

## Asset Acquisitions and Disposals::Proposed Acquisition of 49% Rights In Property

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	CHASEN HOLDINGS LIMITED
<b>Securities</b>	CHASEN HOLDINGS LIMITED - SG1X55941717 - 5NV
<b>Stapled Security</b>	No

## Announcement Details

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<b>Submitted By (Co./ Ind. Name)</b>	Low Weng Fatt
<b>Designation</b>	Managing Director/CEO
<b>Description (Please provide a detailed description of the event in the box below)</b>	Please refer to the attachment
<b>Attachments</b>	<p> <a href="#">Chasen Acquisition of 49 Percentage Rights in Property.pdf</a></p> <p>Total size =38K</p>

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

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**PROPOSED ACQUISITION OF ALL THE VENDORS' TITLE AND INTEREST TO THE VENDORS'  
49% SHARE OF THE NET PROCEEDS FROM THE SALE OF THE PROPERTY**

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**1. INTRODUCTION**

The board of Directors of Chasen Holdings Limited (the "**Company**") wishes to announce that the Company has on 7 October 2014 entered into a sale and purchase agreement (the "**Agreement**") with Lim Wui Liat and Lim Jit Sing, Jackson (the "**Vendors**") and Liten Logistics Services Pte Ltd ("**LLS**") whereby the Company will purchase all the Vendors' rights title and interest to the Vendors' 49% share of the net proceeds from the sale of the property (the "**49% Rights**") of a factory at No. 6 Tuas Avenue 20, Singapore 638820 (the "**Property**") for a total purchase consideration of S\$5,390,000 (the "**Consideration**"), upon the terms and subject to the conditions of the Agreement (hereinafter referred to as the "**Proposed Acquisition**").

Prior to the Proposed Acquisition, the Company holds all the rights title and interest to 51% share of the net proceeds from the sale of the Property. Following the completion of the Proposed Acquisition, the Company will hold all the rights title and interest to 100% share of the net proceeds from the sale of the Property.

**2. INFORMATION ON THE VENDORS AND THEIR 49% RIGHTS**

The Vendors were the previous shareholders of LLS. On 3 December 2010, the Company announced, *inter alia*, that the Company entered into an agreement ("**2010 Agreement**") with the Vendors, LLS and Liten Holdings Pte Ltd pursuant to which the Company acquired 100% shareholdings in LLS from the Vendors at the consideration and on the terms and conditions set out in the 2010 Agreement. On 30 December 2011, the Company announced that it entered into a supplemental deed ("**Supplemental Deed**") with the Vendors, LLS and Liten Holdings Pte Ltd whereby the Parties agreed, *inter alia*, that upon the sale of the properties (which includes the Property) as defined in the Supplemental Deed, LLS shall pay to the Vendors 49% of the net proceeds from the sale of the said properties.

Lim Wui Liat and Lim Jit Sing, Jackson are shareholders of the Company holding 3,268,681 shares (direct and deemed interest) representing 1.26% of the issued and paid up capital and 2,272,680 shares (deemed interest) representing 0.87% of the issued and paid up capital respectively. On completion of the Proposed Acquisition, Lim Wui Liat and Lim Jit Sing, Jackson interest in the shareholdings in the Company would increase to 19,192,248 shares representing 6.58% of the issued and paid up capital and 18,196,246 shares representing 6.24% of the enlarged issued and paid up capital respectively.

LLS (wholly-owned subsidiary of the Company) is the owner of the Property. The Property is a leasehold property under a lease issued by Jurong Town Corporation ("**JTC**") for a term commencing on 16 October 1993 till 15 October 2053.

### 3. PRINCIPAL TERMS OF ACQUISITION

#### 3.1 Consideration

The Consideration was arrived at after arm's length negotiations and on a willing buyer willing seller basis after taking into account, *inter alia*, the valuation of the Property dated 15 July 2014 conducted by CKS Property Consultants Pte Ltd (the "Valuer"). The Valuer has been appointed as the independent property valuer to value the said Property. The valuation was based on the market comparison method of valuation. This approach has taken into cognizance acquisitions of comparable properties, the prevailing market condition and underlying economic factors which may be of influence to the trend of the market prices.

The total consideration for the purchase of 49% Rights shall be a sum of up to S\$5,390,000 to be satisfied in full to the Vendors as follows:

- (i) a cash payment of S\$390,000; and
- (ii) the issuance of new shares in the Company ("**Consideration Shares**") for an aggregate consideration of S\$5,000,000 to the Vendors and/or their Nominee(s) at an issue price equivalent to the volume weighted average closing price per share for the 5 trading days prior to the signing of the Agreement; and
- (iii) fractions of Consideration Shares will not be issued when divided between the vendors on a pro-rata basis and no cash adjustments will be made in respect thereof. The number of such Consideration Shares to be issued in respect thereof shall be calculated and rounded down to the nearest whole number of shares.

The total consideration shall be paid on the Completion Date (as defined in the Agreement).

#### 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 approval from the board of directors of the Company being obtained for the Proposed Acquisition;
- (b) receipt of the listing and quotation notice from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Consideration Shares on the Mainboard of the SGX-ST; and
- (c) all other consents and approvals required under any and all applicable laws for the sale and purchase of the 49% Rights and/or to give effect to the transactions contemplated hereunder being obtained and where any consent or approval is subject to conditions, such conditions being satisfactory to the Company in its sole and absolute discretion

### 3.3 Method of Financing

The Consideration will be funded through the issuance of 31,847,133 Consideration Shares (each Consideration Share at the issue price of S\$0.159) and the cash of \$390,000 from its internal resources and/or bank borrowings. The Consideration Shares would be issued under the general mandate approved by shareholders at the Annual General Meeting on 29 July 2014.

## 4. RATIONALE FOR THE PROPOSED ACQUISITION

The Proposed Acquisition is part of the Group's strategic plans for the purpose of longer term hedge against raising industrial property rentals. In addition, this Proposed Acquisition provides the Company an opportunity to have the rights to 100% of the net proceeds from the sale of the Property located at a strategic industrial location.

## 5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition are set out below. The financial effects set out below are only for illustrative purposes, they do not represent the actual financial position and/or results of the Group's operations after the completion of the Proposed Acquisition and are not indicative of the future financial position and earnings of the Group.

### (a) Net Tangible Assets ("NTA") Per Share

Assuming that the Proposed Acquisition was completed on 31 March 2014 and based on the consolidated financial statements of the Group for the financial year ended 31 March 2014, the Proposed Acquisition would have the following pro forma impact on the consolidated NTA of the Group:-

	As at 31 March 2014	
	NTA of the Group (S\$)	NTA per share (Singapore cents)
Before the Proposed Acquisition	45,254	17.94
After the Proposed Acquisition	50,254	17.69

Notes:

- (i) Computed based on consolidated NTA excluding non-controlling interests of S\$4.9 million and the total number of issued shares in the Company as at 31 March 2014.

### (b) Consolidated Earnings Per Share ("EPS")

Assuming that the Proposed Acquisition was completed on 1 April 2013 and based on the consolidated financial statements of the Group for the financial year ended 31 March 2014, the Proposed Acquisition would have the following pro forma impact on the consolidated EPS of the Group:-

	Financial Year ended 31 March 2014	
	Net Profit after Tax (S\$)	EPS – Basic (Singapore cents)
Before the Proposed Acquisition	2,502	0.99
After the Proposed Acquisition	2,663	0.94

Notes:

- (i) Based on the weighted average number of shares outstanding as at 31 March 2014.

The relative figures computed on the basis set out in Rule 1006 of the SGX-ST Listing Manual for the Proposed Acquisition are as follows:-

Rule 1006(a)

		Relative Figures in %
Rule 1006(a)	Net asset value of the Property to be disposed of as compared with the Group's net asset value	Not Applicable
Rule 1006(b)	Net profit attributable to the property acquired or disposed of, compared with the Group's net profits	5.2 <sup>(1)</sup>
Rule 1006(c)	Aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	18.4 <sup>(2)</sup>
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	12.3 <sup>(3)</sup>

Notes:

- (1) Net profit attributable to the 49% Rights for the three months ended 30 June 2014 was approximately S\$33,000. The Group's net profit before tax for the three months ended 30 June 2014 was approximately S\$644,000.
- (2) With reference SGX-ST Main Board Listing rule 1003(3), the aggregate value of the consideration given is based on 31,847,133 new shares at the Group net asset value per share of S\$0.222 as at 30 June 2014. The Company's market capitalisation of approximately S\$41 million was computed based on the Company's existing issued share capital of 259,768,663 (excluding treasury shares) and the weighted average price of the Shares of S\$0.157 on 3 October 2014, being last traded day preceding the date of the Proposed Acquisition.
- (3) Based on 31,847,133 Chasen consideration shares to be issued and the company issued share capital of 259,768,663 shares as at the date of this announcement.

Based on the relative numbers above, the Proposed Acquisition is a discloseable transaction under Rule 1010 of the Mainboard Rules of SGX-ST.

**6. DIRECTORS AND CONTROLLING SHAREHOLDERS' INTEREST**

None of the directors or the controlling shareholders of the Company has any interest, direct or indirect in the Proposed Acquisition, other than their respective shareholdings in the Company.

**7. SERVICE CONTRACTS**

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

**8. DOCUMENTS FOR INSPECTION**

Copies of the Agreement and valuation report are available for inspection during normal business hours at the Company's registered office at 18 Jalan Besut, Singapore 619571, for a period of three (3) months from the date of this announcement.

## **9 ANNOUNCEMENTS**

Further announcements on the Proposed Acquisition and Completion Date will be made in due course as and when appropriate.

**By Order of the Board**

**Low Weng Fatt  
Managing Director and CEO**

7 October 2014