

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

PROPOSED DIVESTMENT OF SCOMI MARINE BHD SHARES

1. INTRODUCTION

The Board of Directors (the “**Board**”) of Chuan Hup Holdings Limited (the “**Company**”) wishes to announce that the Company has today entered into (i) a sale and purchase agreement (the “**Tael Agreement**”) in connection with the sale to Tael One Partners Ltd (acting in its capacity as general partner of The Asian Entrepreneur Legacy One L.P.) (“**Tael**”), of 60,000,000 ordinary shares (“**Tael Agreement Shares**”) in the issued share capital of Scomi Marine Bhd (“**Scomi**”) and (ii) a sale and purchase agreement (the “**Petroworld Agreement**”) in connection with the sale to Petroworld Investments Inc (“**Petroworld**”) of 110,000,000 ordinary shares (“**Petroworld Agreement Shares**”) in the issued share capital of Scomi.

The sale of the Tael Agreement Shares and the Petroworld Agreement Shares (collectively the “**Sale Shares**”) would result in the complete divestment of the Company’s shareholding interest in Scomi (the “**Proposed Divestment**”).

2. PRINCIPAL TERMS OF THE PROPOSED DIVESTMENT

- 2.1 Consideration.** The aggregate sum of the consideration to be received by the Company pursuant to the Agreements is RM91,800,000, based on RM0.54 per Sale Share (equivalent to approximately S\$38,341,060¹) (the “**Purchase Price**”), comprising RM32,400,000 in respect of the Tael Agreement Shares and RM59,400,000 in respect of the Petroworld Agreement Shares.

The Purchase Price was arrived at after arm’s length negotiations and on a willing-buyer and willing-seller basis taking into account amongst others, the prevailing market value of the Sale Shares.

- 2.2 Completion.** Completion of the Tael Agreement will take place on a date which falls 14 calendar days from the date of the Tael Agreement or such other date as the parties to the Tael Agreement may agree in writing (“**Tael Completion Date**”).

Completion of the Petroworld Agreement will take place on a date which falls 30 calendar days from the date of the Petroworld Agreement or such other date as the parties to the Petroworld Agreement may agree in writing (“**Petroworld Completion Date**”).

- 2.3 Payment.** The portion of the Purchase Price attributable to the Tael Agreement will be paid on the Tael Completion Date and the portion of the Purchase Price attributable to the Petroworld Agreement will be paid on the Petroworld Completion Date. The payment of the Purchase Price for both Agreements shall be on a “married deal” basis and shall be transacted as a Direct Business Transaction (as defined in the rules issued by Bursa Malaysia) under the rules of the Bursa Malaysia.

¹ Based on an exchange rate of S\$1 : RM2.3943 as at 29 November 2010.

3. INFORMATION ON TAEI

Tael is a Cayman Islands exempted company which acts as the General Partner of The Asian Entrepreneur Legacy One L.P. ("**TAEI One**"). TAEI One is, in turn, a regional investment fund registered in the Cayman Islands.

4. INFORMATION ON PETROWORLD

Petroworld Investments Inc is an investment holding company incorporated in the British Virgin Islands.

5. INFORMATION ON THE SALE SHARES AND SCOMI

The Company had previously acquired the Sale Shares in 2005 in consideration for its disposal to Scomi (then known as Habib Corporation Berhad) of its entire marine logistics business, 29.1 per cent. of the issued shares of CH Offshore Limited and 49.1 per cent. of the issued shares of PT. Rig Tenders Indonesia Tbk ("**PTRT**") held by the Company.

Scomi is a public company incorporated in Malaysia on 14 August 1996 and has been listed on Bursa Malaysia since 2004. It is a player in the highly specialized field of drilling fluids engineering, and the provision of chemicals, engineering services and drilling waste management equipment to the oil and gas industry.

6. RATIONALE AND BENEFITS FOR THE PROPOSED DIVESTMENT

6.1 The rationale and benefits to the Company of the Proposed Divestment are as follows:

On 12 July 2010, Scomi announced, inter alia, that Scomi Marine Services Pte Ltd ("**SMS**") and Grundtvig Marine Pte Ltd ("**Grundtvig**"), its wholly-owned subsidiaries, had entered into a heads of agreement with PTRT and Portside Offshore Inc in relation to the proposed disposal by SMS to PTRT of its entire equity interest in CH Logistics Pte Ltd, CH Ship Management Pte. Ltd., Goldship Private Limited and Sea Master Pte. Ltd., and the proposed disposal by Grundtvig to PTRT of its entire equity interest in PT Batuah Abadi Lines.

The rationale given by Scomi for the proposed disposals is that the business environment for the marine logistics and offshore support vessel businesses in Indonesia is increasingly challenging in light of changes to local regulations relating to ownership, intensifying competition and pressures on charter rates. In addition, significant capital expenditure outlay is expected to be incurred to replace vessels and to invest in new business opportunities.

The Company is of the view that the Proposed Divestment is in the best interests of the Company and the shareholders of the Company as it is a timely opportunity for the Company to realise its investment in Scomi.

7. DISCLOSEABLE TRANSACTION

The relative figures for the Proposed Divestment computed on the bases set out in Rule 1006 of the Listing Manual are set out below:

Rule 1006	Bases	Relative Figures (%)
(a)	Net asset value of the Sale Shares ⁽¹⁾ compared with the net asset value of the Company and its subsidiaries (the “Group”) based on the latest announced consolidated accounts as at 30 September 2010	10 ⁽²⁾
(b)	Net profit attributable to the Sale Shares ⁽³⁾ compared with the net profit of the Group, based on the latest announced consolidated accounts as at 30 September 2010	Not applicable
(c)	Aggregate value of the Purchase Price compared with market capitalisation of the Company as at 29 November 2010, being the market day preceding the date of this Announcement	19 ⁽⁴⁾
(d)	Number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable

Notes:

⁽¹⁾ The net asset value of the Sale Shares for the three months ended 30 September 2010 is S\$36.958 million.

⁽²⁾ Based on an exchange rate of S\$1 : RM2.3458 as at 30 September 2010.

⁽³⁾ No dividend has been declared by Scomi for the three months ended 30 September 2010.

⁽⁴⁾ Based on an exchange rate of S\$1 : RM2.3943 as at 29 November 2010.

⁽⁵⁾ The market value of the Sale Shares as at 29 November 2010, being the market day preceding the date of this Announcement is S\$34.436 million.

As the relative figure under Rule 1006(a) exceeds 5 per cent. but does not exceed 20 per cent., the Proposed Divestment constitutes a “discloseable” transaction as defined in Chapter 10 of the Listing Manual.

8. THE SALE PROCEEDS

8.1 Gross proceeds. If the Proposed Divestment is completed, the Company will receive gross proceeds of approximately S\$38.341 million.² The excess of the gross proceeds over the book value of the Sale Shares of S\$26.626 million is approximately S\$11.715 million³.

8.2 Use of Proceeds. The net proceeds of the Proposed Divestment will be used for general working capital requirements of the Company.

² Based on an exchange rate of S\$1 : RM2.3943 as at 29 November 2010.

³ Before taking into account the fees and expenses which may be incurred in connection with the Proposed Divestment.

9. FINANCIAL EFFECTS OF THE PROPOSED DIVESTMENT

9.1 Assumptions. For illustrative purposes only, the financial effects of the Proposed Divestment on the net tangible assets (“**NTA**”) per ordinary share in the issued share capital of the Company (“**Company Share**”) and earnings per Company Share, based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2010, are set out below.

9.2 NTA. Assuming that the Proposed Divestment had been completed on 30 June 2010, being the end of the most recently completed financial year of the Group, and based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2010, the effect on the NTA per Share as at 30 June 2010 would be as follows:

	Before Proposed Disposal	After Proposed Disposal
NTA (S\$'000)	327,369 ⁽¹⁾	339,459 ⁽¹⁾
NTA per Company Share (cents)	35.05 ⁽¹⁾	36.35 ⁽¹⁾

Note:

(1) Based on an exchange rate of S\$1 : RM2.3205 as at 30 June 2010.

9.3 Earnings. Assuming that the Proposed Divestment had been completed on 1 July 2009, being the beginning of the most recently completed financial year of the Group, and based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2010, the effect on the earnings per Company Share for the financial year ended 30 June 2010 would be as follows:

	Before Proposed Disposal	After Proposed Disposal
Gain after tax and minority interests (S\$'000)	13,467 ⁽¹⁾	21,964 ⁽¹⁾
Weighted average number of Company Shares ('000)	961,642 ⁽¹⁾	961,642 ⁽¹⁾
Basic gain per Company Share (cents)	1.40 ⁽¹⁾	2.28 ⁽¹⁾
Diluted gain per Company Share (cents)	1.40 ⁽¹⁾	2.28 ⁽¹⁾

Note:

(1) Based on an exchange rate of S\$1 : RM2.4310 as at 1 July 2009.

10. INTEREST(S) OF DIRECTORS AND CONTROLLING SHAREHOLDERS IN THE PROPOSED DIVESTMENT

None of the directors or controlling shareholders of the Company have any interest in the Proposed Divestment.

11. GENERAL INFORMATION

- 11.1 Directors' Service Contracts.** No person is proposed to be appointed as a Director in connection with the Proposed Divestment. Accordingly, no service contract is proposed to be entered into between the Company and any such person.
- 11.2 Documents for Inspection.** Copies of the Agreements are available for inspection by the shareholders of the Company during normal business hours at the registered office of the Company at 390 Jalan Ahmad Ibrahim, Singapore 629155 for three months from the date of this Announcement.

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

**Valerie Tan
Company Secretary
30 November 2010**