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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 *

PROPOSED NOTES ISSUE AND APPLICATION OF PROCEEDS FROM RECENT RIGHTS ISSUE

Description

Please see attached.

Attachments [Chasen_Annct_ConvNotes.pdf](#)Total size = **26K**
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PROPOSED NOTES ISSUE AND APPLICATION OF PROCEEDS FROM RECENT RIGHTS ISSUE

1. PROPOSED NOTES ISSUE

1.1 Introduction

The Board of Directors of Chasen Holdings Limited (the “Company”) wishes to announce that pursuant to the signing of a term sheet, the Company intends to enter into a conditional subscription agreement to undertake a proposed notes issue (the “Notes Issue”) to Pacific Capital Investment Management Limited (“PCIM”) of unsecured non-interest bearing notes due 2011 in the aggregate principal amount of up to S\$30,000,000 (the “Notes”). The Notes will be issued in tranches of S\$1 million.

1.2 Principal Terms to the Notes

The Notes Issue is conditional upon, *inter alia*, the in-principle approval being obtained from the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for the listing and quotation for the new shares to be issued upon conversion of the Notes (the “Conversion Shares”) on the CataList, and the specific shareholders’ approval for the Notes Issue being obtained at an extraordinary general meeting (“EGM”) of the Company to be convened. As part of the transaction, PCIM has required the Company to procure an undertaking by Messrs Low Weng Fatt and Yap Koon Bee @ Louis Yap being the Substantial Shareholders to vote in favour of the issue of the Notes by poll at the EGM.

The Company will make an application to the SGX-ST for the listing of the Conversion Shares. An appropriate announcement on the outcome of the application will be made and a circular to the Company’s Shareholders containing information on the Notes will be dispatched, in due course.

The Notes shall be convertible at the option of the holder of the Notes into ordinary shares in the capital of the Company, subject to the provisions of the conditional agreement to be entered into between the Company and PCIM, at a conversion price (the “Conversion Price”) to be determined in accordance with the terms and conditions of the Notes and subject to such adjustments as to the Conversion Price.

1.3 Use of Proceeds

The proceeds from the Notes Issue will be used by the Company for future investments, future business expansion and for working capital purposes. The Company is currently engaged in discussions to participate in the development of logistics infrastructure in Malaysia, Peoples’ Republic of China and Australia. These projects besides being more

capital intensive, also have longer gestation period. However such development, when completed would provide the Group with stable revenue and income stream in the longer term. The amount and tenure of the convertible notes would be most suitable to the funding needs of the Group as the development of these projects progresses.

1.4 Pacific Capital Investment Management Limited

PCIM is a boutique institutional fund based in the United Kingdom with investments in the global emerging markets. The subscribers of PCIM are pension funds and private equity funds. None of the shareholders of PCIM are related to or associated with any Directors, controlling shareholders or substantial shareholders of the Company.

1.5 Interests of Directors and Substantial Shareholders

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the proposed Notes Issue.

2. APPLICATION OF PROCEEDS FROM RECENT RIGHTS ISSUE

The Board of Directors of the Company further wishes to update on the application of proceeds from the recent rights issue as follows:-

S/No	Description	Amount
1.	Total amount raised	S\$15,951,000
2.	Acquisition of Goh Kwang Heng Pte Ltd and Goh Kwang Heng Scaffolding Pte Ltd	S\$1,200,000
3.	Establishment of Lelecai Pte Ltd operations	RMB10,000,000 (approximately S\$2,000,000)
4.	Acquisition of Hup Lian Engineering Pte Ltd	S\$1,000,000
	Balance	----- Approximately S\$11,751,000 -----

By order of the Board

Low Weng Fatt
Managing Director

22 April 2008