

1. Nature and description of the transaction including the including date of approval by the Company's Board of Directors, date of execution of any agreement/contract and related regulatory requirements if applicable;

The shares were issued to Metropolitan Bank & Trust Company – Trust Banking Group (MBTC) and to The Members of the Board of Trustees of the Private Education Retirement Annuity Association (PERAA), creditors of Chelsea Logistics and Infrastructure Holdings Corp. (the 'Corporation'), as part of the Corporation's liability management exercise for the restructuring of its outstanding loans and obligations. The liability management program, which was approved by the Board of Directors of the Corporation in its Resolution dated 10 May 2022, consists of (a) assumption of certain outstanding obligations of the subsidiaries of the Corporation on an arm's length basis by the Corporation, and (b) the conversion of the outstanding financial liabilities of the Corporation, including the financial liabilities assumed from its subsidiaries/ affiliates, into primary shares of the Corporation, through the (1) issuance of Convertible Bonds and a (2) Debt-to-Equity Swap.

The Subscription And Debt Conversion Agreements with MBTC was executed on September 5, 2023 while the Subscription and Debt Conversion Agreement with PERAA was executed on September 20, 2022.

2. Rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction;

The COVID-19 pandemic caused a major disruption on the business operations of the Corporation and its subsidiaries, namely, Chelsea Shipping Corp., Starlite Ferries, Inc., The Supercat Fast Ferry Corporation, TASLI Services, Incorporated, Trans-Asia Shipping Lines, Incorporated, and Worklink Services, Inc. At the height of the Covid pandemic, as the national government imposed strict travel protocols across the country, the subsidiaries of the Corporation were forced to scale down, and in some localities, even cease all operations. Consequently, the Corporation and its subsidiaries incurred substantial revenues losses which led to its failure to service its debts. With this scenario, the Corporation implemented its liability management program / exercise (LME), which includes a Debt-to-Equity Swap, which was approved by its Board of Directors on 10 May 2022. The major benefit accruing to the Corporation from the LME is the conservation of internally-generated capital that the Corporation can use to defray its operational expenses, particularly the mandatory drydocking / repair expenses of its vessels.

3. The aggregate value of the transaction, including (i) the basis in determining the issue price, (ii) the number of shares to be issued and its corresponding percentage to C's resulting issued and outstanding shares, and (iii) the terms of payment or date of full payment and date of issuance of shares;

(i) The basis for the Conversion Price is the Fairness Opinion and Valuation Report of Unicapital, Inc., a full-service investment house that is duly licensed with the Securities and Exchange Commission.

(ii) Under the Subscription and Debt Conversion Agreement with MBTC (for IMA No.3012-00045-12), the total shares to be issued is 5,296,000 Common shares, while under the Subscription and Debt Conversion Agreement with MBTC (for IMA No. 3060-00004-17), the total shares to be issued is 68,636,000 shares. Under the Subscription and Debt Conversion Agreement with PERAA, the total shares to be issued is 3,859,000 Common shares. Thus, the total shares to be issued to MBTC is 73,932,000 and the total shares to be issued to PERAA is 3,859,000.

The total issued and outstanding shares of the Corporation before the issuance of the shares of MBTC and PERAA is 2,196,977,615 Common shares, which total already includes the partially-paid shares of Udenna Corporation (which are not yet recorded in the books of the Corporation's Stock Transfer Agent. The total

issued and Outstanding shares of the Corporation after the issuance of the shares of MBTC and PERAA is 2,274,768,615 Common shares.

The total shares issued to MBTC (73,932,000) is 3.25% of the total issued and outstanding shares in the amount of 2,274,768,615 shares while the PERAA shares (3,859,000) are 0.17% of the said total.

(iii) The consideration for the shares was the outstanding debt of CLC to MBTC and PERAA. As of July 31, 2022, the total outstanding debt of the Corporation to MBTC was Php 221,800,000.00, the whole amount of which debt was converted to 73,932,000 Common shares of the Corporation, while the total outstanding debt of the Corporation to PERAA was Php 26,577,685.67, of which Php 11,577,685.67 was converted to 3,859,000 Common Shares. The conversion price for the MBTC and PERAA shares is Three Pesos (Php 3.00) per share. The total Per BDO Stock Transfer Certification, the shares were issued to MBTC on October 5, 2023 and to PERAA on October 12, 2023.

4. The terms and conditions of the transaction;

The consideration for the issuance of the shares to MBTC and to PERAA was the outstanding debt of the Corporation to said parties, which were converted into Common shares of the Corporation at the conversion price of Three Pesos (Php 3.00) per share.

5. The basis upon which the consideration or the issue value was determined;

The issue value was determined on the basis of various factors including the (a) historical price of the Corporation's shares; (b) time value of cash flows arising from the business operations, and (c) comparable companies.

The Fairness Opinion and Valuation Report of Unicapital, Inc. states that in order to determine the fair market value of the Corporation's issued Common shares, 'a structured approach was applied using the following valuation methodologies, when applicable, namely: Volume Weighted Average Price Approach, which examines the trading history of CLIHC shares on the PSE in order to assess the market's perception of CLIHC's value; Discounted Cash Flow Approach, which estimates the value of the Company through the discounting of its future and expected cash flows based on projections that assume full commercial operations; and Comparable Public Company Approach, which attempts to benchmark the value of CLIHC's shares compared to its counterparts, using applicable metrics, i.e., price-to-book value, enterprise value-to-sales, and enterprise value-to-resource multiples.'

6. Corporate background of the subscribers;

1) MBTC TRUST-IMA

The Chelsea shares are booked under the Investment Management Arrangement or IMA account of the clients with MBTC-Trust Banking Group. This is an agency arrangement between the clients and MBTC-Trust Banking Trust of the Metropolitan Bank & Trust Company.

2) PERAA

The Private Education Retirement Annuity Association Fund (PERAA Fund or the Fund) is composed of private schools as well as institutions or foundations within the private education sector. These schools, referred to as Participating Institutions (PIs), periodically contribute to the Fund based on a fixed rate as determined in their respective Retirement Plan Resolution. The Fund controls and manages contributions that will be used eventually to pay the retirement obligations of the PIs to their qualified employees. The contributions, together with the gains and losses, realized and unrealized, less expenses, shall constitute the

PERAA Fund held by the board of trustees (BOT). The retirement benefits to the PIs' retiring members shall be based on the accumulated value of their contributions together with their credited earnings (losses).

On June 5, 1972, the Bureau of Internal Revenue (BIR) approved the PERAA Plan Agreement (the Plan) as a tax-exempt plan under Republic Act (R.A.) No. 4917, an act providing that retirement benefits of employees of private firms shall not be subject to attachment, levy, execution, or any tax whatsoever. The BOT of the Fund is a qualified trustee that is entitled to all the benefits and privilege provided for by Section 60 (B), in relation to Section 32(B)(6)(a), both of R.A. No. 8424, otherwise known as the "Tax Reform Act of 1997". Consequently, the funds created to implement the provisions of the plans and the retirement pay to their respective retirees remain exempt pursuant to said law.

The registered office address of the Fund, which is also its principal place of business, is on the 16th Floor, Multinational Bancorporation Centre, 6805 Ayala Avenue, Salcedo Village, Makati City.

7. Organizational/Ownership Structure of Subscribers;

Please see response to Query#6.

8. Effects in the Company's ownership structure and capital structure before and after the transaction;

**LIST OF TOP 20 SHAREHOLDERS
CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORPORATION
AS OF 30 SEPTEMBER 2023**

STOCKHOLDER'S NAME	TOTAL SHARES	OUTSTANDING & ISSUED SHARES (FULLY PAID AND	% OWNED
UDENNA CORPORATION	1,650,384,606	1,275,384,606.00	75.121%
PCD NOMINEE CORPORATION (FILIPINO)	528,293,567	528,293,567	24.046%
PCD NOMINEE CORPORATION (NON-FILIPINO)	15,899,325	15,899,325	0.724%
CAROLINE G. TAOJO	800,000	800,000.00	0.036%
EGGNEST PROPERTY CORP.	770,000	770,000.00	0.035%
NDE B. TAOJO	400,000	400,000.00	0.018%
JOAQUIN CHUA	100,000	100,000.00	0.005%
ELVIRA M. CRUZ OR BERNARDO A. CRUZ	100,000	100,000.00	0.005%
CLIVE C. KIAN	50,000	50,000.00	0.002%
RUDY B. MANGUIAT OR MARY AILEEN C. MANGUIAT	50,000	50,000.00	0.002%
GOLDCLASS INC.	35,000	35,000.00	0.002%
JHARNA P. CHANDNANI	30,000	30,000.00	0.001%
CHRISTOPHER VINCENT J. KOKSENG OR MERY JEAN G.	15,000	15,000.00	0.001%
MYRA P. VILLANUEVA	10,800	10,800.00	0.000%
CARLOS CATANGUE CHUA	9,300	9,300.00	0.000%
RIJOHN R. OPON	9,300	9,300.00	0.000%
MILAGROS P. VILLANUEVA	7,300	7,300.00	0.000%
MYRNA P. VILLANUEVA	7,300	7,300.00	0.000%
MARIETTA V. CABREZA	5,000	5,000.00	0.000%
PERICAL CIRILO SAMODIO FLORES	1,000	1,000.00	0.000%
ALEXANDER S. TIMBOL	100	100.00	0.000%
OWEN NATHANIEL S AJITF: LI MARCUS AU	10	10.00	0.000%
EDUARDO A. BANGAYAN	1	1.00	0.000%
MIGUEL RENE A. DOMINGUEZ	1	1.00	0.000%
JESUS S. GUEVARA II	1	1.00	0.000%
GENER T. MENDOZA	1	1.00	0.000%
ARTHUR KENNETH L. SY	1	1.00	0.000%
CHERYLYN C. UY	1	1.00	0.000%
EFREN E. UY	1	1.00	0.000%
GRAND TOTAL	2,196,977,615	1,821,977,615	100.000%

**LIST OF TOP 20 SHAREHOLDERS
CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORPORATION
AFTER THE DEBT-TO-EQUITY CONVERSION**

STOCKHOLDER'S NAME	TOTAL SHARES	OUTSTANDING & ISSUED SHARES (FULLY PAID AND	% OWNED
UDENNA CORPORATION	1,650,384,606	1,275,384,606.00	72.552%
PCD NOMINEE CORPORATION (FILIPINO)	528,293,567	528,293,567	23.224%
METROPOLITAN BANK & TRUST COMPANY	73,932,000	73,932,000	3.250%
PCD NOMINEE CORPORATION (NON-FILIPINO)	15,899,325	15,899,325	0.699%
PRIVATE EDUCATION RETIREMENT ANNUITY AS	3,859,000	3,859,000	0.170%
CAROLINE G. TAQJO	800,000	800,000.00	0.035%
EGGNEST PROPERTY CORP.	770,000	770,000.00	0.034%
NDE B. TAQJO	400,000	400,000.00	0.018%
JOAQUIN CHUA	100,000	100,000.00	0.004%
ELVIRA M. CRUZ OR BERNARDO A. CRUZ	100,000	100,000.00	0.004%
CLIVE C. KIAN	50,000	50,000.00	0.002%
RUDY B. MANGUIAT OR MARY AILEEN C. MANGUIAT	50,000	50,000.00	0.002%
GOLDCLASS INC.	35,000	35,000.00	0.002%
JHARNA P. CHANDNANI	30,000	30,000.00	0.001%
CHRISTOPHER VINCENT J. KOKSENG OR MERY JEAN G.	15,000	15,000.00	0.001%
MYRA P. VILLANUEVA	10,800	10,800.00	0.000%
CARLOS CATANGUE CHUA	9,300	9,300.00	0.000%
RIJOHN R. OPION	9,300	9,300.00	0.000%
MILAGROS P. VILLANUEVA	7,300	7,300.00	0.000%
MYRNA P. VILLANUEVA	7,300	7,300.00	0.000%
MARIE TTA V. CABREZA	5,000	5,000.00	0.000%
PERCICAL CIRILO SAMODIO FLORES	1,000	1,000.00	0.000%
ALEXANDER S. TIMBOL	100	100.00	0.000%
DWEN NATHANIEL S AUI ITF: LI MARCUS AU	10	10.00	0.000%
EDUARDO A. BANGAYAN	1	1.00	0.000%
MIGUEL RENE A. DOMINGUEZ	1	1.00	0.000%
JESUS S. GUEVARA II	1	1.00	0.000%
GENER T. MENDOZA	1	1.00	0.000%
ARTHUR KENNETH L. SY	1	1.00	0.000%
CHERYLYN C. UY	1	1.00	0.000%
EFREN E. UY	1	1.00	0.000%
GRAND TOTAL	2,274,768,615	1,899,768,615	100.000%

9. Effect(s) on the business, financial condition and operations of the Company, if any;

This is a debt to equity conversion involving a principal obligation in the total amount of P233,373,000.00, which bears interest at 7.0% per annum. Consequently, this transaction will relieve the Corporation of debt service of P16.336M annually.

10. The interest which directors of the parties to the transaction have in the proposed transaction;

The Directors of the Corporation have no interest in the transaction.

11. Statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders;

MBTC and PERRA shares only constitute 3.25% and 0.17% respectively, of the total outstanding and issued shares of the Corporation in the amount of 2,274,768,615. The Debt-to-Equity Conversion will help ensure that internally-generated capital can be used by the Corporation to defray its operational expenses, particularly the mandatory drydocking / repair expenses of its vessels, which in turn will ensure the continuous operations of the business and of the continuing recovery of the Corporation from the Covid crisis.

12. Any conditions precedent to closing of the transaction;

There are no conditions precedent for the closing of the transaction.

13. Any other relevant information. None.