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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	16-Jul-2008 17:36:50
Announcement No.	00048

>> Announcement Details

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Announcement Title *

SALE AND PURCHASE AGREEMENT

Description

Please see attached.

Attachments [Annct_CEL_amended_160708.pdf](#)Total size = **37K**
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CHASEN HOLDINGS LIMITED
(Company Registration No. 199906814G)
Incorporated in the Republic of Singapore

SALE AND PURCHASE AGREEMENT

1. Background

The Board of Directors of Chasen Holdings Limited (the "Company") wishes to announce that the Company has on 12 June 2008 entered into a sale and purchase and agreement ("Agreement") with Mr Ng Boon Liam ("NBL"), Lee Chong Keong ("LCK"), Soo Siok Moi ("SSM") and Mok Chee Kiang ("MCK") pursuant to which the Company shall acquire the entire issued and paid up capital of CEL Logistics Sdn Bhd ("CEL") (hereinafter referred to as the "Transaction").

2. Information on CEL

NBL, LCK, SSM and MCK are the registered holders and beneficial owners of CEL. CEL is a private Company limited by shares and was incorporated on 16th August 1995 with an issued and paid up capital of RM2,600,000 comprising 2,600,000 shares of RM1 each. LCK, SSM and MCK form the core management team at CEL with LCK as Managing Director.

Established in 1996, CEL is a Malaysian company specializes in providing third party logistics ("3PL") services such as warehousing, transportations, projects management and custom brokerages. CEL is headquartered in Johor Bahru and its major customers are from the Electronics Manufacturing Services industry. In addition to servicing manufacturers directly, CEL also work very closely with international freight forwarding companies.

CEL currently owns a sizeable truck fleet comprising of 31 units of 40 ft, 8 units 30 ft, 2 units 24 ft, 4 units 3 ton and 2 units of 1 ton truck. These assets are engaged in daily import and export runs between Singapore and Peninsular Malaysia with the majority of these trucks being deployed to support cross border as well as inter state long haul transportation within Malaysia. CEL is also engaged in haulage transportation of 1,000 teus containerized cargo through Pasir Gudang and Tanjung Pelepas ports.

CEL also owns an air conditioned, temperature controlled 20,000 sq feet warehouse and an approximately 70,000 sq feet non air conditioned warehouse. CEL provides value adding services such as sorting, kitting, picking, packing, re-palletizing and delivery in a one stop warehousing solution to its customers. CEL also manages the inventory of its customers stored in its warehouse.

CEL currently has a staff strength of 180.

The net tangible asset value of CEL based on the unaudited accounts for the financial year ended 31 December 2007 was RM5,057,000 (approximately S\$2,198,696 based on the exchange rate of RM2.30 to S\$1.00).

3. Consideration

The consideration ("Consideration") for the Transaction was determined on a willing buyer and willing seller basis and arrived at after arm's length negotiations between the Company and the Vendors. The Consideration, which shall be subject to a maximum of RM11,200,000 depending on the Profit After Tax for FY2007 and 2008, shall be satisfied by the issuance and allotment of new ordinary shares ("Consideration Shares") in the Company at an issue price of S\$0.015. The Consideration is to be computed and payable as follows:-

- (a) the first tranche be computed at 4 times Profit After Tax for the financial year 2007 subject to a maximum of RM5,600,000, payable on or before Completion Date; and;
- (b) the second and final tranche be computed at 8 times the average Profit After Tax for the financial years 2007 and 2008 less the amount paid in 3(a) above, subject to a maximum RM11,200,000, payable within seven (7) days after the audited accounts of CEL for financial year 2008 have been delivered to the Company..

The Consideration shall be fully satisfied by the issuance and allotment of New Shares to the Vendors at an issue price [in Singapore dollars equal to RM0.0345] for each New Share. For the purpose of determining the issue price of the New Shares in Singapore dollars, the RM and S\$ exchange rate shall be:

- (i) RM2.30 for S\$1.00; or
- (ii) if the average of the selling OD rate and the buying OD rate quoted by Malayan Banking Berhad over a period of thirty (30) days prior to the date of each payment shall vary by 5% from the exchange rate set out in paragraph (i) above, then the RM and S\$ exchange rate shall be such average rate.

Assuming the applicable exchange rate is RM2.30 for S\$1.00, the issue price for each New Share is S\$0.015 and based on this issue price, the maximum aggregate number of New Shares issuable to the Vendors is 324,637,681 New Shares.

4. Rationale for the Transactions

The Transaction is in line with the Company's policy to invest in profitable businesses with good growth potential in recurring income and to diversity its revenue stream.

CEL's business complements the Group's niche relocation business currently based in Penang as the Group will have access to CEL's transportation equipment and their 3PL facilities and expertise. With CEL's trucks, Chasen can benefit from CEL's partnership with freight forwarders to ferry containers from the port to customers' premises. Currently, the Group outsources all trucking services in its Malaysian

operation. With CEL the Group would be able to develop a fully integrated logistics business to extend the Group's services in Malaysia.

In addition it is the Group's intention that CEL, with its relatively young entrepreneurial management team and substantial logistics assets will form the core of a peninsula wide 3PL network that Chasen intends to establish as part of its growth plans for the Malaysian geographical sector. The Group is currently in negotiations with other 3PL service providers based in northern and central peninsula Malaysia to form this network.

5. Conditional Precedent

The sale and purchase of the Sale Shares shall be conditional upon the fulfillment of the following within two months from the date of the Agreement or such extended period as the Parties may mutually agree:-

- 5.1 The passing of the board resolution of the Company to authorise the acquisition of the Sale Shares and to allot the Consideration Shares;
- 5.2 The in principle approval to admit the Consideration Shares to the Official List of the Stock Exchange of Singapore;
- 5.3 The financial institutions granting credit facilities to the CEL consenting to the acquisition of the Sale Shares by the Company (where applicable) on terms acceptable to the Company;
- 5.4 The Company being satisfied with the results of the acquisition due diligence (financial and legal); and
- 5.5 Such other consents or approvals as may be required of any Public Authority or third party as the Parties may deem necessary.

6. Financial Effects of the Transaction

The Transaction will be satisfied by the issuance and allotment of Consideration Shares at an issue price of S\$0.015. As an illustration, of the financial effect of the Transaction (a) assuming the Transaction had been effected at the end of FY2008, the net assets value per share of the Company would increase from 0.2037 cents before acquisition to 0.2139 cents after acquisition for the financial year ended 31 March 2008 (being the latest announced consolidated accounts) ("**FY2008**") and similarly, (b) assuming the Transaction had been effected at the beginning of 2008, the earnings per share would increase from 0.0209 cents before acquisition to 0.0243 cents after acquisition.

7. Discloseable Transactions

The relative figures computed on the bases set out in Rules 1006(a) to Rule 1006(d) of the SGX-ST Listing Manual are as follows:-

	Relative Computation (%)
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(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%

As the relevant relative computations did not exceed 20%, the Transaction constitutes only a discloseable transaction under Part VI of Chapter 10 of the SGX-ST Listing Manual and the approval of the Company's shareholders is not required.

8. 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

16 July 2008

Note: This Announcement supersedes Announcement No. 00127 dated 14 July 2008 to rectify the inadvertent error in Para 7(iii).