

## MANDATORY CONDITIONAL CASH OFFER

by

### **Walnut Pte. Ltd.**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 200702370H)

to acquire all of the issued ordinary shares  
in the share capital of

### **Chuan Hup Holdings Limited**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 197000572R)

not already owned or agreed to be acquired by Walnut Pte. Ltd.

## OFFER ANNOUNCEMENT

### 1. INTRODUCTION

- 1.1 The Offer.** Walnut Pte. Ltd. (the “**Offeror**”) wishes to announce that it intends to make a mandatory conditional cash offer (the “**Offer**”) for all the issued ordinary shares (“**Shares**”) in the share capital of Chuan Hup Holdings Limited (the “**Company**”) not already owned or agreed to be acquired by the Offeror.
- 1.2 The Acquisition.** On 12 March 2007, the Offeror entered into agreements to acquire 12,779,500 Shares, representing approximately 1.18 per cent. of the total number of issued Shares<sup>1</sup> from certain shareholders of the Company, who are wholly unrelated to the Offeror and its concert parties for a cash consideration of S\$0.33 per Share (the “**Acquisition**”).
- 1.3 Aggregate Holding.** Prior to the Acquisition, Mr Peh Kwee Chim, a shareholder and concert party of the Offeror owned or controlled 316,823,990 Shares representing approximately 29.20 per cent. of the total number of issued Shares. Upon completion of the Acquisition, the Offeror and parties acting in concert with it will own or control 329,603,490 Shares, representing 30.38 per cent. of the total number of issued Shares. Accordingly, the Offeror is required to make the Offer under Rule 14 of the Singapore Code on Take-overs and Mergers (the “**Code**”).
- 1.4 SIC Confirmation.** The Securities Industry Council had, on 9 March 2007, confirmed that the Offeror and parties acting in concert with it **will not** be required to make a take-over offer for each of CH Offshore Ltd and PCI Limited under Note 6 to Rule 14.1 of the Code as a result of the Offer.

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<sup>1</sup> In this Announcement, the total number of issued Shares is 1,084,875,450 Shares based on the business profile of the Company extracted from the Accounting and Corporate Regulatory Authority of Singapore as at the date of this Announcement.

## 2. THE OFFER

**2.1 Terms.** Subject to the terms and conditions to be set out in the formal document to be issued by the Offeror to holders of the Offer Shares (the “**Offer Document**”), the Offeror will make the Offer on the following basis:

(a) The Offeror will make the Offer for all the Shares not already owned or agreed to be acquired by the Offeror at the date of the Offer (the “**Offer Shares**”), in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore, and the Code.

(b) The price for each Offer Share (the “**Offer Price**”) will be as follows:

**For each Offer Share: S\$0.34 in cash.**

(c) The Offer Shares will be acquired (i) fully paid; (ii) free from all liens, equities, charges, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever; and (iii) together with all rights, benefits and entitlements attached thereto as at the date of this Announcement and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, paid or made by the Company on or after the date of this Announcement, including the interim dividend of S\$0.005 cents declared by the Company on 13 February 2007 (the “**Interim Dividend**”). Therefore, a Shareholder who has been paid or who will receive the Interim Dividend will be paid a reduced amount of **S\$0.335** in cash for each Offer Share he tenders in acceptance of the Offer.

(d) The Offer will also be extended to all issued Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror in connection with the Offer. For the purposes of the Offer, the expression “**Offer Shares**” will include all such Shares.

**2.2 Condition.** The Offer will be subject to the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, together with Shares acquired or agreed to be acquired before or during the Offer, will result in the Offeror and parties acting in concert with it holding such number of Shares carrying more than 50 per cent. of the voting rights attributable to the issued share capital of the Company as at the close of the Offer.

**2.3 Overseas Shareholders.** The availability of the Offer to persons not resident in Singapore may be affected by the laws of the relevant jurisdiction. Shareholders of the Company who are not resident in Singapore should inform themselves about, and observe, any applicable requirements in their own jurisdiction. Further details in relation to shareholders of the Company who are not resident in Singapore will be contained in the Offer Document.

### **3. DESCRIPTION OF THE OFFEROR**

The Offeror is a private limited company incorporated in the Republic of Singapore on 9 January 2007. The directors of the Offeror are Mr Peh Kwee Chim and Mr Peh Siong Woon Terence. The Offeror is owned entirely by Mr Peh Kwee Chim and Mr Peh Siong Woon Terence (who is the son of Mr Peh Kwee Chim). The Offeror is an investment holding company set up for making the Offer.

### **4. DESCRIPTION OF THE COMPANY**

Based on the information extracted from the Company's Annual Report for the financial year ended 30 June 2006, the Company is incorporated in the Republic of Singapore and its shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). It is an investment holding company and its subsidiaries and associated companies are principally engaged in marine, property, manufacturing and other non-marine investments represented by treasury activities and investments in manufacturing and engineering of hydraulic products, international marketing and communications, biotechnology and bonds, preference shares and other investments.

### **5. THE OFFEROR'S INTENTIONS FOR THE COMPANY**

The Offeror intends to maintain the listing of the Company and for the Company to continue with its existing activities and has no intention to (a) introduce any major changes to the business of the Company, (b) re-deploy the Company's fixed assets, (c) affect the operations of any of its subsidiaries, or (d) discontinue the employment of any of the existing employees of the Company and its subsidiaries, other than in the ordinary course of business.

Further information on the Offeror's future plans for the Company will be set out in the Offer Document.

### **6. LISTING STATUS OF THE COMPANY**

Under Rule 1105 of the SGX-ST Listing Manual (the "Listing Manual"), in the event that the Offeror or parties acting in concert with it should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the issued Shares, the SGX-ST may suspend the listing of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least ten per cent. of the issued Shares are held by at least 500 Shareholders who are members of the public.

In addition, under Rule 724 of the Listing Manual, if the percentage of the issued Shares held in public hands falls below ten per cent., the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 725 of the Listing Manual states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, for the proportion of issued Shares held by members of the public to be raised to at least ten per cent. failing which the Company may be de-listed from the SGX-ST.

However, notwithstanding the Offeror's intention to maintain the listing status of the Company, in the event the Company does not meet the requirements under Rule 724 of the Listing Manual as a result of the Offer, the Offeror will consider its options as to maintaining the listing status of the Company.

## 7. **COMPULSORY ACQUISITION**

Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), if the Offeror receives valid acceptances of the Offer or acquires the Offer Shares during the period from (and including) the date the Offer Document is despatched to (and including) the day of the close of the Offer, otherwise than through valid acceptances of the Offer in respect of not less than 90 per cent. of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of shareholders of the Company who have not accepted the Offer ("**Dissenting Shareholders**").

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of Shares. Dissenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

## 8. **DISCLOSURE OF SHAREHOLDINGS AND DEALINGS**

### 8.1 **Holdings and Dealings in Shares**

- (a) **The Offeror and Relevant Persons.** The **Appendix** to this Announcement sets out:
- (i) the number of Shares owned, controlled or agreed to be acquired by the Offeror and the directors of the Offeror as at the date of this Announcement; and
  - (ii) the dealings in Shares by the Offeror and the directors of the Offeror during the six-month period immediately preceding the date of this Announcement (the "**Reference Period**").
- (b) **No Other Holdings.** Save as disclosed in this Announcement, neither the Offeror, nor the directors of the Offeror own, control or have agreed to acquire any Shares or securities which carry voting rights in the Company or are convertible into Shares or securities which carry voting rights in the Company, or rights to subscribe for, or options in respect of, Shares or such securities.

**8.2 No Dealings or Irrevocable Undertakings.** As at the date of this Announcement, save as disclosed in this Announcement, none of the Offeror nor the directors of the Offeror has (a) dealt for value in any Shares during the Reference Period, or (b) received any irrevocable undertaking from any party to accept or reject the Offer.

**8.3 Confidentiality.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures will be made in the Offer Document.

## **9. CONFIRMATION OF FINANCIAL RESOURCES**

Oversea-Chinese Banking Corporation Limited confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

## **10. OFFER DOCUMENT**

Further information on the Offer will be set out in the Offer Document. The Offer Document, which will contain the terms and conditions of the Offer and enclose the appropriate form(s) of acceptance, will be despatched to holders of the Offer Shares not earlier than 14 days and not later than 21 days from the date of this Announcement. **The Offeror intends to keep the Offer open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document.**

## **11. RESPONSIBILITY STATEMENT**

The directors of the Offeror (including any 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 Company), the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquires that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Announcement.

Issued by

**Walnut Pte. Ltd.**

12 March 2007

## The Appendix

### HOLDINGS AND DEALINGS IN SHARES

#### Details of Holdings in Shares

#### 1. Shares held by the Offeror and the directors of the Offeror as at the date of this Announcement

##### 1.1 The Offeror

As at the date of this Announcement, the interests in Shares held by the Offeror are set out below:

Name	Number of Shares					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Walnut Pte. Ltd.	-	-	12,779,500	1.18	12,779,500	1.18

##### 1.2 Directors of the Offeror

As at the date of this Announcement, the interests in Shares held by the directors of the Offeror are set out below:

Name	Number of Shares					
	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Mr Peh Kwee Chim	316,823,990	29.20	12,779,500	1.18	329,603,490	30.38
Mr Peh Siang Woon Terence	-	-	12,779,500	1.18	12,779,500	1.18

#### Details of Dealings in Shares

#### 2. Details of Dealings in Shares During the Reference Period by the Offeror and the directors of the Offeror

##### 2.1 The Offeror

The details of the dealings in Shares by the Offeror during the Reference Period are set out below:

Name	Date	Number of Shares Acquired	Transaction Price per Share (S\$)
Walnut Pte. Ltd.	-	-	-

## 2.2 Directors of the Offeror

The details of the dealings in Shares by the directors of the Offeror during the Reference Period are set out below:

<b>Name</b>	<b>Date</b>	<b>Number of Shares Acquired</b>	<b>Transaction Price per Share (S\$)</b>
Mr Peh Kwee Chim	12 January 2007	97,071,330	0.32