

STARLAND HOLDINGS LIMITED
(Company Registration Number: 201131382E)
(Incorporated in the Republic of Singapore)

**PROPOSED SUBSCRIPTION OF 134,943,181 NEW ORDINARY SHARES IN THE
CAPITAL OF STARLAND HOLDINGS LIMITED AT AN ISSUE PRICE OF S\$0.1408 PER
SHARE**

PLACEMENT OF NEW SHARES

1. Introduction

The Board of Directors ("**Board**" or "**Directors**") of Starland Holdings Limited ("**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has on 23 September 2016 entered into a subscription agreement (the "**Subscription Agreement**") with the Subscribers (as hereinafter defined) pursuant to which the Company has agreed to allot and issue 134,943,181 new ordinary shares in the issued share capital of the Company (the "**Subscription Shares**") to the following persons:

No.	Name of Subscriber	Number of Subscription Shares	Consideration
1.	GRP Limited	85,227,272	S\$12,000,000
2.	Sim Siew Tin Carol	2,130,682	S\$300,000
3.	Asdew Acquisitions Pte. Ltd.	7,102,273	S\$1,000,000
4.	Teo Khiam Chong	710,227	S\$100,000
5.	Yap Soon Heng @ Julian Yap	7,102,273	S\$1,000,000
6.	Meyer Gunther Robert	994,318	S\$140,000
7.	Toe Teow Heng	3,551,136	S\$500,000
8.	Gregory Jonathan See Jingwen	1,420,455	S\$200,000
9.	Edward Ang Boon Cheow	1,065,341	S\$150,000
10.	Gan Boon Chye	1,065,341	S\$150,000
11.	Lim Yao Rong Rachel	781,250	S\$110,000
12.	Lim See Yong	2,485,795	S\$350,000
13.	Wisun Soon	5,681,818	S\$800,000
14.	Wong Chun Mun	5,681,818	S\$800,000

15.	Teh Yan Nee	5,681,818	S\$800,000
16.	Vijay Kumar s/o Sreekumar Pillai	4,261,364	S\$600,000
Total		134,943,181	S\$19,000,000

(collectively, the “**Subscribers**”)

The Subscribers have agreed to subscribe for the Subscription Shares, at an issue price of S\$0.1408 per Subscription Share (the “**Subscription Price**”), amounting to an aggregate consideration of approximately S\$19.0 million, and on the terms and conditions of the Subscription Agreement (the “**Placement**”).

Pursuant to the Subscription Agreement, the Company has also agreed to issue to the Subscribers 101,225,359 share options (“**Share Options**”) conferring the holders the right to subscribe for one (1) new ordinary share in the capital of the Company (“**New Share**”) upon exercise of each Share Option at an exercise price of S\$0.1877 (“**Exercise Price**”) for each New Share, as follows:

No.	Name of Subscriber	Number of Share Options
1.	GRP Limited	63,931,805
2.	Sim Siew Tin Carol	1,598,295
3.	Asdew Acquisitions Pte. Ltd.	5,327,651
4.	Teo Khiam Chong	532,765
5.	Yap Soon Heng @ Julian Yap	5,327,651
6.	Meyer Gunther Robert	745,871
7.	Toe Teow Heng	2,663,825
8.	Gregory Jonathan See Jingwen	1,065,530
9.	Edward Ang Boon Cheow	799,148
10.	Gan Boon Chye	799,148
11.	Lim Yao Rong Rachel	586,042
12.	Lim See Yong	1,864,678
13.	Wisun Soon	4,262,120
14.	Wong Chun Mun	4,262,120
15.	Teh Yan Nee	4,262,120
16.	Vijay Kumar s/o Sreekumar Pillai	3,196,590

Total	101,225,359
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2. The Subscription Shares and Share Options

The Subscription Shares and New Shares, when issued and delivered, shall be free from all claims, charges, liens, pledges, mortgages and other encumbrances and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued ordinary shares of the Company (the “**Shares**”) except that they will not rank for any dividend, right, allotments or other distributions (if any) where (i) the record date of which falls on or before the date of issue of the Subscription Shares and/or New Shares (where applicable) and (ii) made pursuant to the proposed distribution by the Company (if any) of all its available cash and cash equivalent to the shareholders of the Company (except the Subscribers) as contemplated in the sale and purchase agreement dated 20 June 2016 and as announced via the SGXNET on 20 June 2016 (“**Proposed Distribution**”).

Pursuant to the allotment and issue of the Subscription Shares, the Company’s issued and paid up share capital will increase from 144,733,000 Shares as at the date of this announcement, to 279,676,181 Shares. Such number of Subscription Shares will represent approximately 93.24% of the Company’s existing issued and paid up share capital as at the date of this announcement, and approximately 48.25% of the enlarged issued and paid-up share capital of the Company after the Placement.

Pursuant to the allotment and issue of the Subscription Shares and New Shares (assuming all the Share Options are exercised), the Company’s issued and paid up share capital will increase from 144,733,000 Shares as at the date of this announcement, to 380,901,540 Shares. Such number of Subscription Shares and New Shares will represent approximately 163.18% of the Company’s existing issued and paid up share capital as at the date of this announcement, and approximately 62% of the enlarged issued and paid-up share capital of the Company after the Placement and New Shares being issued (assuming all the Share Options are exercised).

3. The Subscription Price and Exercise Price

The Subscription Price represents a discount of approximately 40.09% to the volume-weighted average market price of S\$0.235 for each Share, based on trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 5 February 2016, being the last full market day on which the Company’s shares were traded on SGX-ST prior to suspension of trading of the Company’s shares.

The Exercise Price represents a discount of approximately 20.13% to the volume-weighted average market price of S\$0.235 for each Share, based on trades done on the SGX-ST on 5 February 2016, being the last full market day on which the Company’s shares were traded on SGX-ST prior to suspension of trading of the Company’s shares.

The Subscription Price, Exercise Price, number of Subscription Shares to be issued and Share Options to be granted by the Company to the Subscribers, are subject to adjustment according to the terms of the Subscription Agreement.

4. Information on the Subscribers Required Pursuant to Rule 810(2) of the Catalist Rules

The rationale for placing the Subscription Shares and Share Options to the Subscribers are as set out below:

No.	Name of Subscriber	Background of Subscriber
1.	GRP Limited	Controlling shareholder of the Company
2.	Sim Siew Tin Carol	Private investor
3.	Asdew Acquisitions Pte. Ltd.	Investment vehicle of Wang Yu Huei and Lim Sor Kuan
4.	Teo Khiam Chong	Private investor
5.	Yap Soon Heng @ Julian Yap	Private investor
6.	Meyer Gunther Robert	Private investor
7.	Toe Teow Heng	Private investor
8.	Gregory Jonathan See Jingwen	Private investor
9.	Edward Ang Boon Cheow	Private investor
10.	Gan Boon Chye	Private investor
11.	Lim Yao Rong Rachel	Private investor
12.	Lim See Yong	Private investor
13.	Wisun Soon	Private investor
14.	Wong Chun Mun	Private investor
15.	Teh Yan Nee	Private investor
16.	Vijay Kumar s/o Sreekumar Pillai	Private investor

Save for GRP Limited, the remaining Subscribers were independently introduced to the Company and do not fall under any of the categories of restricted persons under Rule 812(1) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (“**Catalist Rules**”).

The issuance of the Subscription Shares and the Share Options will not be made without the prior approval of the Company’s shareholders in a general meeting for, *inter alia*, the following:

- (i) the Placement;
- (ii) discount of the Subscription Price and Exercise Price for each Share being more than 10%;
- (iii) GRP Limited as a restricted person under Rule 812(1) of the Catalist Rules; and
- (iv) if such issuance would bring about a transfer of controlling interest.

5. Conditions Precedent to Completion

The Placement is conditional upon, *inter alia*, the following:

- (a) the listing and quotation notice (“**LQN**”) from the SGX-ST being obtained for the listing of and quotation for the Subscription Shares and New Shares on the Catalist; and
- (b) the approval of the shareholders of the Company in an extraordinary general meeting being obtained for the allotment and issue of the Subscription Shares in favour of the Subscribers and the Share Options to be granted to the Subscribers.

UOB Kay Hian Private Limited, acting as sponsor to the Company, will be submitting an additional listing application to the SGX-ST on behalf of the Company for the listing of and quotation for the Subscription Shares and New Shares on the Catalist. An announcement will be made in due course to notify the shareholders of the Company when the LQN from the SGX-ST has been obtained.

6. Completion

Completion of the Placement is to take place on such date as stipulated in the notice to complete to be served by the Company on the Subscribers within three (3) days after (i) the fulfillment or waiver (if applicable) of all the conditions precedent in the Subscription Agreement or (ii) (in the event that the Company determines to effect the Proposed Distribution) the books closure date for determining entitlements to the Proposed Distribution being fixed, whichever is later.

7. Use of Net Proceeds

The estimated net proceeds from the Placement (after deducting estimated expenses pertaining to the Placement of approximately S\$245,000 to be borne by the Company) will be approximately S\$18,755,000 (“**Net Proceeds**”).

The Company intends to allocate the Net Proceeds as follows:

Use of Net Proceeds	Amount (S\$)	Percentage Allocation (%)
Working Capital and expenses related to the Ayondo RTO	3,755,000	20.02
Fund the purchase of lands, new investments and business expansion through acquisitions, joint ventures and/or strategic alliances	15,000,000	79.98
Total	18,755,000	100.00

Pending the deployment of the proceeds for the purposes mentioned above, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Placement as and when the funds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds raised from the Placement in the Company’s interim and full year financial statements and the Company’s annual report. Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and the status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

8. Financial Effects

The following financial effects of the Placement are solely for illustration purposes only and may not be reflective of the actual future financial situation of the Group upon actualisation. The effects of the Placement on the net tangible asset per share and earnings per share of the Group based on the unaudited financial statements of the Group for the nine months financial period ended 30 June 2016 are set out in the table below:

	Before the Placement	After the Placement	After the Placement and New Shares (assuming Share Options fully exercised)
Net tangible asset per share ("NTA") (Singapore cents) ⁽¹⁾	22.37	18.37	18.48
Loss per share ("LPS") (Singapore cents) ⁽²⁾	(3.00)	(1.55)	(1.14)

Notes:

1. NTA after the Placement was computed based on the assumption that the Placement was completed on 30 June 2016.
2. LPS after the Placement was computed based on the assumption that the Placement was completed on 1 October 2015.

9. Interested Person Transaction

Under Chapter 9 of the Catalist Rules, where a listed company proposes to enter into a transaction with its director, Chief Executive Officer or controlling shareholder or any of their associates, shareholders' approval and/or an immediate announcement is required in respect of that transaction if its value is equal to or exceeds certain financial thresholds. In particular, shareholders' approval is required where the value of such transaction with any such persons is equal to or more than:-

- (a) 5.0% of the listed company's latest audited NTA; or
- (b) 5.0% of the listed company's latest audited NTA, when aggregated with the value of all other transactions entered into with the same interested person during the same FY.

As at the date of this announcement, GRP Limited is the controlling shareholder of the Company and accordingly, the GRP Limited is an interested person and its subscription of Subscription Shares pursuant to the Subscription Agreement is an interested person transaction under Chapter 9 of the Catalist Rules.

Based on the Group's latest audited consolidated financial statements for the financial year ended 30 September 2015, its consolidated NTA as at 30 September 2015 was approximately RMB182.5million. The aggregate consideration of the Subscription Shares subscribed by GRP Limited is approximately S\$12.0 million representing approximately 29.22% of the Company's latest audited consolidated NTA. Accordingly, pursuant to Chapter 9 of the Catalist Rules, the subscription of Subscription Shares by GRP Limited constitutes an interested person transaction and requires the approval of shareholders. The total value of interested person transactions (excluding transactions less than S\$100,000) entered into by the Group which GRP Limited for the current financial year ending 30 June 2017 up to the date of this announcement is approximately

S\$105,000. The total value of interested person transactions (excluding transactions less than S\$100,000) entered by the Group with interested persons for the current financial year ending 30 June 2017 up to the date of this announcement is approximately S\$105,000.

GRP Limited will abstain from voting its shareholding (either in person or by proxy), if any, in respect of the resolution relating to the Placement at an extraordinary general meeting to be held. In addition, Mr Kwan Chee Seng, a director of the Company, who is holding 29.18% equity stake in GRP Limited, will abstain from voting on the resolutions of the Board relating to the Placement.

10. Audit Committee Statement

The Audit Committee will form their view as to whether the Placement is on normal commercial terms and is not prejudicial to the interests of the Company and its minority shareholders after consulting an independent financial adviser. The Audit Committee's view on the Placement will be set out in the Shareholders' Circular to be despatched to the shareholders of the Company in due course.

11. No Prospectus or Offer Information Statement

The Placement will be undertaken pursuant to a private placement exemption under Section 274 and/or 275 of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Placement.

12. Confirmation by Directors

The Directors are of the opinion that after taking into consideration: (i) the present bank facilities available to the Group, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding this, the Company has decided to undertake the Placement to strengthen its financial position in order to meet its anticipated general working capital requirements and business expansion; and (ii) the present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

13. Interest of Directors and Substantial Shareholders

As at the date of this announcement, Mr Kwan Chee Seng is a non-executive director of the Company and controlling shareholder and executive director of GRP Limited. Ms Peng Peck Yen, who is an executive director of the Company, is holding 12,000 shares in GRP Limited and Mr Low Wai Cheong, who is an independent director of the Company, is holding 46,400 shares in GRP Limited.

Save for GRP Limited, and as disclosed above, none of the Directors or controlling shareholders of the Company, has any interest, direct or indirect (other than through their shareholdings in the Company), in the Placement.

14. Circular and Documents for Inspection

The circular to the shareholders containing, *inter alia*, further information on the Placement and enclosing the notice of the EGM of the Company will be despatched by the Company to the shareholders in due course.

A copy of the Subscription Agreement is available for inspection during normal business hours at the registered office of the Company for 3 months from the date of this Announcement.

15. Responsibility Statement

The Directors collectively and individually accept full responsibility for accuracy of the information given in this announcement and confirm after making all reasonable enquires, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material

facts about the Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

16. Trading Caution

Shareholders of the Company are advised to exercise caution when trading in shares of the Company. When in doubt as to the action they should take, shareholders should consult their financial, tax or other advisors.

BY ORDER OF THE BOARD

Peng Peck Yen
Executive Director
23 September 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Augustine Cheong, Assistant Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.