

**VOLUNTARY UNCONDITIONAL CASH OFFER FOR CH OFFSHORE LTD.**

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**1. INTRODUCTION**

The board of directors (the “**Directors**”) of Falcon Energy Group Limited (the “**Company**” or “**FEG**”) refers to:

- (a) the Company’s announcement dated 11 December 2014 (the “**11 Dec 2014 Announcement**”) in relation to the voluntary conditional cash offer (the “**Offer**”) by CIMB Bank Berhad, Singapore Branch (“**CIMB**”), for and on behalf of Energian Pte. Ltd. (the “**Offeror**”), which is a wholly-owned subsidiary of the Company, to acquire all the issued and paid-up ordinary shares (the “**CHO Shares**”) in the capital of CH Offshore Ltd. (“**CHO**”) other than those already owned, controlled or agreed to be acquired by the Offeror (the “**Offer Shares**”) at a price of S\$0.495 in cash for each Offer Share (the “**Original Offer Price**”);
- (b) the offer document dated 29 December 2014 in relation to the Offer (the “**Offer Document**”);
- (c) the Company’s announcement dated 9 February 2015 (the “**9 Feb 2015 Announcement**”) in relation to, *inter alia*, the revision of the Original Offer Price from S\$0.495 to S\$0.550 for each Offer Share (the “**Final Offer Price**”); and
- (d) the announcement released by the Offeror dated 11 February 2015 in respect of the Offer being declared unconditional in all respects,

(collectively, the “**Previous Announcements**”).

All capitalised terms not defined herein shall have the same meaning as used in the Previous Announcements. The Company’s shareholders (“**Shareholders**”) should refer to the 11 Dec 2014 Announcement, the Offer Document and the 9 Feb 2015 Announcement for further details on the Offer, including the terms of the Offer and the rationale for the Offer. Shareholders should also read the contents of this Announcement in conjunction with, and in the context of, the Previous Announcements.

**2. CLOSE OF THE OFFER**

The Directors wish to announce that CIMB has today announced (the “**Close of Offer Announcement**”), for and on behalf of the Offeror, that the Offer has closed at 5.30 p.m. (Singapore time) on 27 February 2015.

A copy of the Close of Offer Announcement is attached as an Appendix to this Announcement.

### 3. FINAL LEVEL OF ACCEPTANCES AND AGGREGATE HOLDINGS

The Directors wish to inform Shareholders that:

#### 3.1 Acceptances of the Offer

Based on information provided to the Offeror, as at 5.30 p.m. (Singapore time) on 27 February 2015, the Offeror has received, pursuant to the Offer, valid acceptances in respect of 406,288,481 Offer Shares (the “**Acceptance Shares**”), representing approximately 57.62% of the total number of issued CHO Shares<sup>1</sup>.

Based on information available to the Offeror, the above-mentioned acceptances include acceptances received from the Concert Parties of the Offeror in respect of an aggregate of 170,000 Offer Shares, representing approximately 0.02% of the total number of issued CHO Shares.

#### 3.2 CHO Shares held before the Offer Period

As at 11 December 2014, being the Offer Announcement Date, the Offeror and its Concert Parties collectively owned or controlled an aggregate of 205,170,000 CHO Shares, representing approximately 29.10% of the total number of issued CHO Shares, of which 170,000 CHO Shares were held by the Offeror’s Concert Parties.

#### 3.3 Offer Shares acquired or agreed to be acquired during the Offer Period

From the Offer Announcement Date and up to 5.30 p.m. (Singapore time) on 27 February 2015, save for:

- (a) the acceptances tendered pursuant to the Offer stated in paragraph 3.1 above; and
- (b) the acquisition by the Offeror by way of open market purchases on the SGX-ST (“**Market Purchases**”) of an aggregate of 117,800 CHO Shares (the “**Acquisition Shares**”), representing approximately 0.02% of the total number of issued CHO Shares,

neither the Offeror nor any of its Concert Parties (based on information available to the Offeror as at 5.30 p.m. (Singapore time) on 27 February 2015) has acquired or agreed to acquire any further Offer Shares.

#### 3.4 Aggregate holdings

Accordingly, based on information provided to the Offeror, as at 5.30 p.m. (Singapore time) on 27 February 2015, the Offeror owned, controlled or have agreed to acquire (including by way of valid acceptances of the Offer) an aggregate of 611,406,281 CHO Shares, representing approximately 86.71% of the total number of issued CHO Shares, and the Offeror’s Concert Parties do not own or control and have not agreed to acquire any CHO Shares.

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<sup>1</sup> Unless otherwise stated, references in this Announcement to the total number of issued CHO Shares are based on 705,090,514 issued CHO Shares (based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on 27 February 2015).

#### 4. AGGREGATE CONSIDERATION FOR THE TRANSACTION

The aggregate consideration payable by the Offeror (excluding transaction expenses) for the Offer and the Market Purchases (collectively, the “**Transaction**”) is approximately S\$223.52 million (the “**Aggregate Consideration**”), being the sum of:

- (a) approximately S\$223.46 million payable by the Offeror for all the Acceptance Shares under the Offer at the Final Offer Price for each Acceptance Share; and
- (b) S\$58,311 paid by the Offeror for all the Acquisition Shares under the Market Purchases at the Original Offer Price for each Acquisition Share.

#### 5. FINANCIAL INFORMATION

**5.1 Value of CHO Shares.** Based on the audited consolidated financial statements of the CHO Group for FY30/6/2014, the net asset value per CHO Share and the NTA per CHO Share is approximately 34.04 US cents. Based on the latest announced unaudited consolidated financial statements of the CHO Group for the six months ended 31 December 2014, the net asset value per CHO Share and the NTA per CHO Share is approximately 32.41 US cents. The last traded price of CHO Shares on the SGX-ST on the Last Trading Day is S\$0.465 per CHO Share.

**5.2 Net Profits of CHO.** Based on the audited consolidated financial statements of the CHO Group for FY30/6/2014, the earnings per CHO Share is approximately 3.56 US cents and the net profits attributable to the Acceptance Shares and the Acquisition Shares (representing approximately 57.64% of the total number of issued CHO Shares) is approximately US\$14.46 million. Based on the latest announced unaudited consolidated financial statements of the CHO Group for the six months ended 31 December 2014, the earnings per CHO Share is approximately 1.56 US cents and the net profits attributable to the Acceptance Shares and the Acquisition Shares (representing approximately 57.64% of the total number of issued CHO Shares) is approximately US\$6.34 million.

#### 6. FINANCIAL EFFECTS

**6.1 Bases and Assumptions.** The financial effects have been prepared based on the audited consolidated financial statements of the FEG Group for FY31/3/2014 and the audited consolidated financial statements of the CHO Group for FY30/6/2014 and no adjustment has been made to align the different financial year-ends. The financial effects are purely **for illustrative purposes only and do not reflect a projection of the actual future financial performance or financial position of the enlarged FEG Group had the Transaction been consummated**. The financial effects have also been prepared based on, amongst other things, the following assumptions:

- (a) the Acceptance Shares are acquired at the Final Offer Price and the Acquisition Shares are acquired at the Original Offer Price;
- (b) the Transaction is funded by way of bank borrowings and internal cash resources;

- (c) there are no transaction expenses (other than interest expenses and financing costs) in respect of the Transaction;
- (d) based on the independent valuation of the CHO Group's vessels as stated in the valuation certificates contained in CHO's circular dated 8 January 2015, the revalued consolidated NTA of the CHO Group as at 30 June 2014 ("**Assumed RNTA**") is assumed to be approximately US\$302.76 million;
- (e) the fair value of the identifiable assets and liabilities of the CHO Group approximates the Assumed RNTA, and accordingly, a negative goodwill of approximately US\$5.60 million (after imputing deferred tax of approximately US\$10.67 million) arising from the Transaction is recorded in the profit and loss statement (in accordance with Singapore Financial Reporting Standard 103 "Business Combinations", the FEG Group is required to perform within 12 months after completion a purchase price allocation exercise to assess the fair values of the net identifiable assets and liabilities of the CHO Group, and the excess of the consideration paid over such fair values will be recorded as actual goodwill in the balance sheet which is subject to impairment test annually or more frequent if there are indicators of impairment);
- (f) the FEG Group recognises a loss of US\$14.05 million in the profit and loss statement arising from re-measurement of the Offeror's previous shareholding interest of 29.07% in the issued share capital of CHO based on the Final Offer Price;
- (g) the S\$/US\$ exchange rate is assumed to be 1.3577; and
- (h) save for the Transaction, there is no adjustment for the impact of any other transactions or events.

**6.2 Earnings per share.** Assuming that the Transaction had been completed on 1 April 2013 (being the beginning of the most recently completed financial year of the Company), the financial effects on the earnings per ordinary share of FEG ("**FEG Share**") for FY31/3/2014 are as follows:

	<b>FY31/3/2014</b>	<b>Adjusted for the Transaction</b>
Net profit attributable to Shareholders (US\$'000)	60,768	57,394
Weighted average number of issued FEG Shares ('000)	815,581	815,581
Earnings per FEG Share (US cents)	7.45	7.04

**6.3 NTA.** Assuming that the Transaction had been completed on 31 March 2014 (being the end of the most recently completed financial year of the Company), the financial effects on the consolidated NTA per FEG Share as at 31 March 2014 are as follows:

	<b>As at 31 March 2014</b>	<b>Adjusted for the Transaction</b>
NTA (US\$'000)	241,765	223,933
Number of issued FEG Shares excluding treasury shares ('000)	817,596	817,596
NTA per FEG Share (US cents)	29.57	27.39

**6.4 Share Capital.** The Transaction will not have any impact on the issued and paid-up share capital of the Company.

## 7. CHAPTER 10 OF THE LISTING MANUAL

**7.1 Relative Figures for the Transaction.** The relative figures for the Transaction computed on the bases set out in Rule 1006 of the listing manual of the SGX-ST ("Listing Manual") are presented below:

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figure (%)</b>
(a)	The net asset value of the assets to be disposed of, compared with the consolidated net asset value of the FEG Group	Not applicable for the Transaction
(b)	The net profits attributable to the Acquisition Shares and the Acceptance Shares acquired, compared with the net profits of the FEG Group <sup>(1)</sup>	13.34
(c)	The Aggregate Consideration, compared with the market capitalisation of the Company <sup>(2)</sup> (based on the total number of issued FEG Shares excluding treasury shares)	98.75
(d)	The number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities of the Company previously in issue	Not applicable as no FEG shares will be issued

**Notes:**

- (1) Under Rule 1002(3)(b) of the Listing Manual, "net profits" is defined as profit or loss before income tax, minority interest and extraordinary items. The relative figures are based on the FEG Group's profit before income tax of US\$108.241 million for FY31/3/2014 and the CHO Group's profit before income tax of US\$25.051 million for FY30/6/2014.
- (2) The market capitalisation of the Company of approximately S\$226.3 million is determined by multiplying 809,496,775 issued FEG Shares (excluding treasury shares) as at 6 February 2015 (being the market day immediately preceding the 9 Feb 2015 Announcement) by the VWAP of approximately S\$0.2796 per FEG Share on 6 February 2015.

**7.2 Major Transaction under Rule 1014 of the Listing Manual.** As the relative figure computed on the basis set out in Rule 1006(c) exceeds 20%, the Transaction constitutes a major transaction under Rule 1014 of the Listing Manual and would require the prior approval of the Shareholders.

As stated in the 11 Dec 2014 Announcement, the Company had applied to the SGX-ST to seek a waiver of the requirement for Shareholders' prior approval of the Offer. Instead, the Company shall seek the approval of Shareholders by way of ratification after the making of the Offer and only in the event that the Offer becomes unconditional and the acquisition of the CHO Shares results in the relative percentages under Rule 1006 of the Listing Manual exceeding 20% (the "**Prior Shareholder Approval Waiver**"). The SGX-ST advised that it has no objection to the Company's application for the Prior Shareholder Approval Waiver subject to certain conditions as more particularly described in the 11 Dec 2014 Announcement.

As the Transaction constitutes a major transaction, the Company will be convening an extraordinary general meeting ("**EGM**") to seek the approval of Shareholders for the Transaction by way of ratification. A circular containing, amongst other things, further information on the Transaction and the notice to convene the EGM will be despatched by the Company to Shareholders in due course.

## **8. RESPONSIBILITY STATEMENT**

The Directors (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or publicly available sources (including without limitation, in relation to the CHO Group), the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

### **By Order of the Board**

Peh Lei Eng  
Company Secretary

27 February 2015

### **IMPORTANT NOTICE**

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the

current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and none of FEG or CIMB undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

**APPENDIX**

**CLOSE OF OFFER ANNOUNCEMENT**



## VOLUNTARY UNCONDITIONAL CASH OFFER

by



**CIMB BANK BERHAD** (13491-P)  
**Singapore Branch**  
(Incorporated in Malaysia)

for and on behalf of

**ENERGIAN PTE. LTD.**  
(Company Registration No.: 201003499D)  
(Incorporated in the Republic of Singapore)

a wholly-owned subsidiary of

**FALCON ENERGY GROUP LIMITED**  
(Company Registration No.: 200403817G)  
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of

**CH OFFSHORE LTD.**  
(Company Registration No.: 197600666D)  
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by Energian Pte. Ltd.

### CLOSE OF OFFER AND LEVEL OF ACCEPTANCES

#### 1. INTRODUCTION

CIMB Bank Berhad, Singapore Branch ("**CIMB**") refers to the offer document dated 29 December 2014 (the "**Offer Document**") in relation to the voluntary conditional cash offer by CIMB, for and on behalf of Energian Pte. Ltd. (the "**Offeror**"), which is a wholly-owned subsidiary of Falcon Energy Group Limited ("**FEG**"), to acquire all the issued ordinary shares (the "**CHO Shares**") in the capital of CH Offshore Ltd. ("**CHO**" or the "**Company**") other than those already owned, controlled or agreed to be acquired by the Offeror (the "**Offer Shares**"). As announced by CIMB, for and on behalf of the Offeror on 11 February 2015, the Offer has become and been declared unconditional in all respects on 11 February 2015.

All capitalised terms not defined herein shall have the same meaning as used in the Offer Document.

#### 2. CLOSE OF THE OFFER

CIMB wishes to announce, for and on behalf of the Offeror, that the Offer has closed at 5.30 p.m. (Singapore time) on 27 February 2015 (the "**Final Closing Date**").

**Accordingly, the Offer is no longer open for acceptances and any acceptances received after 5.30 p.m. (Singapore time) on the Final Closing Date will be rejected.**

### **3. FINAL LEVEL OF ACCEPTANCES AND AGGREGATE HOLDINGS**

In accordance with Rule 28.1 of the Code, CIMB wishes to announce, for and on behalf of the Offeror, that:

#### **3.1 Acceptances of the Offer**

Based on information provided to the Offeror, as at 5.30 p.m. (Singapore time) on 27 February 2015, the Offeror has received, pursuant to the Offer, valid acceptances in respect of 406,288,481 Offer Shares<sup>1</sup>, representing approximately 57.62% of the total number of issued CHO Shares.<sup>2</sup>

Based on information available to the Offeror, the above-mentioned acceptances include acceptances received from Concert Parties of the Offeror in respect of an aggregate of 170,000 Offer Shares, representing approximately 0.02% of the total number of issued CHO Shares.

#### **3.2 CHO Shares held before the Offer Period**

As at 11 December 2014, being the Offer Announcement Date, the Offeror and its Concert Parties collectively owned or controlled an aggregate of 205,170,000 CHO Shares, representing approximately 29.10% of the total number of issued CHO Shares, of which 170,000 CHO Shares were held by the Offeror's Concert Parties.

#### **3.3 Offer Shares acquired or agreed to be acquired during the Offer Period**

From the Offer Announcement Date and up to 5.30 p.m. (Singapore time) on 27 February 2015, save for:

- (a) the acceptances tendered pursuant to the Offer stated in paragraph 3.1 above; and
- (b) the acquisition by the Offeror by way of open market purchases on the SGX-ST of an aggregate of 117,800 Offer Shares, representing approximately 0.02% of the total number of issued CHO Shares,

neither the Offeror nor any of its Concert Parties (based on information available to the Offeror as at 5.30 p.m. (Singapore time) on 27 February 2015) has acquired or agreed to acquire any further Offer Shares.

#### **3.4 Aggregate holdings**

Accordingly, based on information provided to the Offeror, as at 5.30 p.m. (Singapore time) on 27 February 2015, the Offeror owned, controlled or have agreed to acquire (including by way of

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<sup>1</sup> This includes 222,223,692 CHO Shares tendered in acceptance of the Offer by Chuan Hup Holdings Limited and Mr Peh Kwee Chim pursuant to their irrevocable undertakings in favour of the Offeror dated 9 February 2015.

<sup>2</sup> Unless otherwise stated, references in this Announcement to the total number of issued CHO Shares are based on 705,090,514 CHO Shares (based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore on 27 February 2015). As at the date of this Announcement, the Company does not hold any CHO Shares in treasury.

valid acceptances of the Offer) an aggregate of 611,406,281 CHO Shares, representing approximately 86.71% of the total number of issued CHO Shares and the Offeror's Concert Parties do not own or control and have not agreed to acquire any CHO Shares.

#### **4. RESPONSIBILITY STATEMENT**

The directors of the Offeror and the directors of FEG (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including without limitation, information relating to the CHO Group), the sole responsibility of the directors of the Offeror and the directors of FEG has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by  
**CIMB Bank Berhad, Singapore Branch**

For and on behalf of  
**Energian Pte. Ltd.**

27 February 2015

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Any inquiries relating to this Announcement or the Offer should be directed during office hours to the following persons:

CIMB Bank Berhad, Singapore Branch  
Corporate Finance  
Tel: (65) 6210 8956

*Mr Mah Kah Loon*  
*Head, Corporate Finance*

*Ms Tan Cher Ting*  
*Director, Corporate Finance*