources as indicated within the Valuation Report. While our work has involved an analysis of the financial information and accounting records, it has not included an audit in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representation with respect to the accuracy or completeness of any information provided to us by and on the behalf of the Company.
- ix) Budgets/forecasts/projections relate to future events and are based on assumptions which may not remain valid for the whole of the relevant period. Consequently, they cannot be relied upon to the same extent as information derived from audited accounts for completed accounting periods. For these reasons, we

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express no opinion as to how closely the actual results achieved will correspond to those budgeted/forecasted/projected. Instead, our work is in nature of a review of the information provided to us, and discussions with members of the Management.

3. Use of Valuation Report and Summary Valuation Letter

Our work will be carried out solely for the use of Chasen. This valuation report resulting from our work may not be used for any other purpose or by any other person, referred to in any document or made available to any party (other than your professional advisors acting in that capacity) without our prior written consent (including without limitation, the shareholders of Chasen and the Business), except for the purpose of any matter relating to the Proposed Divestment (including making references to and reproduction in the shareholders' circular and being made available for inspection). Any recommendation made by the Directors to the shareholders of Chasen shall remain the responsibility of such Directors.

4. Reliance on available information and representation from Management

In the course of our work, we have held discussions with the Management. We have also examined and relied on information provided by the Company on the Business, and reviewed other relevant publicly available information. We have not independently verified all such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance, but have made such reasonable enquiries and used our judgment as we deemed necessary on the reasonable use of such information and have no reason to doubt the accuracy or reliability of the information.

However, we have a duty to exercise reasonable professional skill and care in performing our work in accordance with the terms of this engagement and have made reasonable enquires and exercised our judgment on the reasonable use of such information. Our work will, where appropriate, be conducted in accordance with applicable professional guidance.

The Management have confirmed to us, upon making all reasonable enquiries and to their best knowledge and belief, that the information provided to us constitute full and true disclosure, in all material respects and facts relating to the Business as required for the purposes of our valuation.

In no circumstances shall we be liable, other than in the event of our bad faith, willful default for any loss or damage, of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by the Management and the Directors, employees or staffs of the Company or any other person of whom we have made inquiries of during the course of our work.



5. Valuation methodology

The basis of the valuation will be made by reference to the fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Special purchasers may be willing to pay higher prices to gain control or obtain the capacity to reduce or eliminate competition, ensure a source of material supply or sales, achieve cost savings arising on business combinations following acquisition, or any other synergies which may be enjoyed by the purchaser. Our valuation will not be premised on the existence of a special purchase.

The indicative valuation of the Business has taken into consideration of the values implied by a combination of discounted cash flow (“DCF”) and comparable companies (“CC”) analysis.

The discounted cash flow analysis is premised on the principle that the value of a company, division, business, or collection of assets can be derived based on the present value of its projected free cash flow, while the CC analysis determines the value of a company’s business by referencing to available market information, such as trading multiples of comparable publicly listed companies.

In valuing the Business, we have adopted the DCF approach as the primary valuation methodology for the following reasons:

- i) The DCF approach reflects the future plans and growth of the Business. This approach is less influenced by volatile external factors because it is an inward-looking process which relies more heavily on the fundamental expectations of the business and explicit estimates of the value drivers;
- ii) The asset-based approach does not take into account of the future changes in sales or income; and
- iii) The scarcity of information available on precedent transactions performed in the recent past of firms with similar characteristics as the Business.

Under this approach and methodology, we have discounted the projected free cash flows of Business with discount rates having considered, amongst all relevant risk factors, such as business size, business environment, cost of debt, riskiness of cash flows. The free cash flow of the Business has been projected for the six months financial period from 1 October 2023 to 31 March 2024 and the three financial years (“FY”) from FY 2025 to FY 2027. We have considered the EV/EBITDA multiple of comparable companies

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as a reference cross-check to ensure reasonableness of the derived valuation results from the DCF analysis.

Our valuation is based on various assumptions with respect to the Business, including their respective present and future financial conditions, business strategies and the environment in which they operate. These assumptions are based on the information that we have been provided and discussions with the Management reflecting current expectations on current and future events.

Among other assumptions that are stated in the Valuation Report, the key assumptions are as follows:

- i) The Business' forecast for the six months financial period from 1 October 2023 to 31 March 2024 and the three financial years from FY 2025 to FY 2027 as prepared by the Management and the trend of the industry as disclosed in the circular have been considered.
- ii) The Business will continue as a going concern without any changes in its Management subsequent to the Proposed Divestment;
- iii) The future operations of the Business will not be adversely affected by changes to its key personnel, management team, notwithstanding the new shareholding structure arising from the Proposed Divestment;
- iv) All contracts entered into by the Business will continue to be in effect for the foreseeable future;
- v) The information provided to us by the Management reflects the financial positions of the Business for the respective financial years/period;
- vi) The Business has the legal titles to all assets as mentioned in the financial information provided to us by the Management. All assets, which are physically in existence, are in good working condition.
- vii) There are no risks that any of these assets will be subject to compulsory acquisition by any third party or government body;
- viii) There will be no major changes in the corporate taxation basis or rates applicable to the Business;
- ix) Related party transactions, if any, are carried out on an arm's length basis and will continue to be so for the foreseeable future even if there are any changes in the shareholding structure;

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- x) There are no subsequent events which will have material effect on the unaudited management accounts for the six months financial period from 1 April to 30 September 2023;
- xi) Revenue is generated mainly from the provision of warehousing and road logistics services in the Asia Pacific region;
- xii) Revenue is expected to increase by approximately 30.90% for FY 2024, which is conservatively lower as compared to the historical revenue growth of 38.82% for FY 2022, being considered the second year of the COVID-19 pandemic;
- xiii) Revenue is expected to increase by approximately 5.00% from FY 2025 to FY 2027, which is conservatively lower as compared to the CAGR for Asia Pacific of 5.25% for the road logistics industry;
- xiv) Gross margin is expected to be 19.54% from FY 2024 to FY 2027, which is conservatively lower as compared to the average historical profit margin of 21.74% from FY 2021 to FY 2023, and the six months financial period from 1 April to 30 September 2023;
- xv) EBITDA margin is expected to hover between 16.41% and 16.48% from FY 2024 to FY 2027, which is conservatively lower as compared to the average historical EBITDA margin of 16.74% for FY 2023, and the six months financial period from 1 April to 30 September 2023;
- xvi) Profit margin is expected to be 9.47% from FY 2024 to FY 2027, which is conservatively lower as compared to the average historical profit margin of 9.92% from FY 2021 to FY 2023, and the six months financial period from 1 April to 30 September 2023;
- xvii) Depreciation is estimated by Management based on the projected depreciation of plant and equipment to be incurred by the Business during the projected financial years;
- xviii) Finance expenses is assumed to hover between 1.20% and 1.28% of revenue from FY 2024 to FY 2027, which is conservatively higher as compared to the average historical finance expenses over revenue of 1.12% from FY 2021 to FY 2023, and the six months financial period from 1 April to 30 September 2023;
- xix) Capital expenditure is forecasted to remain consistent as depreciation, thereby representing the required capital expenditure replacement for the projected financial year from FY 2024 to FY 2027; and

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- xx) Corporate income tax is expected to be based on Malaysia's corporate tax rate of 24%.

6. Conclusion

In summary and as detailed in the Valuation Report, the range of fair value corresponding to the implied equity value for the Business is between SGD 67.2 million and SGD 83.8 million, with a base value of SGD 74.6 million as at the Valuation Date.

Our views are based on the current economic, market, industry, regulatory, monetary and other conditions and on the information made available to us as of the date of this letter and the Valuation Report. Such conditions may change significantly over a relatively short period and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in this letter to reflect events or developments subsequent to the date of this letter and the Valuation Report.

Yours faithfully,

Chay Corporate Advisory Pte. Ltd.

NOTICE OF EXTRAORDINARY GENERAL MEETING

CHASEN HOLDINGS LIMITED

(Company Registration No. 199906814G)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of the Company will be held on 24 April 2024 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendment the following resolution.

All capitalised terms in the resolutions below and defined in the circular dated 9 April 2024 to the shareholders of the Company (the “**Circular**”) shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Circular.

This Notice has been made available on SGXNet and the Company’s website and may be accessed at the URL <https://www.chasen.com.sg/ir-news-announcements.php>. A printed copy of this Notice will be despatched to members.

ORDINARY RESOLUTION

THE PROPOSED DISPOSAL OF THE ENTIRE INTEREST IN THE CITY ZONE GROUP OF COMPANIES

That:

- (a) approval be and is hereby given for (a) the Company, and its wholly-owned subsidiary, Ruiheng International Pte. Ltd., to enter into the Malaysia SPA (which is inter-conditional on the Non-Malaysia SPA, and completion under the Malaysia SPA is conditional upon the completion under the Non-Malaysia SPA) and (b) the Company and its wholly-owned subsidiary, Chasen Transport Logistics Co., Ltd to enter into the Non-Malaysia SPA (which is inter-conditional on the Malaysia SPA, and completion under the Non-Malaysia SPA is conditional upon the completion under the Malaysia SPA) for the proposed disposal of the entire interest in the City Zone Group of Companies, as well as any other transactions contemplated thereunder; and
- (b) the Directors and/or each of them be and are hereby authorised to do all acts and things (including executing such documents as may be required) as they or each of them deem desirable, necessary or expedient to give effect to the matters referred to in the above paragraph of this resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

BY ORDER OF THE BOARD

Siau Kuei Lian
Company Secretary

9 April 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

General

- 1) The EGM of the Company will be held, in a wholly physical format at Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961, on Wednesday, 24 April 2024 at 10:00 a.m. **There will be no option for members to participate virtually.**
- 2) If a member wishes to submit questions related to the resolutions tabled for approval at the EGM prior to the EGM, all questions must be submitted by no later than 10:00 a.m. on 16 April 2024 through email to egm2024@chasen-logistics.com and provide the following particulars, for verification purpose:
 - full name as it appears on his/her/its CDP and/or CPF/SRS share records;
 - NRIC/Passport/UEN number;
 - contact number and email address; and
 - the manner in which you hold in the Company (e.g. via CDP and/or CPF/SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

Alternatively, member may also ask question during the EGM.

- 3) The Company will endeavour to address all substantial and relevant questions received from shareholders by 19 April 2024, 10:00 a.m., being not less than forty-eight (48) hours before the closing date and time for the lodgement of the proxy form, via SGXNet and the Company's website. The Company will also address any subsequent clarifications sought or follow-up questions during the EGM in respect of substantial and relevant matters. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions will be individually addressed. The responses from the Board and the Management of the Company shall thereafter be published on (i) the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>; and (ii) the Company's website at the URL <https://www.chasen.com.sg/>, together with the minutes of the EGM, within one (1) month after the conclusion of the EGM. The minutes will include the responses to substantial and relevant questions received from shareholders which are addressed during the EGM.
- 4) A member of the Company (other than a Relevant Intermediary*) entitled to attend, speak and vote at the EGM of the Company is entitled to appoint not more than two (2) proxies or Chairman to attend, speak and vote in his/her/its stead at the EGM of the Company. A proxy need not be a member of the Company.
- 5) Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second proxy as an alternate to the first named.

If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies (except where the Chairman of the EGM is appointed as the member's proxy) will vote or abstain from voting at his/her/their discretion. In the absence of specific direction as to the voting given by a member, the appointment of the Chairman of the EGM as the member's proxy for the relevant resolutions will be treated as invalid.

- 6) A member who is a Relevant Intermediary* may appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number and class of shares shall be specified). Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.
- 7) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
- 8) The completed proxy form must be submitted to the Company in the following manner:-
 - (a) by post to the Company's Share Registrar office, c/o Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) by email to egm2024@chasen-logistics.com;

by no later than 10:00 a.m. on 21 April 2024, (being not less than seventy-two (72) hours before the time appointed for holding the EGM (or at any adjournment thereof) and in default the proxy form for the EGM shall not be treated as valid.

- 9) Investors who hold their shares through relevant intermediaries (including under Central Provident Fund Investment Scheme ("CPF Investors") and Supplementary Retirement Scheme ("SRS Investors")) and who wish to participate in the EGM should contact their relevant intermediaries (which include, in the case of CPF Investors and SRS Investors, their respective CPF Agent Banks and SRS Operators), to submit their votes at least seven (7) working days before the EGM (i.e. by 5:00 p.m. on 12 April 2024).

NOTICE OF EXTRAORDINARY GENERAL MEETING

- 10) The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
- 11) In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Protection:

By (a) submitting an instrument appointing proxy(ies) or the Chairman of the Meeting as proxy to vote at the EGM of the Company and/or any adjournment thereof, or (b) submitting any question prior to the EGM of the Company in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration and analysis by the Company (or its agents or service providers) of the instruments appointing proxy(ies) for the EGM of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/ or guidelines (collectively, the "**Purposes**");
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;
- (iii) addressing substantial and relevant questions from members received before the EGM of the Company and if necessary, following up with the relevant members in relation to such questions;
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities; and
- (v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the EGM of the Company may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the EGM of the Company. Accordingly, the personal data of a member (such as his name, his presence at the EGM of the Company and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

PROXY FORM

CHASEN HOLDINGS LIMITED

(Company Registration No. 199906814G)
(Incorporated in the Republic of Singapore)

PROXY FORM EXTRAORDINARY GENERAL MEETING (Please see notes overleaf before completing this Form)

IMPORTANT

1. The EGM of the Company will be held, in a wholly physical format at Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961 on Wednesday, 24 April 2024 at 10:00 a.m. There will be no option for members to participate virtually.
2. Investors who hold shares through Relevant Intermediaries*, including under the Central Provident Fund Investment Scheme ("CPF Investors") or the Supplementary Retirement Scheme ("SRS Investors"), and who wish to appoint the Chairman of the EGM as their proxy should approach their respective Relevant Intermediaries*, including CPF Agent Banks or SRS Operators, to submit their votes at least seven (7) working days before the EGM (i.e. by 5:00 p.m. on 12 April 2024).
3. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. Please read the notes to the proxy form.

*I/We _____ (Name), _____ (NRIC/ Passport No./ Company Reg No./ UEN No.)

of _____ (Address),

being *a member/members of CHASEN HOLDINGS LIMITED (the "Company"), hereby appoint:-

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing *him/her/them, the Chairman of the Extraordinary General Meeting of the Company (the "EGM") *my/our *proxy/ proxies to attend, speak and vote for *me/us on *my/our behalf at the EGM to be held at Rose Room, Level 3, The Chevrons, 48 Boon Lay Way, Singapore 609961 on Wednesday, 24 April 2024 at 10:00 a.m., and at any adjournment thereof.

*I/ We direct the Chairman of the EGM to vote for or against or abstain on the Resolution proposed at the EGM as indicated hereunder. **If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the *proxy/proxies (except where the Chairman of the EGM is appointed as *my/our proxy) will vote or abstain from voting at *his/her/their discretion. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the EGM as *my/our proxy for that resolution will be treated as invalid.**

NO.	RESOLUTION	No. of Votes 'For'++	No. of Votes 'Against'++	No of Votes 'Abstain'**
1.	Ordinary Resolution The proposed disposal of the entire interest in the City Zone Group of Companies			

* Delete where inapplicable

++ (If you wish to exercise all your votes "For" or "Against" or to abstain from voting on the Ordinary Resolution, please indicate with an "X" within the box provided. Alternatively, please indicate the number of votes that the Chairman of the EGM as your proxy is directed to vote "For" or "Against" or to abstain from voting).

Dated this _____ day of _____ 2024

Total Number of Shares Held	
CDP Register	
Register of Members	

Signature(s) of Member(s)
and/or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES ON THE REVERSE.



PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*) entitled to attend, speak and vote at the EGM of the Company is entitled to appoint not more than two (2) proxies or Chairman to attend, speak and vote in his/her/its stead at the EGM of the Company. A proxy need not be a member of the Company.
3. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second proxy as an alternate to the first named.

If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies (except where the Chairman of the EGM is appointed as the member's proxy) will vote or abstain from voting at his/her/their discretion. In the absence of specific direction as to the voting given by a member, the appointment of the Chairman of the EGM as the member's proxy for the relevant resolutions will be treated as invalid.
4. A member who is a Relevant Intermediary* may appoint more than two (2) proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her/it (which number and class of shares shall be specified). Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.
5. The instrument appointing the proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing the proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
6. The Proxy Form must be submitted to the Company in the following manner:
 - (a) by post to the Company's Share Registrar's office, Boardroom Corporate & Advisory Services Pte. Ltd., 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or
 - (b) by email to egm2024@chasen-logistics.com;in either case, by 21 April 2024 at 10:00 a.m. (being seventy-two (72) hours before the time fixed for the EGM) ("**Proxy Deadline**"), and in default the instrument of proxy shall not be treated as valid.
7. An investor who holds Shares under the CPF Investor and/or the SRS Investor (as may be applicable) and wishes to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the EGM (i.e. by 5:00 p.m. 12 April 2024) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the EGM to vote on their behalf no later than the Proxy Deadline.
8. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed, under the instrument of proxy to the Meeting.
9. The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents). In addition, in the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the proxy or proxies lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

* A Relevant Intermediary is:

- a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Protection:

By attending the EGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM 9 April 2024.