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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 *

Subscription Agreement

Description

Please see attached.

Attachments [CHL Annct CZE.pdf](#)Total size = **24K**
(2048K size limit recommended)[Close Window](#)

SUBSCRIPTION AGREEMENT

1. Background

The Board of Directors of Chasen Holdings Limited (“the Company”) wishes to announce that the Company has, on 1 October 2008, acquired City Zone Express Sdn Bhd (“CZE”) by way of cash subscription for 750,000 new ordinary shares of RM1.00 each in the capital of CZE representing 60% of the enlarged issued and paid-up share capital of CZE (“Transaction”). As a result, CZE is a 60% subsidiary of the Company.

2. Information on CZE

CZE is a private company incorporated in Malaysia with an authorised and paid up capital of RM500,000.00 comprising 500,000 ordinary shares of RM1.00 each.

Established in 1996, CZE is a Malaysian company specializing in providing third party logistics (“3PL”) services such as warehousing, transportation and custom brokerages. Cityzone is headquartered in Penang and its major customers are from the Electronics Manufacturing Services industry.

CZE currently owns a sizeable truck fleet comprising a total of 30 units ranging from 45 footer, 40 footer, 24 footer, 5 tonner, 3 tonner and 1 tonner. These assets are engaged in daily import runs between Singapore, Thailand and Peninsular Malaysia with the majority of these trucks being deployed in inter state long and short haul transportation within Malaysia. Equipped with Global Positioning System (GPS) the trucks are of various types such as open trucks, box trucks, curtain siders as well as trucks with air-ride suspension. All the trucks are fitted with bonded facilities to fulfill Customs requirements of Free Industrial Zone (FIZ), Free Trade Zone (FTZ) and Inter State formalities in Malaysia.

CZE also operates a 16,900 sq feet warehouse with ample parking lots for cars and trucks. CZE currently has a staff strength of 30.

The net tangible asset value of CZE based on the audited accounts for the financial year ended 31 December 2007 was RM581,121 (approximately S\$252,661 based on the exchange rate of RM2.30 to S\$1.00).

3. Consideration

The aggregate consideration for the 750,000 new ordinary shares in CZE is RM871,681 (approximately S\$378,992 based on the exchange rate of RM2.30 to

S\$1.00) and was arrived at on a willing buyer willing seller basis after taking into account the net assets value of CZE.

4. Rationale for the Transaction

The Transaction is in the ordinary course of business and in line with the Company's policy to expand its core business in Malaysia.

CZE is a Penang based 3PL company with its own fleet of trucks and warehouse facility. Its business operations complement the Group's niche relocation business which is also currently based in Penang as the Group will have access to CZE's 3PL facilities and expertise. Currently, the Group outsources all trucking services in its Malaysian operation including to CZE.

The Group intends to develop a fully integrated logistics business as part of its growth plans for the Malaysian geographical sector. CZE will form the northern core of a peninsula wide 3PL network to extend the Group's services in Malaysia. The Group recently announced its signing of a Sales and Purchase Agreement to acquire a Johore based 3PL service provider. Should both these acquisitions successfully complete, the Group's Malaysian operations would be considerably strengthened.

5. Financial Effects of the Transaction

The Transaction is not expected to have any material effect on the net tangible assets per share or earnings per share of the Company for the current financial year.

6. Interest of Directors and Controlling Shareholders

None of the Directors and Substantial Shareholders of the Company has any interest, directly or indirectly, in the Transaction.

By order of the Board

Low Weng Fatt
Managing Director

1 October 2008