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* Asterisks denote mandatory information

Name of Announcer *	CHASEN HOLDINGS LIMITED
Company Registration No.	199906814G
Announcement submitted on behalf of	CHASEN HOLDINGS LIMITED
Announcement is submitted with respect to *	CHASEN HOLDINGS LIMITED
Announcement is submitted by *	Chew Kok Liang
Designation *	Company Secretary
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Announcement Title *	ACQUISITION OF 100% SHAREHOLDING IN LITEN LOGISTICS SERVICES PTE LTD
Description	Please see attached.

Attachments

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

ACQUISITION OF 100% SHAREHOLDING IN LITEN LOGISTICS SERVICES PTE LTD

This announcement has been reviewed by the Company's sponsor, KW Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "Exchange"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor are: -

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1. INTRODUCTION

Chasen Holdings Limited (the "**Company**") is pleased to announce that the Company has entered into a sale and purchase agreement (the "**Agreement**") on 3 December 2010 ("**Signing Date**") with Liten Logistics Services Pte Ltd ("**LLS**"), Liten Holdings Limited ("**LH**") and the owners of LLS, namely Lim Wui Liat and Lim Jit Sing, Jackson (the "**Vendors**") (collectively, the "**Parties**") for the Company or such subsidiary as the Company may nominate, to acquire 100% of the total issued and paid-up shares (the "**Sale Shares**") in the capital of LLS for a total purchase consideration of up to **S\$6,000,000** (the "**Purchase Consideration**"), upon the terms and subject to the conditions of the Agreement (hereinafter referred to as the "**Proposed Acquisition**").

2. INFORMATION ON LLS AND LH

LLS is a private company limited by shares incorporated on 23 August 2000 under the Singapore Companies Act, Cap. 50 and carries on the businesses of other transportation support activities, moving services for hi-tech manufacturing, heavy machineries; facilities; general warehousing, general contractors (non-building construction), and moving & removal of equipment with operator and moving service of delivery. It has a total issued share capital of S\$1,000,000 divided into 1,000,000 fully paid-up ordinary shares. The Vendors are the legal and beneficial owners of all 1,000,000 issued ordinary shares in the capital of LLS. LH is a wholly-owned subsidiary of LLS incorporated in Singapore. It is in the business of investment holding, freight forwarding, packing and crating services.

The audited net tangible asset value (“**NTA**”) of LLS and its subsidiary LH as at 31 December 2009 is negative S\$699,169. The unaudited **NTA** of LLS and its subsidiary LH as at 30 September 2010 is S\$580,486.

3. **PRINCIPAL TERMS OF THE PROPOSED ACQUISITION**

3.1 Consideration

The Purchase Consideration for the Sale Shares shall be a sum of up to Singapore Dollars Six Million (S\$6,000,000) to be satisfied by the issuance of new ordinary shares in the capital of the Company (“**Consideration Shares**”) to the Vendors calculated based on the volume weighted average closing price per share for the 5 trading days prior to the Signing Date to be paid as follows:-

- (a) an initial consideration of S\$2,400,000 worth of Consideration Shares shall be issued upon Completion of this Agreement; and
- (b) an adjusted consideration (“**Adjusted Consideration**”) of up to S\$3,600,000 worth of Consideration Shares, if in accordance with Singapore accounting standards the audited profit after tax of LLS for the financial year ending 31 December 2010 is equal to or at least S\$1,500,000. The computation of the Adjusted Consideration is set out below.

In the event that the profit after tax of LLS is less than S\$1,500,000, the Adjusted Consideration shall be computed as follows:

(Actual audited profit after tax for the financial year ending 31 December 2010 x 4) - S\$2,400,000

For avoidance of doubt, the Adjusted Consideration shall be subject to a cap of S\$3,600,000. In the event that the Adjusted Consideration assumes a negative value, the Company shall not be obliged to pay any sum as the Adjusted Consideration.

The consideration was arrived at on a willing buyer, willing seller basis after taking into account, the profit after tax of approximately S\$1,200,000 of LLS for the 9 months ended 30 September 2010, the potential earnings of LLS and the potential benefits arising from the combination of the complementary businesses of the Company and LLS.

3.2 Conditions Precedent

The obligation of the parties to complete the Proposed Acquisition is subject to the fulfilment of, inter alia, the following conditions:

- (a) The Exchange approval. Such approvals and consents as may be necessary from any relevant competent authority or regulatory body being obtained, including but not limited to the approval from the Exchange for the listing, quotation of the Consideration Shares and shall be subject to any conditions that may be imposed by the Exchange (if any), and such approvals being not withdrawn or amended, on or before the date for the completion of the sale and purchase of the Sale Shares (“**Completion Date**”);
- (b) Satisfactory Due Diligence. The results of such legal and/or financial due diligence investigation on LLS and LH conducted by the Company and/or its advisors, being satisfactory to the Company in their absolute discretion. In this regard, the parties hereby agree that in the event that the Company deems the results of such due diligence investigations as unsatisfactory, the Company may at its discretion, terminate this Agreement without any compensation or liability to the Vendors;

- (c) Outstanding Liabilities. The discharge of all outstanding liabilities not incurred in the ordinary course of business of LLS, LH and their subsidiaries (if applicable) by the Vendors prior to the Completion Date. If any such liability cannot be discharged prior to the Completion Date due to any technical difficulty, such liabilities shall be taken off the books of LLS, LH or their subsidiaries by the Vendors; and
- (d) Profit After Tax (“PAT”) to be not less than S\$600,000. If in the event that the PAT of the LLS is less than S\$600,000 based on the audited accounts for the financial year ending 31 December 2010, the Company shall be entitled to rescind the Agreement or to execute a supplementary agreement with regard to the Purchase Consideration and no party shall have any claim against the other parties and the legal costs and expenses incurred by each party in connection with the preparation of all legal documentation in respect of the Agreement up to that point in time shall be borne by each party.

4. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

This Proposed Acquisition will facilitate the combination of complementary capabilities to extend the scope of logistics services available from the Company’s group to the regional market covering Singapore, Malaysia, Vietnam, the People’s Republic of China (“**PRC**”) and elsewhere

5. FINANCING EFFECTS OF THE TRANSACTION

The Proposed Acquisition will be funded entirely through the issue of new shares in the Company. The financial effects of the Proposed Acquisition are as set out below. The financial effects are shown for illustrative purposes only and do not necessarily reflect the exact future financial position and performance of the Company and its subsidiaries (the “**Group**”).

(a) Net Tangible Assets (“NTA”) Per share

Assuming that the Proposed Acquisition was completed on 31 March 2010 and based on the Group’s audited consolidated financial statements for the financial year ended 31 March 2010, the Proposed Acquisition would have the following *pro forma* impact on the consolidated NTA of the Group:-

	As at 31 March 2010	
	NTA of the Group (S\$)	NTA per share (Singapore cents)
Before the Proposed Acquisition	35,810,833	24.61 ⁽¹⁾
After the Proposed Acquisition	36,391,319	22.10 ⁽²⁾

- (1) Based on the Group’s NTA and total number of issued shares in the Company as at 31 March 2010.
- (2) Based on the Group’s NTA and total number of issued shares in the Company as at 31 March 2010 after taking into account of LLS’s NTA of S\$580,486 (as at 30 September 2010) and the issuance of the Consideration Shares. The number of Consideration Shares is computed based on the total Consideration of S\$6,000,000 divided by 31.32 cents (being the volume weighted average closing price per share for the 5 trading days prior to the Signing Date).

(b) Consolidated earnings per share (“EPS”)

Assuming that the Proposed Acquisition had been completed on 1 April 2009 and based on the Group’s audited consolidated financial statements for the financial year ended 31 March 2010, the Proposed Acquisition would have the following *pro forma* impact on the consolidated earnings per share of the Group:-

	Financial Year Ended 31 March 2010	
	Net Profit after Tax (S\$)	EPS - Basic (Singapore cents)
Before the Proposed Acquisition	4,689,627	3.22 ⁽¹⁾
After the Proposed Acquisition	5,986,491	4.06 ⁽²⁾

- (1) Based on 145,710,762 shares, being the weighted average number of shares outstanding for the period up to 31 March 2010.
- (2) Based on 147,307,186 shares, being the weighted average number of shares outstanding for the period up to 31 March 2010, including the Consideration Shares. The number of Consideration Shares is computed based on the total Consideration of S\$6,000,000 divided by 31.32 cents (being the volume weighted average closing price per share for the 5 trading days prior to the Signing Date).

The relative figures computed on the bases set out in Rules 1006(a) to Rule 1006(d) of the SGX-ST Listing Manual – Section B: Rules of Catalyst are as follows:-

		Relative Computation (%)
(i)	Net assets value of assets to be disposed of compared to the Group’s net asset value.	Not Applicable
(ii)	Net profit attributable to the assets to be acquired , compared with the Group’s net profits (Computed based on the Groups latest announced unaudited consolidated accounts for the six-month period ended 30 September 2010 and LLS’s unaudited management accounts for the six-month period ended 30 September 2010)	16.2
(iii)	Aggregate value of consideration given or received, compared with the Company’s market capitalisation based on total number of issued shares excluding treasury shares (Based on the volume weighted average price per share in the Company transacted on 2 December 2010, being the last market date preceding the Signing Date	8.4

	and the assumption that the Consideration is S\$6,000,000.)	
(iv)	<p>Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue</p> <p>(The number of Consideration Shares is computed based on the total Consideration of S\$6,000,000 divided by 31.32 cents (being the volume weighted average closing price per share for the 5 trading days prior to the Signing Date))</p>	8.4

Based on the relative numbers above, the Proposed Acquisition is a discloseable item under Rule 1010 of the Listing Manual – Section B: Rules of Catalist.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER

Save that Siah Boon Hock and Low Weng Fatt are Directors representing the interest of the Company on LH, none of the Directors or the Substantial Shareholders of the Company has any interest, direct or indirect in the Proposed Acquisition.

7. DOCUMENTS FOR INSPECTION

Copies of the Agreement are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 18 Jalan Besut, Singapore 619571 for a period of three (3) months from the date of this announcement.

By Order of the Board

Low Weng Fatt

Managing Director

3 December 2010