

**CHUAN HUP HOLDINGS LIMITED**  
(Company Registration No.197000572R)  
(Incorporated in the Republic of Singapore)

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**PROPOSED DISPOSAL OF SHARES IN CH OFFSHORE LTD.**

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**1. THE PROPOSED DISPOSAL**

**1.1 Background**

On 29 December 2014, CIMB Bank Berhad, Singapore Branch (“**CIMB**”), for and on behalf of Energian Pte. Ltd. (the “**Offeror**”), a wholly-owned subsidiary of Falcon Energy Group Limited (“**FEG**”), made a voluntary conditional cash offer (the “**Offer**”) 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 “**CHO Offer Shares**”).

**1.2 Current Holdings**

As at the date of this Announcement, Chuan Hup Holdings Limited (“**CHH**” or the “**Company**”) together with its subsidiaries, the “**CHH Group**”) has an interest in 173,941,026 CHO Shares, representing approximately 24.67 per cent.<sup>1</sup> of the total issued and paid-up share capital of CHO.

**1.3 Irrevocable Undertaking**

The Board of Directors (the “**Board**”) of the Company wishes to announce that the Company has on 9 February 2015, entered into a deed of undertaking in favour of the Offeror (the “**Company Irrevocable Undertaking**”), pursuant to which the Company has undertaken to, *inter alia*, accept, or procure the acceptance of, the Offer in respect of all (and not some only) of the CHO Shares (i) legally or beneficially owned by the Company as at the date of the Company Irrevocable Undertaking and (ii) any other CHO Shares that the Company may thereafter acquire or become the beneficial owner of and (iii) any CHO Shares derived from the CHO Shares in (i) and (ii) (whether by way of bonus issue, rights issue, dividend or distribution of CHO Shares or otherwise declared or issued by CHO) (collectively, the “**Company’s CHO Shares**”).

In addition, Mr Peh Kwee Chim (“**Mr Peh**” and together with the Company, the “**Undertaking Shareholders**”), who is an executive director of the Company and also a shareholder of CHO in his personal capacity, has also entered into a deed of undertaking in favour of the Offeror on similar terms as the Company Irrevocable Undertaking (together with the Company Irrevocable Undertaking, the “**Irrevocable Undertakings**”).

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<sup>1</sup> For the purposes of computing any percentage shareholdings referred to in this Announcement in respect of the CHO Shares, the total number of CHO Shares is 705,090,514 CHO Shares (excluding treasury shares) based on the offer document dated 29 December 2014 despatched to shareholders of CHO (the “**CHO Shareholders**”) in connection with the Offer (the “**Offer Document**”) and is rounded to two decimal places.

## **2. INFORMATION ON CHO, THE OFFEROR AND FEG**

### **2.1 CHO**

CHO is a company incorporated in Singapore on 31 March 1976 and is listed on the Main Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

CHO is an offshore support service provider in the oil and gas industry. Based on the latest annual report of CHO for the financial year ended 30 June 2014, the CHO and its subsidiaries (the “**CHO Group**”) operates a fleet of 15 AHTS vessels, of which 9 vessels are wholly-owned, 4 vessels are co-owned with PT Bahtera Nusantara Indonesia in Indonesia and the remaining 2 vessels are co-owned with Scomi Marine Berhad in Malaysia. The CHO Group has a track record of over 30 years in providing marine support services to the oil and gas industry worldwide and has customers in Southeast Asia, the Middle East, the Americas, Africa and Russia.

As at the date of this Announcement, the directors of CHO are Mr Tan Pong Tyea (Non-Executive Chairman), Mr Peh Kwee Chim (Non-Executive Director), Mr John Cheak Boon Heng (Non-Executive Director), Mdm Joanna Young Sau Kwan (Non-Executive, Independent Director), Mr Goh Boon Kiat (Non-Executive, Independent Director), Mr Gan Wah Kwang @ Guan Wah Kwang (Non-Executive Director) and Mr Peh Siong Woon Terence (Alternate Director to Mr Peh Kwee Chim).

### **2.2 The Offeror**

The Offeror is a company incorporated in Singapore on 17 February 2010. Its principal activities are those of an investment holding company.

As at the date of this Announcement, the Offeror has an issued and paid-up share capital of S\$10,000 comprising 10,000 ordinary shares all of which are held by FEG. As at the date of this Announcement, the directors of the Offeror are Mr Tan Pong Tyea, Ms Tan Sooh Whye and Mr Gan Wah Kwang @ Guan Wah Kwang.

### **2.3 FEG**

FEG is a company incorporated in Singapore on 31 March 2004 and is listed on the Main Board of the SGX-ST.

FEG and its subsidiaries are principally engaged in providing a spectrum of services to global oil companies and contractors, from the initial exploration and drilling stage to production and post-production stages with focus on the production phase.

## **3. PRINCIPAL TERMS OF THE OFFER**

### **3.1 Final Offer Price and Consideration for the Company’s CHO Shares**

On 9 February 2015, CIMB announced, for and on behalf of the Offeror (the “**Revised Offer Announcement**”), that the Offeror was increasing the consideration for each CHO Offer Share from S\$0.495 in cash to S\$0.550 in cash (the “**Final Offer Price**”). The Offeror has announced that it does not intend to further revise the Final Offer Price.

Accordingly, based on the Final Offer Price, the aggregate consideration that the Company will receive in respect of the Company's CHO Shares and tendered in acceptance of the Offer pursuant to the Company Irrevocable Undertaking is S\$95,667,564.30 in cash (the "**Consideration**"). The Company will receive the Consideration within 10 days of the date on which the Offer becomes or is declared to be unconditional in all respects.

### **3.2 No Encumbrances**

Based on the Offer Document, the CHO Shares which are subject to the Offer are to be acquired (i) fully paid, (ii) free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and (iii) together with all rights, benefits and entitlements attached thereto as at 11 December 2014 (being the date of the announcement in connection with the Offer released by CIMB, for and on behalf of the Offeror) (the "**Offer Announcement Date**"), and thereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions declared, paid or made by CHO in respect of the CHO Shares (collectively, the "**Distributions**") (if any), the Record Date for which falls on or after the Offer Announcement Date. As set out in the Offer Document, the "**Record Date**" means in relation to any Distributions, the date on which the CHO Shareholders must be registered with CHO or with The Central Depository (Pte) Limited, as the case may be, in order to participate in such Distributions.

In the event of any such Distributions on or after the Offer Announcement Date, the Offeror reserves the right to reduce the offer price payable to a CHO Shareholder who validly accepts or has validly accepted the Offer by the amount of such Distribution.

### **3.3 Final Closing Date**

In the Revised Offer Announcement, CIMB also announced, for and on behalf of the Offeror, that the final closing date for the Offer is 5.30 p.m. (Singapore time) on 27 February 2015 (the "**Final Closing Date**") and the Offeror will not extend the Offer beyond such date, save that the Offeror reserves the right to do so in a competitive situation.

### **3.4 Minimum Acceptance Condition**

The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of CHO Offer Shares which, when taken together with the CHO Shares owned, controlled or agreed to be acquired by the Offeror and parties acting or presumed to be acting in concert with the Offeror in connection with the Offer (the "**Concert Parties**") (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and its Concert Parties holding such number of CHO Shares carrying more than 50 per cent. of the voting rights attributable to the issued CHO Shares (excluding any CHO Shares held in treasury) as at the close of the Offer.

As at the date of this Announcement, the Offeror and its Concert Parties own or control an aggregate of 205,170,000 CHO Shares, representing approximately 29.10 per cent. of the total number of issued CHO Shares. The Offer will become unconditional if the Offeror and its Concert Parties acquire additional CHO Shares representing approximately 20.90 per cent. of the total number of issued CHO Shares through acceptances of the Offer and/or other acquisitions by the Final Closing Date.

When the Undertaking Shareholders accept the Offer pursuant to the Irrevocable Undertakings, the Offeror would have received valid acceptances in respect of such number of CHO Offer Shares which, when taken together with the CHO Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties (either before or during the Offer and pursuant to the Offer or otherwise) will result in the Offer becoming unconditional in all respects.

#### **4. PRINCIPAL TERMS OF THE IRREVOCABLE UNDERTAKINGS**

##### **4.1 Irrevocable Undertakings**

- (i) In consideration of the Offeror agreeing to the increase the consideration for each CHO Offer Share to the Final Offer Price and the extension of the closing date of the Offer to the Final Closing Date, each of the Undertaking Shareholders has provided an Irrevocable Undertaking to the Offeror to, *inter alia*, accept or procure the acceptance of, the Offer in respect of all (and not some only) of the CHO Shares which are subject to the respective Irrevocable Undertakings (the “**Relevant CHO Shares**”).
- (ii) Pursuant to the terms of the Irrevocable Undertakings, the Undertaking Shareholders are required to tender the Relevant CHO Shares held by such Undertaking Shareholder in acceptance of the Offer as soon as reasonably practicable after the date of the Revised Offer Announcement and in any event, not later than 5.00 p.m. (Singapore time) on 16 February 2015 or in relation to the Relevant CHO Shares falling within paragraph 1.3(ii) and (iii) above, not later than 5.00 p.m. (Singapore time) on the third business day after such Undertaking Shareholder becomes the registered holder or beneficial owner of such CHO Shares.

##### **4.2 Duration of the Irrevocable Undertakings**

According to the terms of the Irrevocable Undertakings, each of the Irrevocable Undertakings shall terminate on the earlier of:

- (i) 5.30 p.m. on 9 February 2015, if the Revised Offer Announcement is not made by or on behalf of the Offeror by such time and date;
- (ii) the date on which the Offer lapses or is withdrawn or fails to become or be declared unconditional for any reason other than a breach of the obligations of the Undertaking Shareholders under Irrevocable Undertakings; and
- (iii) the date of settlement of the acceptance of the Relevant CHO Shares.

##### **4.3 Resignation**

Pursuant to the terms of the Irrevocable Undertaking, Mr Peh will resign as a director of CHO and from all committees of CHO and the Undertaking Shareholders will also procure that Mr Peh Siong Woon Terence and Mr John Cheak Boon Heng will resign as directors of CHO and from all committees of CHO, in each case, with immediate effect upon the close of the Offer.

## 5. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF NET PROCEEDS

- 5.1 As publicly disclosed in its annual report of the Company for the financial year ended 2014 (“**Annual Report 2014**”), the Company has repositioned itself as an investment holding company with a diversified portfolio of investments in industries in relation to electronics manufacturing services, offshore support services to the oil and gas industry, property development and property investment. The Company believes that the proposed disposal by the Company of the Company’s CHO Shares to the Offeror pursuant to the Offer (the “**Proposed Disposal**”) is an opportunity for the Company to realise the value of its remaining stake in CHO at a significant premium to its investment costs, during challenging economic conditions for the oil and gas industry as whole. The Company does not see the Proposed Disposal as a material change in the nature of the Company’s business. As an investment holding company, the Proposed Disposal is in line with the investment objectives of the Company which are set out in its Annual Report 2014 to seek investment opportunities that will enhance returns in the short-term and contribute to the sustainable long-term growth in shareholder value of the Company.
- 5.2 The CHH Group expects to realise a gain of approximately US\$ 17,964,905 (equivalent to approximately S\$24,179,000<sup>2</sup>) in respect of the Proposed Disposal. The proceeds from the Proposed Disposal are intended to be used as general working capital of the CHH Group. This would further strengthen the CHH Group’s balance sheet, enhance the Group’s financial flexibility and facilitate any plans by the CHH Group to enhance shareholder value.

## 6. FINANCIAL INFORMATION

### 6.1 Book Value

Based on the CHH Group’s unaudited consolidated financial statements for the first quarter ended 30 September 2014 (“**1QFY2015**”, and such financial statements being the “**1QFY2015 Financial Statements**”) and the price paid for the 6,388,000 shares which were acquired by the Company on 19 January 2015 (“**Additional CHO Shares**”), the book value attributable to the Company’s CHO Shares comprising those held by the Company as at 30 September 2014 and the Additional CHO Shares, which collectively constitutes approximately 24.67 per cent. interest in CHO as at the Announcement Date, is approximately US\$53,116,000.

### 6.2 Net Tangible Assets (“NTA”)

Based on the CHH Group’s 1QFY2015 Financial Statements, the NTA attributable to the Company’s CHO Shares as at 30 September 2014 is approximately US\$60,576,000<sup>3</sup>.

### 6.3 Latest Available Open Market Value

The latest available open market value of the Company’s CHO Shares, being the weighted average price attributable to the Company’s CHO Shares transacted on 6 February 2015, being the last market day preceding the date of this Announcement, is approximately S\$88,379,435.

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<sup>2</sup> Unless expressly stated to the contrary, any reference to the Singapore dollar equivalent of a United States dollar amount is based on an exchange rate of S\$1.00 to US\$0.7430, being the exchange rate extracted from the Business Times dated 9 February 2015

<sup>3</sup> Includes the NTA attributable to Additional CHO Shares, which comprise part of the Company’s CHO Shares. The NTA attributable to the Additional CHO Shares was computed as though the Additional CHO Shares were acquired as at 30 September 2014, as the NTA as at the date the Additional CHO Shares were in fact acquired is not publicly available.

#### 6.4 Excess of Consideration over Book Value

Based on the book value of the Company's CHO Shares as set out in paragraph 6.1(i) above, the amount of excess of the Consideration over the said book value is approximately US\$ 17,964,905 (equivalent to approximately S\$24,179,000).

### 7. FINANCIAL EFFECTS

#### 7.1 Illustrative Nature of Financial Effects

The financial effects of the Proposed Disposal on the NTA per share and earnings per share ("EPS") of the CHH Group, prepared based on the audited consolidated financial statements of the CHH Group for the financial year ended 30 June 2014 ("FY2014") are set out below. The financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the actual financial position of the CHH Group after the Final Closing Date.

#### 7.2 NTA

Assuming the Proposed Disposal had been completed on 30 June 2014, being the end of the most recently completed financial year of the CHH Group, the financial effects on the NTA per share of the CHH Group would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (US\$ million)	310,471	329,758
No. of issued ordinary shares ('000)	933,532	933,532
NTA per share (US\$)	33.26	35.32

#### 7.3 Earnings Per Share

Assuming the Proposed Disposal had been completed on 1 July 2013, being the beginning of the most recently completed financial year of the CHH Group, the profit attributable to ordinary shareholders of the Company and the financial effects on the EPS of the CHH Group for FY2014 would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Profit attributable to ordinary shareholders (US\$ million)	18,023	34,643
Weighted average no. of ordinary shares – Basic ('000)	933,532	933,532
EPS (US cents) - Basic	1.93	3.71

## 7.4 Share Capital

The Proposed Disposal will not have any impact on the issued and paid-up share capital of the Company.

## 8. MAJOR TRANSACTION

The relative figures in relation to the Proposed Disposal computed on the applicable bases set out in Rule 1006 of the listing manual of the SGX-ST (the “**Listing Manual**”) are as follows:

<b>Rule 1006</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
<b>(a)</b>	Net asset value of the assets to be disposed of, compared with the net asset value of the CHH Group	20.4 <sup>(1)</sup>
<b>(b)</b>	Net profits attributable to the assets to be disposed of, compared with the CHH Group’s net profits	38.0 <sup>(2)</sup>
<b>(c)</b>	Aggregate value of the consideration received compared with the market capitalisation of the Company (based on the total number of issued shares, excluding treasury shares)	36.8 <sup>(3)</sup>
<b>(d)</b>	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	NA

### **Notes:**

<sup>(1)</sup> Computed based on the CHH Group’s effective interest arising from the Company’s CHO Shares (which includes the Additional CHO Shares) of the net asset value of the CHO Group of approximately US\$60,576,000 as at 30 September 2014, compared to the CHH Group’s net asset value of approximately US\$297,270,000 as at 30 September 2014.

<sup>(2)</sup> Computed based on net profits (before income tax, minority interest and extraordinary items) of the CHO Group, which are attributable to the Company’s CHO Shares, of approximately US\$1,322,000 for 1QFY2015, compared to the Group’s net profits (before income tax, minority interest and extraordinary items) of approximately US\$3,481,000 for 1QFY2015.

<sup>(3)</sup> Computed based on the Consideration of S\$95,667,564 for the Company’s CHO Shares, compared with the market capitalisation of the Company on 6 February 2015, being the last market day preceding the date of this Announcement, of approximately S\$259,988,787. The market capitalisation is calculated on the basis of a total number of 933,532,450 CHH Shares in issue multiplied by the weighted average price of such shares transacted on 6 February 2015.

As the relative figures under Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual exceed 20 per cent., the Proposed Disposal constitutes a major transaction as defined in Chapter 10 of the Listing Manual. Accordingly, the Proposed Disposal is subject to the approval of shareholders of the Company (the “**CHH Shareholders**”) at an extraordinary general meeting to be convened, unless waived or exempted by the SGX-ST.

## 9. WAIVER APPLICATION

### 9.1 Waiver of Rule 1014(2)

The Company made an application to the SGX-ST to seek a waiver of Rule 1014(2) of the Listing Manual which requires the prior approval of the CHH Shareholders for the Proposed Disposal (the “**Waiver**”), on the basis that the Company will instead seek approval of the CHH Shareholders by way of ratification at an extraordinary general meeting (the “**Ratification EGM**”).

### 9.2 Reasons for Waiver Application

The grounds for the application of the Waiver are as follows:

- (i) if the Company is required to seek prior shareholder approval of the Proposed Disposal, the preparation of the circular to CHH Shareholders and the convening of an extraordinary general meeting would normally take at least two months. The timing for the close of the Offer is set by the Offeror in accordance with Singapore Code on Take-overs and Mergers (the “**Code**”) and the Company has no control over the timing. Accordingly, there is a risk that the Company may not be able to accept the Offer prior to its close if it is required to seek shareholder approval for the Offer. FEG had indicated to the Company that its proposal is premised on the Company being able to obtain the Waiver, as it is not prepared to keep the Offer open long enough to allow the Company to seek prior shareholder approval;
- (ii) in lieu of seeking prior shareholder approval for the Proposed Disposal, the Company is prepared to seek shareholder ratification of the Proposed Disposal after it is completed. In this regard, the majority shareholder of the Company, namely 3P Pte Ltd (“**3P**”), has agreed to provide an irrevocable undertaking to the Company that they will (a) not, directly or indirectly, transfer, dispose of or otherwise reduce any of their respective interests in the CHH Shares before and up to the date of the Ratification EGM and (b) vote and/or procure their nominees to vote all of their CHH Shares in favour of the resolution to ratify the Proposed Disposal at any Ratification EGM which may be convened following the completion of the Proposed Disposal. 3P has an interest in approximately 51.23 per cent.<sup>4</sup> of the total number of CHH Shares in issue. Accordingly, the outcome of the Ratification EGM to ratify the Proposed Disposal would be certain; and
- (iii) the terms of the Proposed Disposal were negotiated between the Company, Mr Peh and FEG based on normal commercial terms and on an arm’s length basis, taking into account the revalued net tangible asset per CHO Share as set out in the IFA Opinion. The minority CHH Shareholders will be afforded the opportunity to raise questions and express their views at the Ratification EGM. Accordingly, the Company is of the view that the interests of the minority CHH Shareholders will not be prejudiced. The Company is in fact of the view that it is to the benefit of the CHH Shareholders for the Company to be able to expeditiously execute and complete the Proposed Disposal.

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<sup>4</sup> For the purposes of computing any percentage shareholdings referred to in this Announcement in respect of the CHH Shares, the total number of CHH Shares is 933,532,450 CHH Shares (excluding treasury shares) and is rounded to two decimal places.



### 9.3 SGX-ST Waiver

On 9 February 2015, the SGX-ST advised that it has no objection to the Company's application for the Waiver, subject to the following:

- (i) unanimous approval by the directors of the Company of the Proposed Disposal;
- (ii) submission of a written undertaking (the "**Company SGX-ST Undertaking**") from the Company that:
  - 1. it will seek CHH Shareholders' ratification of the Proposed Disposal at the Ratification EGM within three months from the date of granting of the Waiver; and
  - 2. the Waiver does not contravene any laws and regulations governing the Company and the articles and association of the Company;
- (iii) 3P providing a copy to the SGX-ST of its written undertaking to the Company that it will (a) not dispose of their equity stake in the Company before and up to the date of the Ratification EGM and (b) vote in favour of approving the Proposed Disposal by the Company at the Ratification EGM to be convened ("**3P Undertaking**"); and
- (iv) the Company announcing:
  - 1. the grant of Waiver, the reasons for the Company's application and the conditions attached to the Waiver;
  - 2. full details of the Proposed Disposal, including information required under Rule 1010 of the Listing Manual; and
  - 3. unanimous approval of the directors of the Company on the Proposed Disposal.

Pursuant to the above, the Company wishes to announce that:

- (i) the Proposed Disposal was unanimously approved by the directors of the Company;
- (ii) the Company has submitted the Company SGX-ST Undertaking to the SGX-ST;
- (iii) a copy of the 3P Undertaking has been provided to the SGX-ST; and
- (iv) the Company intends to convene the EGM to seek Shareholders' ratification of the Proposed Disposal within three months from the date of granting of the Waiver.

### 10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed below and in this Announcement, apart from their shareholdings through the Company, none of the directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal:

- (i) Mr Peh, who is an executive director of the Company, is also a non-executive director of CHO and has a direct interest in 48,282,666 CHO Shares, representing approximately 6.85 per cent. of the issued CHO Shares; and

- (ii) Mr Peh Siong Woon Terence, who is the chief executive officer and executive director of the Company, has a direct interest in 1,000,000 CHO Shares, representing approximately 0.14 per cent. of the issued CHO Shares.

#### **11. DIRECTORS' SERVICE CONTRACTS**

No person is proposed to be appointed as a Director in connection with the Proposed Disposal. Accordingly no service contract is proposed to be entered into between the Company and any such person.

**For and on behalf of the Board  
of Chuan Hup Holdings Limited**

Valerie Tan May Wei  
Company Secretary  
9 February 2015