



# STARBURST HOLDINGS LIMITED

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

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## PROPOSED ACQUISITION OF 6 TUAS VIEW CIRCUIT SINGAPORE 637599

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### 1. INTRODUCTION

The Board of Directors of Starburst Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that Starburst Engineering Pte Ltd (the "**Purchaser**"), a wholly-owned subsidiary of the Company has entered into a conditional sale and purchase agreement ("**SPA**") with Pah Engineering Pte Ltd (the "**Vendor**") on 16 February 2015 in connection with the proposed acquisition (the "**Acquisition**") of 6 Tuas View Circuit Singapore 637599 (the "**Property**") for a purchase consideration of S\$22,388,888 (the "**Consideration**").

### 2. INFORMATION ON THE PROPERTY

The Property is located at 6 Tuas View Circuit Singapore 637599. It has a land area of approximately 8,805.6 square meters and a gross floor area of approximately 7,002.4 square meters. The Property is a leasehold property with remaining land tenure of approximately 43 years 8 months and will expire on 31 October 2058. The Property will be sold on an 'as-is-where-is' basis and the Vendor is in the process of vacating the Property.

### 3. RATIONALE FOR THE ACQUISITION

The Acquisition is in line with the Group's strategy to increase our fabrication efficiency and capacity as disclosed in the Company's offer document dated 2 July 2014. The size of the Property allows the Group to consolidate all activities at the new location, thus enhancing efficiency. As such, management intends to dispose the existing property at 6 Tuas West Street Singapore 637442 and to manage the Group's business from the new premises to be located at 6 Tuas View Circuit Singapore 637599. With the purchase of this new premises, the Group will be able to undertake more as well as larger projects simultaneously.

### 4. CONSIDERATION

The Consideration of \$22,388,888 was arrived at on a willing-buyer and willing-seller basis, and will be funded by the allocated proceeds from the Company's initial public offering ("**IPO**"), internal funds and external borrowings.

### 5. CONDITIONS PRECEDENT

The Acquisition is subject to the fulfilment of certain conditions precedent including but not limited to the following:

- (a) The lessor of the Property, Jurong Town Corporation ("**JTC**") giving their consent in writing for the sale of the Property and assignment to the Purchaser of the unexpired term of the lease;

- (b) JTC giving their approval for the Purchaser's use of the Property for engineering construction including steel structure and steel fabrication; and
- (c) Other consents or approvals as may be required to be obtained by the Purchaser or the Vendors from any third party or relevant authority in relation to the Acquisition.

## 6. FINANCIAL EFFECTS OF THE ACQUISITION

### 6.1 Net tangible asset per share

For illustrative purposes only, based on the Group's latest announced unaudited financial statements as at 31 December 2014 ("FY2014"), the financial effects of the proposed Acquisition are estimated as follows:

	Before completion of the Acquisition <sup>1</sup>	After completion of the Acquisition <sup>2</sup>
Net tangible assets attributable to the owners of the Company (S\$'000)	51,472	51,472
Number of issued shares (excluding treasury shares) ('000)	250,000	250,000
Net tangible assets per share attributable to the owners of the Company (cents)	20.59	20.59

Notes:

1. Based on the Group's latest announced unaudited balance sheet as at 31 December 2014.
2. Including the value of the Property in the Group's latest announced unaudited balance sheet as at 31 December 2014.

### 6.2 Earnings per share

For illustrative purposes only and assuming that the Acquisition had been completed on 1 January 2014, the financial effects of the proposed Acquisition are estimated as follows:

	Before completion of the Acquisition <sup>1</sup>	After completion of the Acquisition <sup>2</sup>
Profit after tax attributable to the owners of the Company (S\$'000)	13,159	12,658
Weighted average number of shares (excluding treasury shares) ('000)	250,000	250,000
Earnings per share (cents)	5.26	5.06

Notes:

1. Based on the period from 1 January 2014 to 31 December 2014, excluding the profits/losses attributable to the Acquisition.
2. Including the profits/losses attributable to the Acquisition.

## 7. RELATIVE BASES COMPUTED ON THE BASES SET OUT IN CATALIST RULE 1006

Based on latest announced unaudited financial statements of the Group for the financial year ended 31 December 2014, the relative figures of the Acquisition computed on the bases set out in Rule 1006(a) to (e) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) are as follows:

<b>(a) Rule 1006(a)</b>	
Net asset value of the asset to be acquired (S\$'000)	22,389
Net asset value of the Group as at FY2014 (S\$'000)	51,472
Size of relative figure	43.5%

<b>(b) Rule 1006(b)</b>	
Net profits attributable to the assets to be acquired (S\$'000) <sup>1</sup>	(501)
Net profits of the Group (S\$'000) <sup>1</sup>	13,159
Size of relative figure	3.8%

<b>(c) Rule 1006(c)</b>	
Aggregate value of the consideration paid (S\$'000)	22,389
The Company's market capitalisation as at 13 February 2015 based on the total number of issued shares, excluding treasury shares (S\$'000) <sup>2</sup>	142,500
Size of relative figure	15.7%

<b>(d) Rule 1006(d)</b>	
Number of equity securities issued by the Company as consideration for the Acquisition	Not applicable
Number of equity securities of the Company previously in issue	Not applicable
Size of relative figure	Not applicable

<b>(e) Rule 1006(e)</b>	
The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves. This basis is not applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

### Notes:

- (1) "net profits" means profit or loss after income tax. For "Net profit attributable to the assets to be acquired", the period was from 1 January 2014 to 31 December 2014.
- (2) The Company's market capitalisation of approximately S\$142.5 million is based on its total number of issued shares of 250,000,000 shares and the weighted average price of S\$0.57 per share on 13 February 2015, being the last trading day for the shares prior to the signing of the SPA.

The Board notes that the relative figures computed under Catalist Rules 1006(a) and 1006(c) exceed 5% but are less than 75%. Accordingly, the Acquisition constitutes a "Discloseable Transaction" as defined under Chapter 10 of the Catalist Rules.

## 8. INTEREST OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors (other than in his capacity as a Director or shareholder of the Company) or controlling shareholders of the Company (other than through their respective shareholdings in the Company) has any interest, direct or indirect in the Acquisition.

## 9. USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

The Board also wishes to announce that the Company had funded S\$1 million out of the initial 10% of the Consideration amounting to S\$2,238,888.80 from the proceeds from the Company's IPO in accordance with the intended use of "acquisition of leasehold land and buildings". As at the date of this announcement, the status of the use of the proceeds from IPO is set out as follows:

	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Acquisition of leasehold land and buildings	7,000	(1,000)	6,000
Acquisition of plant and machinery	800	-	800
General working capital purposes	5,687	-	5,687
IPO expenses	2,013	(2,013)	-
	<u>15,500</u>	<u>(3,013)</u>	<u>12,487</u>

## 10. DOCUMENTS FOR INSPECTION

A copy of the SPA will be available for inspection during normal business hours at the registered office of the Company for a period of three (3) months from the date of this announcement.

## BY ORDER OF THE BOARD

EDWARD LIM CHIN WAH  
Executive Chairman  
23 February 2015

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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. (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 assumes 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, Vice President, Capital Markets, DBS Bank Ltd., at 12 Marina Boulevard Level 46, DBS Asia Central, Marina Bay Financial Centre Tower 3, Singapore 018982, telephone +65 6878 8888.*