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Miscellaneous

* 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 * Response to Queries from SGX-ST on Sale and Purchase Agreement to acquire CEL Logistics Sdn Bhd

Description Please see attached.

Attachments
 [Annct Response to SGX Queries 160708.pdf](#)
 Total size = **28K**
 (2048K size limit recommended)

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

**RESPONSE TO QUERIES FROM SGX-ST ON SALE AND PURCHASE AGREEMENT
TO ACQUIRE CEL LOGISTICS SDN BHD**

Further to the announcement of Chasen Holdings Limited (the "Company") on 14 July 2008 in respect of the Company's acquisition of CEL Logistics Sdn Bhd, in response to the email query from the Singapore Exchange Securities Trading Limited dated 15 July 2008, the Board of Directors of the Company wishes to provide the following information.

Query

1. Please disclose the figures used in deriving the relative thresholds under Rule 1006, including the net profits attributable to the assets being acquired.
 - (a) For the purposes of Rule 1006(c), we note that the Company used the closing pricing as at 18 June 2008 as the basis for market capitalisation in Rule 1006(c). Please refer to Rule 1002(5) to determine the right value to use for market capitalisation.
 - (b) In addition to the above, please refer to Rule 1003(3) to derive the value of the consideration (when it is in the form of shares). This should be by reference to the higher of the market value of the shares or net asset value represented by the shares.

Company's Response to Queries

The net profits attributable to the assets being acquired for FY2007 is RM1,326,000 (S\$576,522) is used to compute item (ii) below.

The maximum consideration is RM11,200,000 (approximately S\$4,869,565 based on exchange rate of RM2.30:S\$1) and the market capitalization of S\$73,497,079 based on weighted average price of the shares on 11 June 2008, the market day preceding the date of the signing of the Agreement are used to compute item (iii) below.

		Relative Computation (%)
(i)	Net assets value of assets to be disposed of compared to the Group's net asset value	Not applicable
(ii)	Net profits attributable to the assets to be acquired or disposed of, compared with the Group's net profits	18.8%
(iii)	Aggregate value of consideration given or received, compared with the Company's market capitalization based on weighted average price of the shares on 11 June 2008, the market day preceding the date of the signing of the Agreement	6.63%

(iv)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	2.2%
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Please refer to the Announcement dated 16 July 2008, rectifying this inadvertent error in item (iii) above.

Query

2. Advise if there are any service contracts to be signed with the management of CEL, including any proposed appointment of directors, in relation to the transaction. If so, to provide details.

Company's Response to Queries

There will be no appointment of any of the vendors to the Board of the Company. The service contracts between CEL and Lee Chong Keong, Soo Siok Moi and Mok Chee Kiang will be one of the items for the completion of the Agreement.

Query

3. We note that in Para 3, the Company disclosed that the consideration is capped at a maximum of RM11,200,000. Please clarify how this is possible, when the maximum of RM11,200,000 is applicable only for the second tranche of consideration to be paid. Please disclose the adjustments to the total number of new shares and other affected figures, if necessary.

Company's Response to Queries

As stated in first paragraph of item 3 of the Announcement, the Consideration shall be subject to a maximum of RM11,200,000 depending on the Profit After Tax for FY2007 and 2008.

Query

4. We note that the Company has proposed a share consolidation of 100 to 1. Please clarify if the Consideration shares are on a post-consolidated basis or a pre-consolidated basis and if the necessary adjustments would then be effected after the share consolidation is approved.

Company's Response to Queries

The Consideration shares are on a pre-consolidated basis and these shares will be adjusted after the Share Consolidation is approved by shareholders at the Extraordinary General Meeting to be held on 31 July 2008.

Query

5. Please also provide the discount of the issue price to the volume weighted average share price on the day preceding the signing of the S&P agreement.

Company's Response to Queries

There is no discount to the issue price because the issue price is S\$0.015, as compared to the weighted average share price of S\$0.005 on the day preceding the signing of the Agreement.

Query

6. Please disclose what are the implications and compensation provisions if CEL does not meet the profit warranties including when CEL posts a negative profit, if any.

Company's Response to Queries

As stated in Paragraphs 3(a) and 3(b) of the Announcement, the Consideration is based on price earning ratio on the actual Profit After Tax for FY2007 and 2008 respectively.

Query

7. We note that the consideration is dependent on CEL's FY07 Profit after Tax and it is suggested in Para 2 that CEL's financial year end is 31 December 2007. Please disclose if the first tranche of Consideration is already determined and disclose the crystallised figure.

Company's Response to Queries

As the Agreement has not been completed yet, the first tranche of Consideration has not yet been determined.

By order of the Board

Low Weng Fatt
Managing Director

16 July 2008