

# MANDATORY UNCONDITIONAL CASH OFFER

by

# CICF

CEL Impetus Corporate Finance Pte Ltd

## CEL IMPETUS CORPORATE FINANCE PTE. LTD.

(Company Registration No.: 201631484Z)

(Incorporated in the Republic of Singapore)

for and on behalf of

## STAR PHARMACEUTICAL HOLDINGS LIMITED

(Cayman Islands Company No.: 348860)

(Incorporated in the Cayman Islands)

to acquire all the issued and paid-up ordinary shares in the capital of



## STAR PHARMACEUTICAL LIMITED

(Company Registration No.: 200500429W)

(Incorporated in the Republic of Singapore)

excluding treasury shares and those already owned, controlled or agreed to be acquired by  
Star Pharmaceutical Holdings Limited

### OFFER ANNOUNCEMENT

#### 1. INTRODUCTION

- 1.1 **The Acquisition.** CEL Impetus Corporate Finance Pte. Ltd. ("**CICF**") wishes to announce, for and on behalf of Star Pharmaceutical Holdings Limited (the "**Offeror**"), that the Offeror has, on 5 August 2019, purchased from Mr. Wang Qi (the "**Seller**") an aggregate of 10,400,000 ordinary shares (the "**Sale Shares**") in the capital of Star Pharmaceutical Limited (the "**Company**"), representing approximately 22.67% of the total number of 45,875,199 issued and paid-up ordinary shares in the capital of the Company (excluding treasury shares) (the "**Shares**"), for an aggregate consideration of S\$1,476,800 (the "**Consideration**"), being S\$0.142 for each Sale Share (the "**Acquisition**").

The Acquisition was made pursuant to a sale and purchase agreement dated 5 August 2019 and entered into between the Offeror and the Seller for the sale and purchase of the Sale Shares, and was effected by way of an off-market transfer of securities. The Consideration for the Acquisition was satisfied by cash.

Prior to the Acquisition, the Offeror did not own or control any Shares. As a result of the Acquisition, the Offeror, together with its concert party, Mr. Xu Zhi Bin ("**Mr. Xu**"), own or control

an aggregate of 24,400,000 Shares, representing approximately 53.19% of the total number of Shares.

- 1.2 Mandatory Offer.** As a consequence of the Acquisition, the Offeror is required to make a mandatory unconditional cash offer (the "**Offer**") for all the Shares, excluding treasury shares and those already owned, controlled and agreed to be acquired by the Offeror (the "**Offer Shares**"), in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14 of the Singapore Code on Take-overs and Mergers (the "**Code**").

## **2. THE OFFER**

**Terms of the Offer.** Subject to the terms and conditions to be set out in the formal offer document in relation to the Offer to be issued by CICF for and on behalf of the Offeror (the "**Offer Document**"), the Offeror will make the Offer for all the Offer Shares in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14 of the Code on the following basis:

**(a) Offer Price**

The consideration for each Offer Share is:

**For each Offer Share: S\$0.45 in cash (the "Offer Price")**

**The Offeror does not intend to revise the Offer Price save for the right to do so in a competitive situation.**

**(b) Offer Shares**

The Offer, when made, will be extended to all Offer Shares as at the date of this offer announcement (the "**Offer Announcement Date**"). For the avoidance of doubt, the Offer will be also extended to all Shares owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror.

**(c) No Encumbrances**

The Offer Shares will be acquired:

- (i) validly issued and fully paid;
- (ii) free from all mortgages, assignments, debentures, liens, hypothecation, charges, pledges, adverse claims, rent-charge, title retention, claims, equity, options, encumbrances, pre-emption rights, rights to acquire, security agreement and security interest or other rights of whatever nature; and
- (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and hereafter attaching to thereto, including all voting rights and the right to receive and retain all dividends, rights, return of capital and/or other distributions (the "**Distributions**") (if any) which may be announced, declared, made or paid thereon by the Company on or after the Offer Announcement Date.

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date, depending on the settlement date in respect of the Offer Shares tendered in acceptance of the Offer, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such Distribution.

**(d) Unconditional Offer**

Pursuant to the completion of the Acquisition, the Offeror and parties acting in concert with it hold more than 50% of the voting rights attributable to the Shares (excluding treasury shares). As such, the Offer is **unconditional in all respects**.

**3. FINANCIAL EVALUATION OF THE OFFER**

The Offer Price represents the following **premium over** the historical transacted prices of the Shares on the Singapore Exchange Securities Trading Limited (the "SGX-ST"):

<b>Description</b>	<b>Benchmark Price (S\$)<sup>(1)</sup></b>	<b>Premium over the Benchmark Price (%)<sup>(2)</sup></b>
Last transacted price per Share as quoted on the SGX-ST on 26 July 2019 (being the last full day of trading in the Shares prior to the trading halt by the Company on 5 August 2019) (the " <b>Last Trading Date</b> ")	0.175	157.1
Volume-weighted average price (" <b>VWAP</b> ") per Share for the 1-month period up to and including the Last Trading Date	0.161	179.5
VWAP per Share for the 3-month period up to and including the Last Trading Date	0.163	176.1
VWAP per Share for the 6-month period up to and including the Last Trading Date	0.157	186.6
VWAP per Share for the 12-month period up to and including the Last Trading Date	0.154	192.2

**Notes:**

- (1) Based on data extracted from Bloomberg L.P. and with the figures rounded to the nearest three (3) decimal places.
- (2) Percentage figures have been rounded to the nearest one (1) decimal place.

**4. INFORMATION ON THE OFFEROR**

**The Offeror.** The Offeror is a special purpose vehicle incorporated under the laws of the Cayman Islands on 7 March 2019 for the purposes of the Acquisition and the Offer. The Offeror has not carried on any business since its incorporation, save for entering into certain arrangements in connection with the Acquisition and the Offer.

As at the Offer Announcement Date, the Offeror has an issued and paid-up share capital of US\$50,000 divided into 50,000 ordinary shares. The Offeror's sole shareholder is Gain River Limited (the "**Intermediate SPV**"). The Intermediate SPV is an investment holding company incorporated in the British Virgin Islands whose sole director and shareholder is Mr. Xu.

The sole director of the Offeror is Mr. Xu.

## 5. INFORMATION ON THE COMPANY

The Company is a public company limited by shares and was incorporated in Singapore on 10 January 2005. Its shares have been listed on the Mainboard of the SGX-ST since 15 February 2006.

The Company and its subsidiaries (collectively, the "**Group**") are principally engaged in the manufacturing and sales of both western and TCM-formulated prescription drugs.

Based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore, the Company has an issued and paid-up share capital of S\$31,372,977, comprising 45,875,199 Shares (excluding 949,800 treasury shares). Based on publicly available information, the Company does not have any outstanding instruments convertible into, rights to subscribe for, and options in respect of, securities which carry voting rights.

As at the Offer Announcement Date, the board of directors of the Company comprises the following individuals:

- (a) Mr. Xu (Executive Chairman);
- (b) Mr. Wang Qi (Executive Director);
- (c) Ms. Tan Wen Wen (Non-Executive Director);
- (d) Mr. Ng Poh Khoon (Lead Independent Director); and
- (e) Mr. Meng Tao (Independent Director).

## 6. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

**6.1 Compliance with the Code.** As a result of the Acquisition as set out in paragraph 1 of this Announcement, the Offeror is making the Offer in compliance with the requirements of the Code.

**6.2 Intention for the Company.** The Offeror is making the Offer with a view to delist and privatise the Company. The Offeror is of the view that the delisting and privatisation of the Company will provide the Offeror and the Company with greater control and management flexibility in the implementation of strategic initiatives and/or operational changes of the Group, as well as to dispense with the resources and expenses associated with the maintenance of the Company's listing status.

The Offeror presently has no intention to (a) introduce any major changes to the existing business of the Company, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of the employees of the Group, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves and which the Offeror regards to be in the interests of the Offeror and/or the Company.

**6.3 Opportunity for Shareholders to Realise their Investment in Cash at a Premium.** As set out in paragraph 3 of this Announcement, the Offer Price represents a premium of approximately 179.5%, 176.1%, 186.6% and 192.2% over the VWAP per Share for the 1-month, 3-month, 6-month and 12-month periods respectively up to and including the Last Trading Date. The Offer Price is also higher than the highest price at which the Shares have traded over the last 5-year period.

The Offer therefore presents Shareholders with an opportunity to realise up to their entire investment in the Shares in cash at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

## 7. LISTING STATUS AND COMPULSORY ACQUISITION

- 7.1 **Listing Status.** Under Rule 1105 of the listing manual of the SGX-ST (the "**Listing Manual**"), upon the announcement by the Offeror that valid acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and the parties acting in concert with it to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time as it is satisfied that at least 10% of the total number of issued Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.

Under Rule 1303(1) of the Listing Manual, where the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Rule 723 of the Listing Manual requires the Company to ensure that at least 10% of the total number of issued Shares (excluding treasury shares) is at all times held by the public. In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual further states that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

- 7.2 **Compulsory Acquisition.** Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), if the Offeror receives valid acceptances pursuant to the Offer and/or acquires such number of Offer Shares at the close of the Offer in respect of not less than 90% of the total number of issued Shares (excluding treasury shares and other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror will be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer (the "**Dissenting Shareholders**") on the same terms as those offered under the Offer.

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

**As stated above, it is the current intention of the Offeror to delist and privatise the Company. Accordingly, the Offeror, if and when entitled, intends to exercise its rights of compulsory acquisition under section 215(1) of the Companies Act to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer. The Offeror will then proceed to delist the Company from the SGX-ST pursuant to Rule 1308(2) of the Listing Manual.**

**In the event that trading of Shares on the SGX-ST is suspended pursuant to Rule 724(1), Rule 1105 or Rule 1303(1) of the Listing Manual but the Offeror is not entitled to exercise its rights of compulsory acquisition under section 215(1) of the Companies Act, the Offeror will assess its options available at such time to delist and privatise the Company, including by way of a voluntary delisting from the SGX-ST pursuant to Rules 1307 and 1309 of the Listing Manual, should the option be available to the Offeror.**

## 8. DISCLOSURE OF HOLDINGS, DEALINGS AND OTHER ARRANGEMENTS IN RELEVANT SECURITIES

**8.1 Holdings in Relevant Securities.** Save as disclosed in Schedule 1 to this Announcement, as at the Offer Announcement Date, based on the latest information available to the Offeror, none of the Offeror and its director, its concert parties and CICF (as financial adviser to the Offeror in connection with the Offer) (the "**Relevant Persons**") owns, controls or has agreed to acquire (other than pursuant to an irrevocable undertaking received by the Offeror from Mr. Xu (the "**Irrevocable Undertaking**")) any:

- (a) Shares;
- (b) securities which carry voting rights in the Company; or
- (c) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company,

(collectively, the "**Relevant Securities**").

**8.2 Dealings.** Save as disclosed in this Announcement (including Schedule 1 hereto) and based on the latest information available to the Offeror, none of the Relevant Persons has dealt for value in any Relevant Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Offer Announcement Date (the "**Reference Period**").

**8.3 Irrevocable Undertaking.** As at the Offer Announcement Date, the Offeror has received from Mr. Xu the Irrevocable Undertaking to accept the Offer in respect of 14,000,000 Shares (the "**Relevant Shares**") representing 30.52% of the total number of the Shares. Pursuant to the Irrevocable Undertaking, Mr. Xu has also waived his rights to receive cash settlement or payment payable to him by the Offeror, as consideration for the Relevant Shares tendered in acceptance for the Offer. Save for the Irrevocable Undertaking, as at the Offer Announcement Date, neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any other party to accept or reject the Offer.

The Irrevocable Undertaking shall cease to have any effect when the Offer closes, lapses or is withdrawn.

**8.4 Further Enquiries.** In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other persons 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, if any, will be made in due course and in the Offer Document.

**8.5 Disclosure of Dealings.** In accordance with the Code, the associates (as defined under the Code, and which includes all substantial shareholders) of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company under Rule 12 of the Code.

**8.6 Other Arrangements.** Save as disclosed in this Announcement, as at the Offer Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has:

- (a) entered into an arrangement (whether by way of option, indemnity or otherwise) in relation to shares of the Company or the Offeror which might be material to the Offer;
- (b) granted any security interest relating to any Relevant Securities to another person, whether through a charge, pledge or otherwise;
- (c) borrowed any Relevant Securities from another person (excluding borrowed Relevant Securities which have been on-lent or sold); or
- (d) lent any Relevant Securities to another person.

## 9. CONFIRMATION OF FINANCIAL RESOURCES

As stated in paragraph 8.3 above, pursuant to the Irrevocable Undertaking, Mr. Xu has waived his rights to receive cash settlement or payment payable to him by the Offeror as consideration for the Relevant Shares tendered in acceptance for the Offer. The Securities Industry Council has thus confirmed that the confirmation of financial resources that are available to the Offeror may exclude the financial resources required to fulfil the consideration payable to Mr. Xu in respect of the Relevant Shares tendered in acceptance of the Offer.

In view of the foregoing, CICF, as the financial adviser to the Offeror in connection with the Offer, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer (excluding Mr. Xu's acceptance) on the basis of the Offer Price.

## 10. DESPATCH OF THE OFFER DOCUMENT

Further information on the Offer will be set out in the Offer Document to be issued. The Offer Document, which will set out the full terms and conditions of the Offer and enclose the appropriate form(s) of acceptance of the Offer, will be despatched to the Shareholders not earlier than 14 days and not later than 21 days from the Offer Announcement Date. Pursuant to Rule 22.3 of the Code, the Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document.

**Shareholders are advised to exercise caution and seek appropriate independent professional advice when dealing in the Shares.**

## 11. OVERSEAS SHAREHOLDERS

**11.1 Overseas Jurisdictions.** This Announcement does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable laws. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (the "**Restricted Jurisdiction**") and the Offer will not be made to, nor will the Offer be capable of acceptance by, any person within any Restricted Jurisdiction if the offer to and/or acceptance by such person will violate the laws of the Restricted Jurisdiction. Persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable laws and regulations) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will be not capable of acceptance by any such use, means, instrumentality or facilities.

**11.2 Overseas Shareholders.** The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or in the records of The Central Depository (Pte) Limited (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable legal requirements in the relevant overseas jurisdictions. **For the avoidance of doubt, the Offer is open to all Shareholders holding Offer Shares, including those to whom the Offer Document and relevant form(s) of acceptance may not be sent.** Further details in relation to Overseas Shareholders will be contained in the Offer Document.

The Offeror and CICF each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders who are not resident in Singapore by announcement to the SGX-ST or notice and if necessary, by paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement, notice or advertisement.

## **12. CAUTIONARY STATEMENT**

**SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN TRADING IN THE SHARES, AND WHERE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR STOCKBROKER, BANK MANAGER, ACCOUNTANT, SOLICITOR, TAX ADVISER OR OTHER PROFESSIONAL ADVISERS.**

## **13. RESPONSIBILITY STATEMENT**

The sole director of the Offeror (who may have delegated detailed supervision of this Announcement) has taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that there are no material facts that have been omitted from this Announcement, the omission of which would make any statement in this Announcement misleading, and accepts responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company (including without limitation, information relating to the Company), the sole responsibility of the sole director of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by  
**CEL IMPETUS CORPORATE FINANCE PTE. LTD.**

For and on behalf of  
**STAR PHARMACEUTICAL HOLDINGS LIMITED**  
5 August 2019

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Any enquiries relating to this Announcement or the Offer should be directed during office hours to:

**CEL Impetus Corporate Finance Pte. Ltd.**  
Tel: (65) 6202 4999



### **Forward-Looking Statements**

*All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "aim", "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the Offeror's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor CICF undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.*

## SCHEDULE 1

### DETAILS OF HOLDINGS AND DEALINGS IN RELEVANT SECURITIES

#### 1. Holdings of Relevant Securities by the Relevant Persons

The holdings of Shares by the Relevant Persons as at the date of this Announcement are set out below.

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Offeror	10,400,000	22.67	-	-	10,400,000	22.67
Mr. Xu	-	-	24,400,000	53.19	24,400,000	53.19

**Note:**

(1) Based on 45,875,199 Shares (excluding treasury shares) in issue as at the Offer Announcement Date.

#### 2. Dealings in Relevant Securities by the Relevant Persons

The dealings in the Relevant Securities by the Relevant Persons during the Reference Period are set out below.

Name	Date	No. of Shares Acquired	No. of Shares Disposed	Transaction Price per Share (S\$)
Offeror	5 August 2019	10,400,000 <sup>(1)</sup>	-	0.142

**Note:**

(1) Being the Sale Shares which the Offeror acquired pursuant to the Acquisition.