

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

UPDATE OF CORPORATE ACTIONS AND USE OF PROCEEDS FROM RIGHTS ISSUE

This announcement has been reviewed by the Company's sponsor, KW Capital Pte. Ltd., for compliance with the relevant rules of 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 is: -

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Omega Capital Limited was the financial adviser to the Company in relation to the acquisition of Chasen Logistics Services Limited completed in February 2007.

1. INCORPORATION OF CHASEN LEASING PTE. LTD.

The Board of Directors of the Company wishes to announce that the Company has incorporated a wholly-owned subsidiary, Chasen Leasing Pte. Ltd. ("CLPL") in Singapore with an issued and paid-up capital of S\$1. The principal activities of CLPL are leasing of equipments.

The aforesaid incorporation is not expected to have any material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ending 31 March 2009.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the aforesaid transaction.

2. INCORPORATION OF JOINT VENTURE COMPANY, CHASEN GLOBUS LOGISTICS PTE. LTD.

The Board of Directors of the Company wishes to announce that Chasen Logistics Services Limited ("CLSL"), a wholly-owned subsidiary of the Company, has incorporated a 50:50 joint venture company, Chasen Globus Logistics Pte. Ltd. ("CGJV") in Singapore with an issued and paid-up capital of S\$2.00.

The principal business of CGJV is that of an investment holding company for the conduct of business through wholly-owned subsidiaries to be established in the

countries where it intends to operate.

The aforesaid incorporation is not expected to have any material impact on the consolidated net tangible assets per share and consolidated earnings per share of the Group for the current financial year ending 31 March 2009.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the aforesaid transaction.

3. INCORPORATION OF CHASEN SINOLOGY (BEIJING) LOGISTICS CO., LTD*

The Board of Directors of the Company wishes to announce that Chasen Logistics & Engineering Services Pte. Ltd. (“CLES”), a wholly-owned subsidiary of the Company, has incorporated a subsidiary, Chasen Sinology (Beijing) Logistics Co., Ltd* (佳晟宣和(北京)物流有限公司) (“Chasen Sinology”) in the People’s Republic of China, with a registered capital of US\$1.8 million out of which US\$900,000 had been contributed with the balance of US\$900,000 to be paid over 2 years. The transaction is a result of a joint venture with Beijing Xuan Gu Ge Artefact Restoration Technology Co., Ltd* (北京宣古阁文物修复技术有限公司) (“Beijing XGG”). Beijing XGG is a company incorporated in the People’s Republic of China and is engaged in the packaging and restoration of Chinese cultural artefacts.

The principal activity of Chasen Sinology is to, amongst other things, engage in the provision of artefact packaging and transportation. CLES and Beijing XGG hold 99% and 1% equity interest in Chasen Sinology, respectively.

The aforesaid transaction was funded entirely through internal resources which include proceeds from the Rights Issue Exercise which took place in September 2007.

The aforesaid transaction is not expected to have a material impact on the earnings or net asset value of the Group for the current financial year ending 31 March 2009.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the aforesaid transaction.

A copy of the joint venture agreement is available for inspection during normal business hours at the Company’s registered office for 3 months from the date of this announcement.

* This is not the actual legal name of the company but a translation of the same.

4. ACQUISITION OF REMAINING 30% EQUITY INTEREST IN CHASEN LOGISTICS (SHANGHAI) CO., LTD

The Board of Directors of the Company wishes to announce that Chasen Logistics & Engineering Services Pte. Ltd. (“CLES”), the Company’s wholly-owned subsidiary, had acquired the remaining 30% equity interest in held by

Zhang Qi Hua (张启华), a citizen of People's Republic of China, in Chasen Logistics (Shanghai) Co., Ltd. (佳晟物流(上海)有限公司) ("Chasen Logistics Shanghai") at a cash consideration of US\$50,000 (the "**Acquisition**").

The consideration for the Acquisition was determined on a willing buyer and willing seller basis and arrived at after arm's length negotiations between CLES and Zhang Qi Hua (张启华) and after taking into consideration the amount of registered capital contributed by Zhang Qi Hua. The book value of the 30% equity interest in Chasen Logistics Shanghai as at 30 June 2008 is US\$4,686. The Acquisition was funded entirely through internal sources which include proceeds from the Rights Issue Exercise.

Subsequent to the above transaction, Chasen Logistics Shanghai became a wholly-owned subsidiary of CLES.

The Acquisition is not expected to have any material impact on the earnings or net tangible asset value of the Company and the Group for the current financial year ending 31 March 2009.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Acquisition.

5. **UPDATE ON USE OF PROCEEDS FROM RIGHTS ISSUE**

The Board of Directors of the Company wishes to provide an update on the use of proceeds from the Rights Issue as follows: -

<u>Description</u>	<u>Amount (S\$ '000)</u>
Balance as at 30 June 2008	5,574
Amount utilized for: -	
1. Additional downpayment for the purchase of an industrial property in Tuas	661
2. 2 nd -4 th tranche payments for the investment in Far Pacific Capital Ltd in Australia (A\$ 1,200,000)	1,329
3. Acquisition of 60% of the enlarged capital of City Zone Express Sdn Bhd (RM 871,000)	372
4. Acquisition of remaining 30% equity interest in Chasen Logistics (Shanghai) Co., Ltd (US\$ 50,000)	68
5. Establishment of Chasen Sinology (Beijing) Logistics Co., Ltd (US\$ 900,000)	1,336
6. Purchase of plant and equipment	733

7. Acquisition of HLN Promax Pte Ltd	429
Balance as at 15 January 2009	646

The Company will make further announcements via SGXNET upon material disbursement of the remaining proceeds of the Rights Issue.

FOR AND ON BEHALF OF THE BOARD

Low Weng Fatt
Managing Director
25 February 2009