



## STARBURST HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 28 October 2013)  
(Company Registration No.: 201329079E)

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### PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 62,500,000 WARRANTS ON THE BASIS OF ONE (1) WARRANT FOR EVERY FOUR (4) EXISTING ORDINARY SHARES

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#### 1. INTRODUCTION

The board of directors (the "**Directors**") of Starburst Holdings Limited (the "**Company**") wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the "**Rights Issue**") of up to 62,500,000 warrants (the "**Warrants**"), at an issue price of S\$0.01 (the "**Issue Price**") for each Warrant, on the basis of one (1) Warrant for every four (4) existing ordinary shares (the "**Shares**") in the capital of the Company held by the shareholders of the Company (the "**Shareholders**") as at a books closure date, being the time and date to be determined by the Directors on which the register of members and share transfer books of the Company will be closed to determine the entitlements of Shareholders to the provisional allotments of Warrants under the Rights Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded. Each Warrant will carry the right to subscribe for one (1) new ordinary share in the capital of the Company (the "**New Share**") at an exercise price of S\$0.25 for each New Share (the "**Exercise Price**").

The Rights Issue is subject to, amongst others, the following:

- (i) the grant of the Whitewash Waiver Application (as defined below) by the Securities Industry Council (the "**Council**") and such waivers not having been withdrawn or revoked as at the date of completion of the Rights Issue;
- (ii) the receipt of the in-principle approval of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the dealing in, the listing of and quotation for the Warrants and the New Shares (to be allotted and issued by the Company upon the exercise of the Warrants) on the sponsor-supervised platform of the SGX-ST ("**Catalist**");
- (iii) the approval of the Shareholders of the Rights Issue at the extraordinary general meeting to be convened by the Company (the "**EGM**");
- (iv) the approval of a majority of independent Shareholders (being Shareholders other than the Undertaking Shareholders (as defined below) and parties acting in concert with each of them respectively) ("**Independent Shareholders**") being obtained at the EGM, by way of a poll, in a separate

resolution, for the waiver of their rights to receive a mandatory general offer from the Undertaking Shareholders (as defined below), as the case may be, and parties acting in concert with them respectively for all the Shares not already owned, controlled or agreed to be acquired by the Undertaking Shareholders, as the case may be, and parties acting in concert with them respectively; and

- (v) the lodgement of an offer information statement relating to the Rights Issue, prepared in accordance with the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 (the "**OIS**"), and its accompanying documents with the SGX-ST (acting as agent of the Monetary Authority of Singapore).

To demonstrate their support for the Rights Issue and their commitment to and confidence in the Company, Mr. Edward Lim Chin Wah, the Chairman and Executive Director of the Company ("**EL**") and Mr. Yap Tin Foo, the Managing Director of the Company ("**YTF**", and together with EL, the "**Undertaking Shareholders**"), who in aggregate hold approximately 80.06% of the Company's issued share capital as at the date of this announcement, have undertaken to the Company that they will, amongst others, subscribe and pay in full for their respective entitlements to the Warrants under the Rights Issue.

The Company has appointed DBS Bank Ltd. as the sponsor and issue manager of the Rights Issue (the "**Sponsor and Issue Manager**").

## 2. PRINCIPAL TERMS OF THE RIGHTS ISSUE

### 2.1 Terms of the Warrants

Based on the issued share capital of the Company of 250,000,000 Shares as at the date of this announcement, up to 62,500,000 Warrants will be offered at the Issue Price on the basis of one (1) Warrant for every four (4) Shares held by the Shareholders as at the Books Closure Date.

The Warrants will be issued in registered form and be constituted in an instrument by way of a deed poll (the "**Deed Poll**") that sets out the terms and conditions of the Warrants and which may from time to time be amended or supplemented.

Each Warrant will, subject to the terms and conditions to be set out in the Deed Poll, carry the right to subscribe for one (1) New Share at an exercise price of S\$0.25 for each New Share within the period during which the Warrants may be exercised (the "**Exercise Period**"), being the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth (5<sup>th</sup>) anniversary of the date of issue of the Warrants, unless such date is a date on which the register of members of the Company is closed or is not a market day, in which event, the last day of the Exercise Period shall be the immediately preceding market day on which the register of members of the Company remains open, but excluding such period(s) during which the register of warrant holders of the Company may be closed, subject to the terms and conditions of the warrants as set out in the Deed Poll.

At the expiry of the Exercise Period, any Warrant which has not been exercised in accordance with the terms and conditions of the warrants as set out in the Deed Poll will lapse and cease to be valid for any purposes.

The Issue Price and the Exercise Price of each Warrant will be S\$0.01 and S\$0.25 respectively. As such, the total cost of each New Share would be S\$0.26 (aggregating the Issue Price and Exercise Price) which represents a discount of approximately 3.7% to the closing price of S\$0.27 per Share on Catalist on 7 March 2016 (being the latest full market day on which there were trades in the Shares immediately preceding the date of this announcement). The Exercise Price and the number of Warrants will be subject to adjustments under certain circumstances in accordance with the terms and conditions to be set out in the Deed Poll.

Assuming all of the Shareholders subscribe in full for their provisional entitlements to the Warrants, 62,500,000 Warrants will be issued under the Rights Issue ("**Maximum Subscription Scenario**"). Assuming only the Undertaking Shareholders subscribe for their entitlements to the Warrants in accordance with the Irrevocable Undertakings (as defined below) and none of the Shareholders (except for the Undertaking Shareholders) subscribe for their entitlements to the Warrants and/or apply for any excess Warrants, 50,039,750 Warrants will be issued under the Rights Issue ("**Minimum Subscription Scenario**").

An application will be made to the SGX-ST for the listing of and quotation for the Warrants and the New Shares on Catalist. The Warrants will be listed and traded on Catalist under the book-entry (scripless) settlement system. The listing of and quotation for the Warrants and the New Shares on Catalist, if approved, is expected to be subject to, amongst others, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants. Each board lot of the Warrants will consist of 100 Warrants or such other board lot size which the SGX-ST may require.

The New Shares arising from the exercise of Warrants shall be fully paid and shall rank equally with and without preference in all respects with the then existing issued Shares save for any dividends, rights, allotments and other distributions, the record date for which is before the relevant exercise date of the Warrants. For this purpose, "**record date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the Central Depository (Pte) Ltd ("**CDP**"), as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

Fractional entitlements to the Warrants, shall be disregarded or dealt with in such manner as the Directors shall deem fit. Excess Warrants will be allotted in such manner as the Directors may, in their absolute discretion, deem fit subject to applicable laws and the SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time. In the allotment of excess Warrants, preference will be given to the rounding of odd lots. Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, will rank last in priority for the rounding of odd lots and allotment of excess Warrants.

The Company will seek the approval of Shareholders for the issue of the Warrants and the New Shares at the EGM to be convened.

The terms and conditions of the Rights Issue are subject to such changes as the Directors, after consultation with the Sponsor and Issue Manager, may deem fit. The final terms and conditions of the Rights Issue will be contained in the OIS to be lodged by the Company with the SGX-ST (acting as agent of the Monetary Authority of

Singapore) and to be dispatched to Entitled Shareholders (as defined below) in due course.

## **2.2 Eligibility to Participate in the Rights Issue**

The Warrants Issue is proposed to be made on a renounceable basis to Shareholders whose registered addresses with the Company or CDP, as the case may be, are in Singapore as at the Books Closure Date or who have, at least three (3) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Entitled Shareholders**").

As the Shares are not registered under the Central Provident Fund ("**CPF**") Investment Scheme, CPF funds in CPF investment accounts cannot be used for the payment to accept or purchase provisional allotments of Warrants or to apply for excess Warrants.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, provisional allotments of the Warrants to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of provisional allotments of the Warrants to any securities account with CDP, the receipt of any provisional allotments of the Warrants, or receipt of the OIS and/or any of its accompanying documents, shall not constitute an offer or sale in those jurisdictions in which it would be illegal to make such offer or sale, or where such offer or sale would otherwise violate the securities laws of such jurisdictions or be prohibited. The Company reserves absolute discretion in determining whether any Shareholder located or resident outside Singapore may participate in the Rights Issue.

As such, for practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**").

The entitlements to Warrants which would otherwise be provisionally allotted to the Foreign Shareholders may, if it is practicable to do so, be sold "nil-paid" on the SGX-ST or dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the sole benefit of the Company. Any entitlements to the Warrants not taken up will be aggregated and allotted to satisfy excess applications, disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

## **3. IRREVOCABLE UNDERTAKINGS**

As at the date of this announcement, each of EL and YTF, holds 100,079,000 Shares and 100,080,000 Shares respectively, representing approximately 40.03% and 40.03% respectively, of the total issued and paid-up share capital of the Company.

To demonstrate their support for the Rights Issue, each Undertaking Shareholders has provided the Company with an irrevocable undertaking to subscribe and pay in full for their respective Warrant entitlements under the Rights Issue, based on the

number of Shares held by each of them as at the date of their respective irrevocable undertakings (the "**Irrevocable Undertakings**"). Accordingly, pursuant to the Irrevocable Undertakings, the Undertaking Shareholders will subscribe for an aggregate of 50,039,750 Warrants and the total Issue Price payable by the Undertaking Shareholders for the Warrants will be S\$500,397.50.

Under the Irrevocable Undertakings, the Undertaking Shareholders do not have the obligation to exercise any of their Warrants.

The Irrevocable Undertakings are subject to and conditional upon:

- (i) the waiver granted by the Council of the requirement for each of the Undertaking Shareholders and the parties acting in concert with each of them (if any) to make a mandatory general offer for the Company under Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Take-over Code**") arising from their exercise of the Warrants subscribed for by them pursuant to the Irrevocable Undertakings, and such waiver granted not having been withdrawn or revoked;
- (ii) the receipt of the in-principle approval of the SGX-ST (acting as agent on behalf of the Monetary Authority of Singapore) for the dealing in, the listing of and quotation for the Warrants and the New Shares;
- (iii) the Rights Issue being approved by the Shareholders at the EGM of the Company to be convened;
- (iv) a resolution being approved by way of poll by a majority of the Independent Shareholders of the Company present and voting at the extraordinary general meeting of the Company to be convened, to waive their rights to receive a mandatory offer for the Company from each of the Undertaking Shareholders, pursuant to Rule 14 of the Take-over Code, arising from the exercise of Warrants subscribed for by them pursuant to the Irrevocable Undertakings; and
- (v) the lodgement of the OIS in respect of the Rights Issue with the SGX-ST (acting as agent on behalf of the Monetary Authority of Singapore).

In view of the Irrevocable Undertakings, the Company has decided to proceed with the Rights Issue on a non-underwritten basis. The Directors are of the opinion that, after taking into consideration the internal sources of funds available to the Company and its subsidiaries (the "**Group**"), the net proceeds from the Rights Issue (based on the Minimum Subscription Scenario), cash generated from its business operations and the Group's present banking facilities, the working capital available to the Group is sufficient to meet the Group's present requirements.

## 4. RATIONALE OF THE RIGHTS ISSUE AND USE OF PROCEEDS

### 4.1 Rationale

The Directors believe that the Rights Issue will provide Shareholders with the opportunity to obtain further equity participation in the Company by subscribing for the New Shares through the exercise of the Warrants. In addition, as and when the Warrants are exercised, the proceeds arising therefrom will (i) expand and strengthen the capital base of the Company, (ii) provide additional resources for business

expansion, and (iii) confer additional financial flexibility on the Company and enable it to respond proactively to strategic business opportunities and working capital requirements, as necessary. In addition, the New Shares, when issued, are expected to improve the liquidity in the trading of the Company's Shares.

As at the date of this announcement, the Company has 250,000,000 issued and fully paid-up Shares (the "**Existing Issued Share Capital**"). None of the Shares are subject to moratorium. Based on the Existing Issued Share Capital, the Rights Issue will comprise up to 62,500,000 Warrants representing approximately up to 25% of the Existing Issued Share Capital. Assuming that the Warrants are fully subscribed, 62,500,000 Warrants are issued and all the 62,500,000 Warrants issued are exercised, the share capital would increase to 312,500,000 Shares.

#### **4.2 Use of Proceeds**

In the Maximum Subscription Scenario, the net proceeds from the subscription of the Warrants will amount to approximately S\$475,000 after deducting professional fees as well as related expenses of approximately S\$150,000.

In the Minimum Subscription Scenario, the net proceeds from the subscription of the Warrants will amount to approximately S\$350,397.50 after deducting professional fees as well as related expenses of approximately S\$150,000.

The Company intends to use the net proceeds from the Rights Issue for the Group's general working capital purposes.

Assuming that all the Warrants are exercised, the Company will raise additional proceeds of approximately S\$15,625,000 in the Maximum Subscription Scenario and S\$12,509,937.50 in the Minimum Subscription Scenario. As and when the Warrants are exercised, the Company intends for the proceeds arising therefrom to be applied to the following purposes, such as:

- (i) the repayment of the Group's borrowings;
- (ii) the pursuit of strategic business opportunities (including any business expansion and acquisition opportunities as and when they arise); and/or
- (iii) the Group's general working capital purposes.

As and when any significant amount of the proceeds is deployed, the Company will make the necessary announcements and subsequently provide a status report on the use of such proceeds and any material deviation therefrom in its annual report.

Pending the deployment of the net proceeds for the uses identified above, the net proceeds may be placed as deposits with financial institutions or invested in short-term money market or debt instruments or for any other purposes on a short-term basis as the Directors may deem fit.

#### **5. WAIVER OF MANDATORY OFFER OBLIGATION ARISING FROM THE EXERCISE OF THE WARRANTS IN THE RIGHTS ISSUE**

In connection with the Rights Issue, the Company intends to also seek the approval of Independent Shareholders for a whitewash resolution (the "**Whitewash Resolution**") pursuant to the Take-over Code at the EGM.

As at the date of this announcement, both EL and YTF are respectively, the Chairman and Executive Director of the Company, and the Managing Director of the Company and both EL and YTF are each a substantial shareholder of the Company. Both EL and YTF do not regard themselves as acting in concert with each other in relation to their interests in the Company.

Regardless of whether the Warrants are fully subscribed for by Independent Shareholders, the aggregate voting rights of each Undertaking Shareholder will increase in each instance, if either of the Undertaking Shareholder exercises part of or all the Warrants subscribed by him, assuming that no Independent Shareholder subscribes for and/or exercises any Warrant.

Assuming that all Independent Shareholders do not subscribe for and/or exercise any Warrants and only the Undertaking Shareholders exercise the Warrants subscribed for pursuant to their Irrevocable Undertakings, the increase of the voting rights of the respective Undertaking Shareholders in the Company will be as follows:

	Before exercise of Warrants		After exercise of Warrants	
	Number of Shares	% of issued share capital <sup>(1)</sup>	Number of Shares	% of issued share capital <sup>(1)</sup>
EL	100,079,000	Approximately 40.03	125,098,750	Approximately 41.69
YTF	100,080,000	Approximately 40.03	125,100,000	Approximately 41.69
Other Shareholders	49,841,000	Approximately 19.94	49,841,000	Approximately 16.61
Total	250,000,000	100.00	300,039,750	100.00

**Note:**

(1) The percentage may not add up to 100.00% due to rounding.

Assuming that all Independent Shareholders do not subscribe for and/or exercise any Warrants, YTF does not exercise any Warrants held by him and only EL exercises all Warrants subscribed for pursuant to his Irrevocable Undertaking, the increase of EL's voting rights in the Company will be as follows:

	Before exercise of Warrants		After exercise of Warrants	
	Number of Shares	% of issued share capital <sup>(1)</sup>	Number of Shares	% of issued share capital <sup>(1)</sup>
EL	100,079,000	Approximately 40.03	125,098,750	Approximately 45.49
YTF	100,080,000	Approximately 40.03	100,080,000	Approximately 36.39
Other Shareholders	49,841,000	Approximately 19.94	49,841,000	Approximately 18.12
Total	250,000,000	100.00	275,019,750	100.00

**Note:**

(1) The percentage may not add up to 100.00% due to rounding.

Assuming that all Independent Shareholders do not subscribe for and/or exercise any Warrants, EL does not exercise any Warrants held by him and only YTF exercises all Warrants subscribed for pursuant to his Irrevocable Undertaking, the increase of YTF's voting rights in the Company will be as follows:

	Before exercise of Warrants		After exercise of Warrants	
	Number of Shares	% of issued share capital <sup>(1)</sup>	Number of Shares	% of issued share capital <sup>(1)</sup>
EL	100,079,000	Approximately 40.03	100,079,000	Approximately 36.39
YTF	100,080,000	Approximately 40.03	125,100,000	Approximately 45.49
Other Shareholders	49,841,000	Approximately 19.94	49,841,000	Approximately 18.12
Total	250,000,000	100.00	275,020,000	100.00

**Note:**

(1) The percentage may not add up to 100.00% due to rounding.

Accordingly, based on the three scenarios set out above, both the Undertaking Shareholders or any of them may potentially trigger a mandatory offer for the Shares not already owned or controlled by them pursuant to Rule 14 of the Take-over Code in the event that either one or both of them exercise all the Warrants subscribed for by them.

An application has been made to the Council for a waiver (the "**Whitewash Waiver Application**") of the obligations of the Undertaking Shareholders and their respective concert parties to make a mandatory offer for the Company under Rule 14.1(a) or Rule 14.1(b) of the Take-over Code, as the case may be, as a result of the subscription of all of their respective entitlements of Warrants under the Rights Issue and the acquisition of New Shares upon the exercise of such Warrants. The Company has also appointed SAC Capital Private Limited as the independent financial adviser to advise its independent Directors in respect of the Whitewash Resolution. An appropriate announcement on the outcome of the Whitewash Waiver Application will be made in due course.

## 6. THE CIRCULAR AND THE OIS

A circular, containing, amongst others, the notice of the EGM and the terms and conditions of the Rights Issue will be despatched to the Shareholders in due course. Thereafter, the OIS will be despatched by the Company, together with copies of the application form for the Warrants, the application form for the excess Warrants or the provisional allotment letter, as the case may be, to the Entitled Shareholders following the EGM in due course.



## **7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

Except as mentioned in this announcement, none of the Directors or controlling shareholders of the Company have any interest, direct or indirect, in the Rights Issue, other than through their respective interests in the Shares.

## **8. CONFIRMATIONS BY DIRECTORS**

The Directors are of the opinion that after taking into consideration:

- (1) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (2) the present bank facilities and the proceeds from the Rights Issue, the working capital available to the Group is sufficient to meet its present requirements.

## **9. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights Issue. The Company 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.

## **BY ORDER OF THE BOARD**

EDWARD LIM CHIN WAH  
Chairman and Executive Director

7 March 2016

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, DBS Bank Ltd. for compliance with the relevant rules of 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 correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr. Koh Boon Pin, Senior Vice President, Capital Markets, DBS Bank Ltd., at 12 Marina Boulevard Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, telephone +65 6878 8888.*