

General Announcement::Proposed Grant of 150,000 Call Options To Macquarie Bank Limited

Issuer & Securities

Issuer/ Manager	CHASEN HOLDINGS LIMITED
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Announcement Details

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Submitted By (Co./ Ind. Name)	Low Weng Fatt
Designation	Managing Director and CEO
Description (Please provide a detailed description of the event in the box below)	Please refer to the attachment.

Attachments	📄Chasen Announcement Proposed Grant Of 150000 Call Options To Macquarie Bank Limited.pdf Total size =30K
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CHASEN HOLDINGS LIMITED
(Company Registration No 199906814G)
(Incorporated in the Republic of Singapore)

PROPOSED GRANT OF 150,000 CALL OPTIONS TO MACQUARIE BANK LIMITED

1 INTRODUCTION

The board of directors (“**Directors**”) of Chasen Holdings Limited (“**Company**”) wishes to announce that the Company has on 3 September 2014 entered into a call options agreement (“**Call Options Agreement**”) with Macquarie Bank Limited (“**Investor**”) pursuant to which the Company has agreed to grant to the Investor, and the Investor has agreed to subscribe for, 150,000 call options (“**Call Options**”) which give the Investor the right upon the exercise of each Call Option to subscribe for 1,000 ordinary shares (“**Exercised Option Shares**”) in the capital of the Company (“**Shares**”). Each Call Option shall expire on the third anniversary of this announcement (“**Options Expiry Date**”).

Save as otherwise provided, capitalised terms used herein shall have the meaning ascribed to them in the Call Options Agreement.

2 SALIENT TERMS OF THE CALL OPTIONS AGREEMENT

2.1 Call Options

2.1.1 Exercised Option Shares

The Exercised Option Shares, when allotted and issued:

- (a) shall rank equally with, and carry the same rights and privileges as, in all respects, all other issued Shares;
- (b) shall not be subject to any security interest granted by the Company or other adverse right held by any third party;
- (c) shall be fully paid and shall entitle the Investor to all dividends declared and all interim dividends paid subsequent to the date of the issue; and
- (d) shall be immediately tradeable by the Investor and will not be subject to any form of moratorium, lock-up and any other transfer restrictions.

2.1.2 Maximum Investment Amount

The maximum investment by the Investor under the Call Options Agreement shall not be more than S\$20,000,000 (“**Maximum Investment Amount**”). Of the Maximum Investment Amount, the Investor has committed to invest S\$5,000,000, subject to the fulfilment of the conditions precedent and the terms set out in paragraphs 2.1.3 and 2.1.4 below. Upon the Maximum Investment Amount being fully invested by the Investor, the parties may agree to a further investment of S\$10,000,000 (or such other sum as may be agreed between the parties).

2.1.3 First Committed Exercise Period

The Investor will exercise such number of Call Options to provide the Company with at least S\$1,000,000 within a period of twenty-two (22) Trading Days (“**First Committed Exercise Period**”). The First Committed Exercise Period shall commence within five (5) Trading Days of the date on which the Company delivers to the Investor evidence of satisfaction of the conditions precedent (as set out in paragraph 2.4 below) (“**Call Options Closing Date**”).

For the purpose of this announcement, “**Trading Day**” means a day on which the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) is open for securities trading and the Shares are capable of being traded on the SGX-ST without limitation or restriction.

2.1.4 Second Committed Exercise Period

The Investor will exercise such number of Call Options to provide the Company with at least S\$4,000,000 within the one hundred and ten (110) Trading Days following the completion of the First Committed Exercise Period (“**Second Committed Exercise Period**”).

2.1.5 Suspension of the First and Second Committed Exercise Periods

Each of the First Committed Exercise Period and the Second Committed Exercise Period shall be suspended immediately upon the existence of certain circumstances including, *inter alia*, if the Stock Borrow (as defined in paragraph 2.3 below) ceases to be available, or if the Company fails to satisfy its obligations to complete an exercise of Call Options by 6 p.m. on the second Trading Day after the exercise completion date. The First Committed Exercise Period and the Second Committed Exercise Period shall recommence when such circumstances no longer subsist.

2.2 **Exercise Price**

2.2.1 Exercise Price

The exercise price of each Call Option (“**Exercise Price**”) shall be an amount equal to 90 per cent of the average of any three (3) consecutive daily volume weighted average price of the Shares as traded on the SGX-ST during the thirty (30) Trading Days immediately preceding the date of exercise notice from the Investor to the Company, rounded down to the nearest S\$0.005.

2.2.2 Adjustment to Call Options

If the Company varies its share capital (whether by way of a capitalisation of profits or reserves, a consolidation, reduction, sub-division or conversion of Shares or a rights issue, share placements or any other form of capital distribution), then the terms of any Call Options and Exercised Option Shares from Call Options that have been exercised but not yet completed, shall be adjusted accordingly in such manner as the Investor may in its capacity as calculation agent determine to be appropriate, provided always that the basis of any adjustment shall only be to ensure that the economic value of those Call Options and/or Exercised Option Shares shall be the same after such variation of share capital as it was immediately prior to such variation of share capital.

2.3 Stock Borrow

In connection with the transactions contemplated under the Call Options Agreement, Low Weng Fatt (“**Lender**”), being a Director and substantial shareholder of the Company, has on 3 September 2014 entered into a securities lending agreement (“**Securities Lending Agreement**”) with the Investor pursuant to which the Lender has agreed to lend the Investor Shares on the terms and subject to the conditions of the Securities Lending Agreement (“**Stock Borrow**”).

2.4 **Conditions Precedent**

2.4.1 The grant of the Call Options is conditional upon, *inter alia*, the following:

- (a) the Company obtaining all authorisations and approvals (and such authorisations and approvals remaining in full force and effect), and doing all other acts, matters or things necessary, for the execution, delivery, and performance by it of the Transaction Documents (as defined in the Call Options Agreement) and the transactions contemplated by them including:
 - (i) any necessary announcements to the SGX-ST or any other person;
 - (ii) either waivers from the SGX-ST or Shareholder approvals pursuant to the Listing Manual for the issue of the Shares in accordance with the Transaction Documents; and
 - (iii) the SGX-ST’s approval for the admission of the Exercised Option Shares; and
- (b) the Company obtaining approval in-principle for the listing and quotation of the Exercised Option Shares on the SGX-ST, and such approval in-principle not being revoked or amended, and, where such approval is subject to conditions, such conditions being acceptable to the Investor and the Company, and, to the extent that any conditions for the listing and quotation on the SGX-ST are required to be fulfilled, they are fulfilled.

2.4.2 The obligation of the Investor to effect completion of the issue of the Call Options and completion of each Exercise is conditional upon, *inter alia*, the following:

- (a) the Investor having conducted, and having notified to the Company that it is satisfied with the results of, financial, legal, taxation and commercial investigations into the Group’s business, assets and liabilities based on information and data which are within the public domain and which are not materially price sensitive;
- (b) the Investor having obtained all necessary internal approvals to proceed with the transactions contemplated in the Call Options Agreement;
- (c) each representation and warranty made by the Company in the Transaction Documents being true in all material aspects as though it had been made at that date in respect of the facts and circumstances then subsisting;
- (d) no Event of Default (as defined in the Call Options Agreement) subsisting or resulting from the relevant Exercise;
- (e) such resolution(s) as may be necessary to approve, implement and effect the transactions contemplated by the Transaction Documents (including but not

limited to a resolution to authorise the directors of the Company to allot and issue the Exercised Option Shares) having been passed at a duly convened general meeting of the Company;

- (f) no litigation or arbitration proceeding having commenced that may have the effect of prohibiting or adversely affecting any of the transactions contemplated by the Transaction Documents (as defined in the Call Options Agreement);
- (g) no other event or series of events having occurred which may have a material adverse effect on the validity or enforceability of any Transaction Document, and/or the ability of the Company to perform its obligations under a Transaction Document; and
- (h) the availability of the Stock Borrow.

2.5 Circular / General Meeting

Further details of the terms of the Call Options Agreement will be described in the circular (the "**Circular**") to be issued by the Company and to be dispatched to the shareholders of the Company ("**Shareholders**") in due course for the purpose of obtaining the approval of Shareholders for the grant of the Call Options during a general meeting ("**General Meeting**") of the Company to be convened.

2.6 Fees

2.6.1 Structuring Fee

In respect of each Exercise, the Company shall pay to an entity designated by the Investor an amount equal to two (2) per cent of the quantum of the Exercise payment amount in relation to such Exercise ("**Structuring Fee**") on the completion date of such Exercise.

2.6.2 Break Fee

The Company shall pay the Investor a break fee of US\$50,000 in the event that the Company:

- (a) unilaterally elects to terminate the Call Options Agreement; or
- (b) does not perform its obligations under the Call Options Agreement or otherwise breaches any of the terms of the Call Options Agreement.

The Investor shall pay the Company a break fee of US\$50,000 in the event that the Investor unilaterally elects to terminate the Call Options Agreement after:

- (a) the Investor has completed its process of due diligence and obtained all necessary internal approvals; and
- (b) the Company has secured shareholders' approval,

for the transactions contemplated under the Call Options Agreement.

3 INFORMATION ON THE INVESTOR

The Investor, Macquarie Bank Limited ABN 46 008 583 542, is a company incorporated under the laws of Australia having its registered office at Level 2, 1 Martin Place, Sydney NSW 2000, Australia. Macquarie Bank Limited is a subsidiary of Macquarie Group Limited ACN 122 169 279 and is regulated by the Australian Prudential Regulation Authority (APRA) as an Authorised Deposit-taking Institution (ADI).

The Investor was identified and introduced to the Company by China Century Overseas Ltd (“**CCO**”), a company based in Kuala Lumpur, Malaysia, and which is an independent third party not related to the Company or any of its Directors. An introducer fee of S\$150,000 is payable by the Company to CCO.

4 RATIONALE FOR THE GRANT OF CALL OPTIONS AND INTENDED USE OF PROCEEDS

The objective of the grant of the Call Options is to raise funds for the Company’s general working capital purposes.

Assuming the Investor exercises such number of Call Options during the First Committed Exercise Period and Second Committed Exercise Period in accordance with its commitment under the Call Options Agreement, the estimated gross proceeds from the grant of the Call Options, is approximately S\$5,000,000.

Assuming the Investor fully invests the Maximum Investment Amount, the estimated gross proceeds from the grant of the Call Options, is approximately S\$20,000,000.

5 GENERAL

The Company will be making an application to the SGX-ST for the listing and quotation of the Exercised Option Shares on the SGX-ST and will make the necessary announcements once the approval in-principle for the listing and quotation of the Exercised Option Shares has been obtained from the SGX-ST.

6 INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed herein, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Call Options.

7 DOCUMENTS FOR INSPECTION

A copy of the Call Options Agreement is available for inspection during normal business hours at the Company’s registered address at 18 Jalan Besut, Singapore 619571 for a period of three months from the date of this announcement.

By Order of the Board

Low Weng Fatt
Managing Director and CEO

3 September 2014