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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
Date & Time of Broadcast	11-Jul-2007 19:53:10
Announcement No.	00138

**>> Announcement Details**

The details of the announcement start here ...

Announcement Title *	PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE
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Description	Please refer to the attached.
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**Attachments** [CHL Annct Rights Issue.pdf](#)Total size = **48K**  
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## **Proposed Renounceable Non-underwritten Rights Issue**

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**1. INTRODUCTION**

The board of directors (the “**Board**”) of the Company wishes to announce that the Company is proposing to offer a renounceable non-underwritten rights issue (the “**Rights Issue**”) of rights shares (the “**Rights Shares**”) to shareholders of the Company (the “**Shareholders**”).

Omega Capital Limited has been appointed as the manager (the “**Manager**”) for the Rights Issue.

**2. PURPOSE OF THE RIGHTS ISSUE AND USE OF PROCEEDS**

The purpose of the Rights Issue is to finance expansion of its business through investments and acquisitions as and when opportunities arise and for working capital requirements.

Assuming that only the Rights Shares the subject of the Undertakings are subscribed in full, the estimated gross proceeds will be S\$1 million.

Assuming full subscription of the Rights Issue, the estimated gross proceeds will be S\$32.7 million.

Pending deployment of the net proceeds for working capital purposes, the net proceeds of the Rights Issue may be deposited with banks or financial institutions and/or used for investment in short-term money market and/or debt instruments, as the Directors may deem fit in the best interests of the Group.

As at the date of this announcement, the substantial shareholders and an Executive Officer of the Company hold in aggregate a shareholding interest of approximately 85% in the issued and paid up capital of the Company. They have undertaken that in the period of 6 months after the completion of the reverse takeover exercise, none of their shares will be transferred, realised or made subject to a change or any encumbrances and in the 6 months thereafter, not more than 50% of their remaining shares will be transferred, realised, or made subject to a change or any encumbrances. The balance 15% of the issued and paid up capital of the Company is held by the public. The Board intends to further increase the shareholdings held by public shareholders. This is to further enhance the liquidity in the trading of the Company's shares. This objective could be achieved by a placement of new shares to investors. However, a placement to new investors would dilute the shareholding interest of existing shareholders, especially those of public shareholders in the Company. Taking this into consideration, and with the support of the substantial shareholder set out in paragraph 3 below, the substantial shareholder will only undertake to subscribe for \$1.0 million of the Rights Issue, as a demonstration of support and commitment.

In addition to their Rights Entitlements, public shareholders can further subscribe, through application for excess Rights Shares, additional new shares in the Company at a discounted price to the market.

In view of this, the Company has decided to proceed with the Rights Issue on a non-underwritten basis.

### 3. UNDERTAKING BY SUBSTANTIAL SHAREHOLDER

As at the date of this announcement, to show his support for the Rights Issue and to demonstrate his commitment to and confidence in the prospects of the Company and its subsidiaries (the “**Group**”), the following substantial shareholder and Managing Director of the Company, Low Weng Fatt has provided an irrevocable undertaking (the “**Undertaking**”) to subscribe for and/or procure subscriptions for all 100,000,000 Rights Shares. He holds 4,508,069,000 shares representing 34.51% in the issued and paid-up capital of the Company as at the date of this announcement.

### 4. PARTICULARS OF THE RIGHTS ISSUE

#### 4.1. Basis of the Rights Issue

The Rights Shares will be offered at an issue price of S\$0.01 (the “**Issue Price**”) each to the Shareholders with registered addresses in Singapore on the basis of one (1) Rights Share for every four (4) existing ordinary Shares in the capital of the Company (the “**Shares**”) held on a books closure date to be determined (the “**Books Closure Date**”), fractional entitlements to be disregarded.

Based on the Company’s existing issued and paid-up share capital of 13,064,389,000 Shares as at the date of this announcement, up to 3,266,097,250 Rights Shares will be issued pursuant to the Rights Issue. The full subscription of the Rights Shares will represent up to 25.00% of the Company’s existing issued share capital as at the date of this announcement.

Fractional entitlements to any Rights Share will be disregarded and will be aggregated and allocated to satisfy excess applications (if any) or disposed of in such manner as the Directors may in their absolute discretion deem fit, in the interest of the Company.

Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for the Rights Shares in excess of their provisional allotments under the Rights Issue.

#### 4.2. Issue Price

The issue price of S\$0.01 for each Rights Share represents a discount of approximately 50.2% from the volume weighted price of S\$ 0.0201 per Share on the SGX-ST on 11 July 2007, being the immediate market day preceding the date of this announcement.

#### 4.3. Rights of Rights Shares

The Rights Shares will be payable in full upon acceptance and/or application and, when issued and fully paid-up, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date of which falls on or after the date of issue of the Rights Shares.

#### 4.4. Eligibility of Shareholders to Participate in the Rights Issue

The Rights Shares are to be provisionally allotted to Shareholders with registered addresses in Singapore as at the Books Closure Date or who have, at least five (5) market days prior to the Books Closure Date, provided the Company or The Central Depository (Pte) Limited (“**CDP**”) (as the case may be) addresses in Singapore for the purpose of service of notices and documents (“**Entitled Shareholders**”).

The final terms and conditions of the Rights Issue will be contained in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course.

## 5. FOREIGN SHAREHOLDERS

The Offer Information Statement and its accompanying documents have not been and will not be registered or filed in any jurisdiction other than Singapore and Bermuda. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than in Singapore, **the Offer Information Statement and its accompanying documents will NOT be despatched to Shareholders with registered addresses outside Singapore (“Foreign Shareholders”).**

Foreign Shareholders will not be entitled to participate in the Rights Issue. Accordingly, no provisional allotment of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application therefore by Foreign Shareholders will be valid.

The Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book entry (scripless) settlement system if their registered addresses with CDP are outside Singapore (**“Foreign Purchasers”**).

Depositors, being Entitled Shareholders with accounts with CDP, should note that all correspondences and notices will be sent to their last registered addresses with CDP.

Depositors who may wish to maintain a rights mailing address (**“Rights Mailing Address”**) with CDP for the purpose of receiving the Rights Issue documents should inform CDP in writing at 4 Shenton Way, #02-01, SGX Centre 2, Singapore 068807. Depositors are reminded that any request to register a Rights Mailing Address or to effect any change in address must reach CDP not later than five (5) Market Days before the Books Closure Date.

Shareholders (not being Depositors) who do not presently have an address in Singapore for the service of notices and documents and who wish to be eligible to **participate in the Rights Issue may provide such a Singapore address by notifying the Company’s Share Registrar, Lim Associates (Pte) Ltd, 3 Church Street, #08-01 Samsung Hub, Singapore 049483**, not later than five (5) Market Days before the Books Closure Date.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders to be sold “nil paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them at their own risk by ordinary post, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than \$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit for the sole benefit of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in connection therewith.

Where such provisional allotments of Rights Shares are sold “nil-paid” on the SGX-ST, they will be sold at such price or prices as the Company may, in its absolute

discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP in respect of such sales, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments.

If such provisional allotments of Rights Shares cannot be sold or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Financial Adviser or CDP in connection therewith.

The Company further reserves the right to reject any acceptances of the Rights Shares and/or applications for excess Rights Shares where it believes or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction.

## **6. LISTING AND TRADING**

An application will be made by the Company to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the listing and quotation of the Rights Shares on the SGX-ST.

## **7. APPROVALS**

The Rights Issue is subject to, *inter alia*,:-

- i. the approval in-principle of the SGX-ST for the listing of and quotation for the Rights Shares on the SGX-ST;
- ii. the lodgement of the Offer Information Statement in respect of the Rights Issue with the Monetary Authority of Singapore..

As the Company has obtained a general share issue mandate at the extraordinary general meeting held on 16 May 2007 to issue and allot Shares and convertible securities of the Company on such terms and conditions and with such rights or restrictions as the Directors may deem fit provided always that the aggregate number of Shares and convertible securities to be issued pursuant to the general share issue mandate shall not exceed fifty per cent (50%) of the issued share capital of the Company, of which the aggregate number of Shares and convertible securities to be issued other than on a pro rata basis to existing Shareholders shall not exceed twenty per cent (20%) of the issued share capital of the Company, **no further shareholders' approval is required for the Rights Issue and the issue of New Shares arising from the issue of the Rights Shares.**

By Order of the Board

Low Weng Fatt  
Managing Director  
11 July 2007