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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 Details

The details of the announcement start here ...

Announcement Title *	JOINT VENTURE AGREEMENT
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Description	Please see attached.
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Attachments [CHL Joint Venture Agreement.pdf](#)Total size = **29K**
(2048K size limit recommended)[Close Window](#)

JOINT VENTURE AGREEMENT

1. Background

The Board of Directors of Chasen Holdings Limited (the “Company”) wishes to announce that its wholly-owned subsidiary, Chasen Logistics & Engineering Services Pte. Ltd. (“CLES”), has entered into a joint venture agreement (“JV Agreement”) on 23 January 2008 with Ms Huang Meilin (“HML”) and Mr Dong Ling (“DL”) for the purpose of (i) the formation of a joint venture company (the “JV Company”) in Singapore; (ii) the formation of a wholly owned foreign enterprise (“LLC”) to be registered in the People’s Republic of China (“PRC”); and (iii) the provision of management and consultancy services for the development and maintenance of software for network, telecommunication, and computer systems; technology consultancy, management consultancy and computer management consultancy by the LLC to Shanghai Dianfa Network Technology Co., Ltd (“Dianfa”) (the “Transactions”).

Pursuant to the JV Agreement, Lelecai Pte Ltd (“LPL” or the “JV Company”) has been incorporated with an initial issued and paid up capital of S\$1. LPL will be an investment company, holding 100% shareholding in LLC.

HML is a 49% shareholder of Dianfa, which is a company incorporated in People’s Republic of China. Dianfa has entered into an agreement with a branch of a provincial sport lottery center in PRC to, *inter alia*, provide a platform to enable the latter to provide sports and social welfare lottery services in the PRC through the paperless media such as the internet, mobile and land line phone. The provision of management consultancy services by LPL to Dianfa will enable Dianfa to provide such platform and discharge its obligation to provide such a platform to the provincial sports lottery center branch.

Under the management and consultancy agreement entered into between LPL and Dianfa on 26 January 2008, Dianfa will pay LPL a monthly retainer fee and 90% of its revenue as consultancy fees and use of its platform.

CLES will invest RMB10 million (approximately S\$2million at the exchange rate of S\$1 to RMB5) which will enable LLC to purchase the necessary equipment and employ the required technical and after sales service staff to set up and maintain the required platform and infrastructure to support Dianfa business.

2. Rationale for the Transactions

The Transactions are taken by the Company with a view to invest in potentially profitable business with growth potential and to diversity its revenue stream.

3. Salient Terms and Key Undertakings

The salient terms of the JV Agreement and key undertakings on the part of HML and DL (collectively, the "HML Group") include, *inter alia*, the following: -

- (a) CLES, HML and DL will hold 51%, 29% and 20% of the JV company respectively;
- (b) The initial issued and paid up capital of JV Company will be S\$25,000; However the investment in LLC to provide the necessary services to Dianfa would be S\$2million (approximately RMB10 million at the exchange rate of S\$1 to RMB5) which would be provided by CLES.
- (c) HML Group shall be responsible, *inter alia*, for the following:-
 - (i) to assist the JV Company in establishing LLC as a wholly owned subsidiary of the JV Company;
 - (ii) to ensure that JV Company and the business does not contravene any laws in the PRC at all times, including but not limited to all prevailing labour laws and best practices currently in force in PRC, and they shall be liable for all losses and damages incurred by the JV Company due to any illegal transactions.
- (d) In the event that CLES and HML Group collectively sell their shares in LPL, the first RMB10 million shall be deducted from the total proceeds of sale to pay CLES for the initial investment and the balance of the proceeds shall be split in accordance to the shareholding proportion.
- (e) The JV Agreement shall be for a period of 10 years from the date of incorporation and shall be extended or until terminated in accordance with the terms of JV Agreement.

4. Financing

The Transactions will be funded through internal sources and proceeds from the Group's recent rights issue.

5. Financial Effects of the Transaction

The Transaction is not expected to have a material effect on the net tangible asset value and earnings of the Company and the Group for the financial year ending 31 March 2008.

6. Interest of Directors and Controlling Shareholders

None of the Directors and Substantial Shareholders of the Company has any interest, directly or indirectly, in the Transactions.

By order of the Board

Low Weng Fatt
Managing Director

29 January 2008