STARBURST

MODERN FIREARMS-TRAINING FACILITIES

Starburst Holdings Limited

(Company Registration Number: 201329079E)
(Incorporated in the Republic of Singapore on 28 October 2013)

SPECIALIST ENGINEERING GROUP IN A NICHE INDUSTRY

ANNUAL REPORT 2020

CORPORATE IDENTITY

OUR VISION

To Create a Safer Environment for Firearms Training

OUR MISSION

The Specialist in Modern Firearms-Training Facilities Serving Law Enforcement, Military and Security Agencies Worldwide

OUR VALUES

DISCIPLINE

An uncompromising behaviour towards compliance

QUALITY

An international standard of professionalism

SAFETY

A safety-first attitude from design to delivery

SPONSOR'S STATEMENT

This Annual Report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This Annual Report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this Annual Report, including the correctness of any of the statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr. David Yeong (Telephone: 65-6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Edward Lim Chin Wah *(Chairman and Executive Director)*
Yap Tin Foo *(Managing and Executive Director)*
Martin Muller *(Non-Executive Director)*
Lai Keng Wei *(Lead Independent Director)*
Gopal Perumal *(Independent Director)*
Tan Teng Wee *(Independent Director)*

AUDIT COMMITTEE

Lai Keng Wei *(Chairman)*
Gopal Perumal
Tan Teng Wee

NOMINATING COMMITTEE

Tan Teng Wee *(Chairman)*
Lai Keng Wei
Gopal Perumal

REMUNERATION COMMITTEE

Gopal Perumal *(Chairman)*
Lai Keng Wei
Tan Teng Wee

COMPANY SECRETARIES

Wu Guangyi
Tan Wee Sin

REGISTERED OFFICE

6 Tuas View Circuit
Singapore 637599
Tel: +65 6862 2282
Fax: +65 6861 2282
Email: mail@starburst.net.sg
Reg. No.: 201329079E

SPONSOR

SAC Capital Private Limited
1 Robinson Road
#21-00, AIA Tower
Singapore 048542

INDEPENDENT AUDITORS

Deloitte & Touche LLP
6 Shenton Way
#33-00, OUE Downtown 2
Singapore 068809
Partner-in-charge: Hoe Chi-Hsien
(Appointed in financial year 2019)

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01, Singapore Land Tower
Singapore 048623

PRINCIPAL BANKER

DBS Bank Ltd.
12 Marina Boulevard
Marina Bay Financial Centre Tower 3
Singapore 018982

INVESTOR RELATIONS

Financial PR, Sino-Lion Communications Pte. Ltd.
4 Robinson Road
#04-01, The House of Eden
Singapore 048543
Tel: +65 6438 2990
Email: tech@financialpr.com.sg
Kamal Samuel/Shivam Saraf

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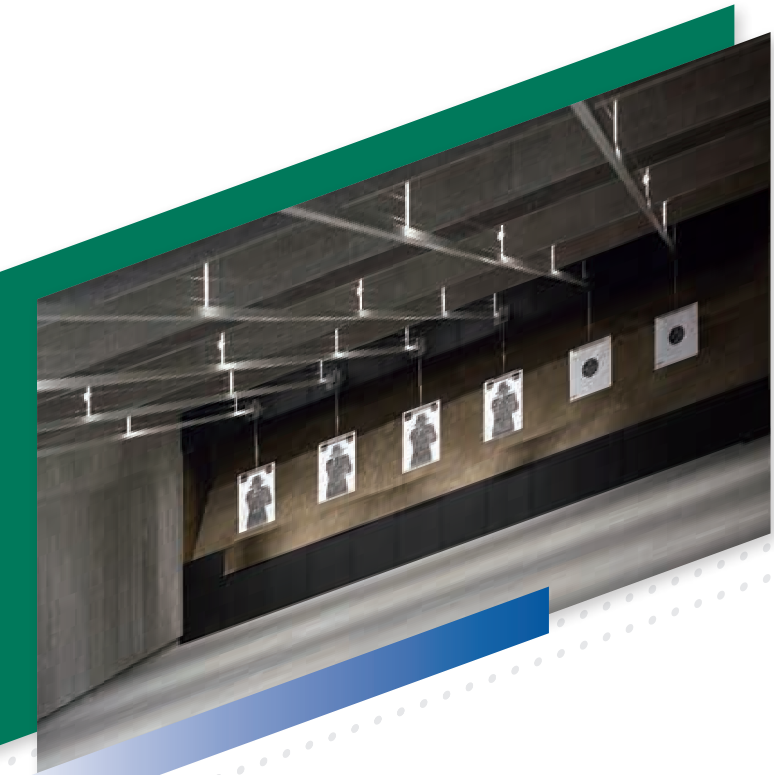
CORPORATE PROFILE



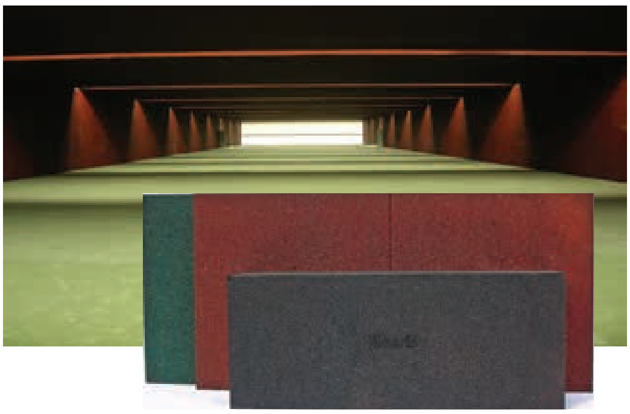
Starburst Holdings Limited ("Starburst" or the "Company") and its subsidiaries (the "Group") was listed on the Catalist Board of the SGX-ST on July 10, 2014. The Group is an engineering group specialising in the design and engineering of firearms-training facilities. With an established track record and experience of more than 20 years in this niche industry, Starburst is one of the few companies operating primarily in Southeast Asia and the Middle East that provides in-house integrated solutions in the design, fabrication, installation and maintenance of anti-ricochet ballistic protection systems for firearm shooting ranges and tactical training mock-ups.

Headquartered in Singapore, Starburst has developed a reputation for providing timely delivery of quality products that meet its customers' specifications, backed by its close business relationships with key global players in the military training software and equipment markets. The Group's products and services are utilised by customers that include law enforcement, military and security agencies as well as civil authorities.

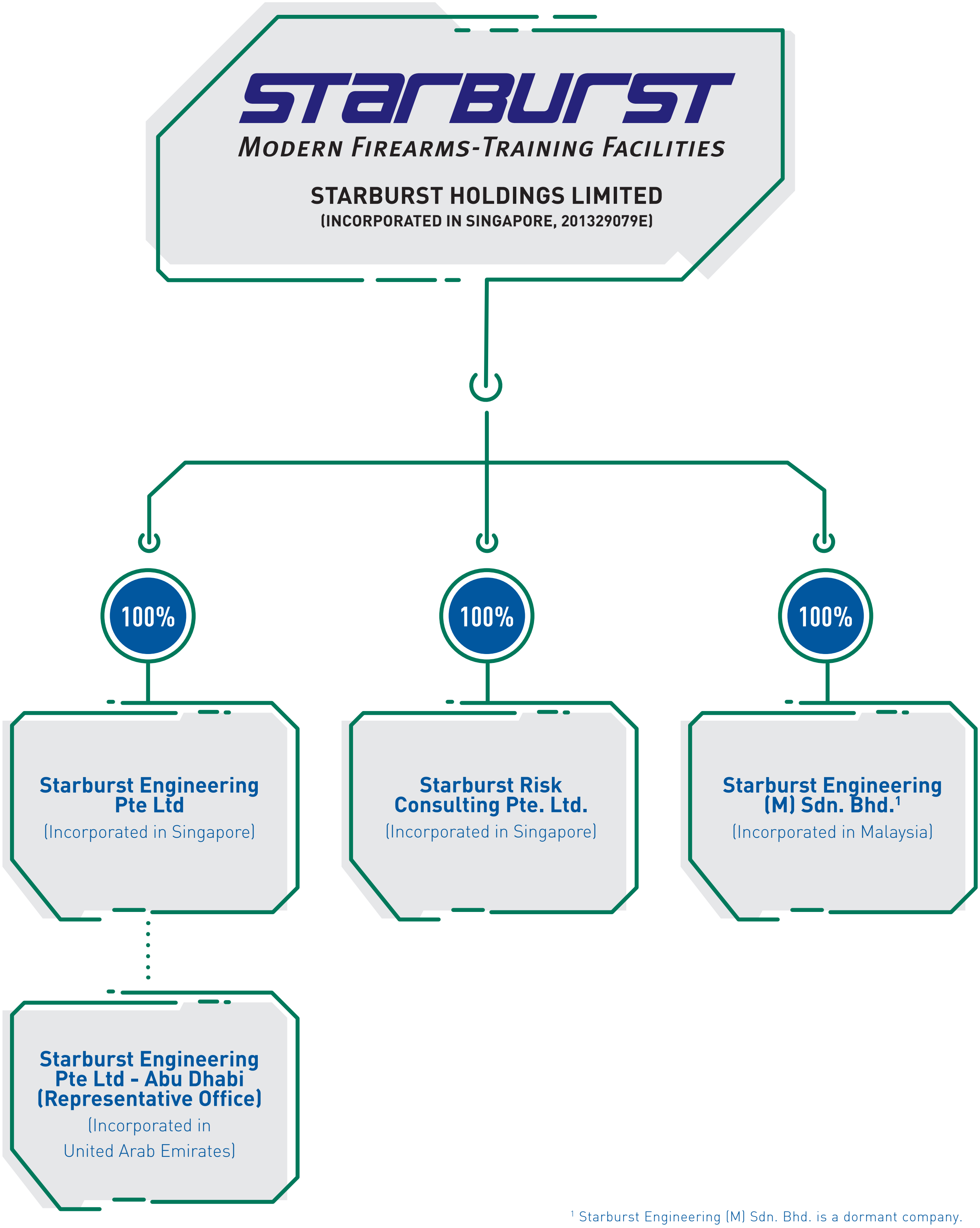
The Group supplies and utilises its proprietary line of anti-ricochet ballistic materials, including anti-ricochet plastic and rubber materials, under the "Searls" trademark. These materials have gained a reputation for quality and safety, setting it apart from other similar generic and unbranded materials. Starburst's utilisation of "Searls" enables it to better manage and control costs and provides it with the ability to offer customised solutions to customers. In addition, the Group also utilises ballistic-absorbing concrete developed by Geotechnical and Structures Laboratory researchers at the U.S. Army Engineer Research and Development Center.

As a part of the Group's commitment to consistently provide products and services that meet its customers' and applicable statutory and regulatory requirements, Starburst achieved the ISO 9001:2015 certification with respect to the supply and installation of detention and security cells, bullet containment systems, anti-ricochet lining systems, defence and military training facilities as well as related maintenance and structural steel works.

The Group envisions a world in which security forces increasingly equip themselves with safe and modern firearms-training facilities. Helmed by a management team of highly experienced professionals in the Engineering and Construction of Training Facilities industry, the Group is in a secure position to pursue prudent growth in a resilient niche industry.



GROUP STRUCTURE



[1] Starburst Engineering (M) Sdn. Bhd. is a dormant company.

OUR BUSINESS

Starburst specialises in the design and engineering of firearms-training facilities and the design, fabrication, installation and maintenance of anti-ricochet ballistic protection systems for firearm shooting ranges and tactical training mock-ups for law enforcement, military and security agencies as well as civil authorities in Southeast Asia and the Middle East.

FIREARM SHOOTING RANGES

We design, fabricate and install anti-ricochet ballistic protection systems at live-firing ranges to prevent fired rounds from ricocheting. This involves the installation of:

- our proprietary "Searls" anti-ricochet panels;
- rubber lining panels; and
- floor and ceiling baffles at indoor, outdoor and modular live-firing ranges, close quarters battle houses and method of entry training facilities.

With the aim of reducing risks that may be faced by users of the live-firing ranges, we have in place a team of designers, engineers and project managers, who work closely with range consultants, to ensure that a solid foundation is laid right from the start.

TACTICAL TRAINING MOCK-UPS

We design, fabricate and install tactical training mock-ups to suit each desired training scenario. Our mock-ups provide simulations which are as close to real scenarios as possible and thus we examine each element of the desired mock-up to ensure that details are replicated. Depending on our customers' requirements, we may install tactical training mock-ups for live-firearms-training or non-live-firearms-training.

Our tactical training mock-ups can be used for the following training scenarios:

- rescue and evacuation operations;
- aviation and maritime operations;
- sniper operations; and
- other counter terrorism operations.

MAINTENANCE SERVICES AND OTHER ACTIVITIES

We also offer complete service and maintenance programmes to our customers for completed firearm shooting ranges and tactical training mock-ups. As our customers' training activities typically involve live-firearms and/or the use of pyrotechnics, it is critical that the facilities are monitored continually to ensure that they are kept in optimal condition as described in the initial design criteria and maintenance manuals, and that international safety standards are met and updated if necessary. This would ensure that usage of our customers' training facilities is maximised, downtime is minimised and safety is not compromised.

In connection with, and in addition to our principal activities, we also design, construct and install ballistic protection and security systems for various facilities, including high security detention facilities. Additionally, we design, supply and/or fabricate steel struts and steel beams for temporary or permanent structural and architectural steel works on a selective basis.

MILESTONES

1999

Starburst Engineering Pte Ltd ("SEPL") was incorporated in Singapore.

2000

SEPL received an ISO 9001:2000 certification in the supply and installation of detention/security cell, bullet containment system, anti-ricochet lining system, defence/military training facilities (e.g. obstacle training facilities) and related maintenance.

Completed its first live-firearm indoor shooting range training facility in Southeast Asia.

2003

Completed its first high impact resistant detention facilities in Southeast Asia.

2004

Completed its first double-decker live-firearm Boeing 747 aircraft mock-up for anti-terrorist training in the Middle East.

Starburst Engineering (M) Sdn. Bhd. was incorporated in Malaysia.

2005

Completed its first seven-storey commercial ship mock-up with indoor live-firearms-training capability and a reconfigurable moveable ballistic protection partitions system in Southeast Asia.

2008

SEPL received an ISO 9001:2008 certification in the supply and installation of detention/security cell, bullet containment system, anti-ricochet lining system, defence/military training facilities (e.g. obstacle training facilities) and related maintenance, and structural steel works.

2011

SEPL was awarded with the OHSAS 18001:2007 Certification of Occupational Health and Safety Management System and the bizSAFE Star by the Workplace Safety and Health (WSH) Council.

2013

SEPL opened its Middle East representative office in Abu Dhabi.

Starburst Holdings Pte. Ltd. was incorporated in Singapore.

2014

Starburst Holdings Pte. Ltd. changed its name to Starburst Holdings Limited and was listed on Catalist Board of the SGX-ST.

2015

SEPL acquired a new factory with a land area of approximately 8,806 square metres.

2017

Starburst Risk Consulting Pte. Ltd. was incorporated in Singapore.

Signed Strategic Partnership agreement with Swiss Securitas Group to provide Homeland Security and Engineering Services.

SEPL received an ISO14001:2015 Certification of Environment Management System.

2019

SEPL was awarded its first underwater training facility in Southeast Asia.

2020

SEPL was awarded its largest contract of S$40.9 million in Southeast Asia.

MESSAGE FROM THE CHAIRMAN

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of Directors of Starburst Holdings Limited, I am pleased to present to you our annual report for the financial year ended December 31, 2020 ("FY2020").

2020 was a year marred by the COVID-19 pandemic and characterised by rising geopolitical tensions, economic downturn and a change in administration in the USA. Despite the pandemic, we experienced a continued trend of military spending on modern equipment across the globe.

Economic contractions had little impact on 2020 global military spending which increased by 3.9% in real terms over figures for 2019 to reach US$1.8 trillion. This was mainly attributable to the increase in the US and Chinese defence budgets, accounting for almost two-thirds of the total increase in global spending in 2020[1].

On the other hand, European defence spending grew by 2.0% in real terms in 2020, largely driven by a steady rise in average spending by European NATO members. Furthermore, the Middle East and North Africa (MENA) region saw a fall in defence spending due to the poor performance of oil prices[1].

PERFORMANCE REVIEW

Despite the pandemic-induced economic downturn, we have shown great resilience and increased our revenue as well as returned to black in FY2020. The increase was mainly derived from two tactical training mock-up projects and a firearm shooting range project in Southeast Asia, and another firearm shooting range project in the Middle East.

In FY2020, our revenue increased by 135.5% to S$21.8 million, from S$9.2 million in FY2019. Consequently, gross profit also increased by 178.4% to S$12.0 million, while gross profit margin increased 8.5 percentage points to 55% in FY2020. As such, the Group reported a net profit of S$9.1 million in FY2020, a turnaround from a S$2.4 million net loss recorded in FY2019.

Shareholders' equity stood at S$32.1 million while debt-to-equity ratio was maintained at a healthy level of 0.52 time as at December 31, 2020, compared to 0.54 time as at December 31, 2019.

EXPANDING OUR CORE CAPABILITIES AND GEOGRAPHICAL REACH

Being a specialist in a niche industry, it is not only important to build our core capabilities but also expand our geographical reach in order to ensure a steady flow of new contracts. We pride ourselves in being a one-stop service provider for our customers, with both designing as well as customised training solutions capabilities. Hence, we constantly aim to expand our suite of training solutions to further enhance our foothold in the market.

In addition to strengthening our core capabilities, we are also looking to expand our reach geographically to Northeast Asia as well as the Australian region. In order to capitalise on the opportunity of the rising military

[1] *Military Balance – International Institute for Strategic Studies (IISS), February 25, 2021*

expenditure in Southeast Asia and Australia, we are working on strengthening our partnerships with home-grown defence contractors, equipment suppliers and consultants to participate with them on joint tenders, or collaborations for successful tenders. Through these partnerships, we also hope to intensify our marketing efforts in the region.

Furthermore, we also welcomed ICH Capital Pte. Ltd. and Eternal Glade Investment Pte. Ltd. as strategic investors in FY2020. This marks the first step to diversify and institutionalise our shareholder base.

We are a well-established player in this industry and we hope to continue improving our services for our existing and potential clients. We will remain resilient with our focus on securing more contracts and also build a strong recurring revenue base through an expansion of our portfolio of maintenance services contracts. We are well-poised to capitalise on the long-term growth prospects of our key markets.

OUTLOOK AND PROSPECTS

Amidst the rising geopolitical tensions, military programs continue to be a crucial factor to national defence and therefore, defence budgets and revenues for defence contractors are expected to remain stable in 2021. Global defence spending is expected to grow at 2.8% in 2021 to cross US$2 trillion as countries across the globe continue to spend on modern equipment for military strengthening, despite the pandemic[2].

In Asia, China announced a 6.6% increase in military budget compared to previous year. On the other hand, India and Japan are also increasing their military expenditures, with Japan announcing a US$51.6 billion defence budget for FY2021. Additionally, instability and conflicts in Africa and the Middle East continue to remain a threat as well and hence, create a strong demand for military equipment[2].

The Group continues to pursue opportunities to design and engineer customised training solutions for existing and potential customers like law enforcement related customers respond to the threat of terrorism and extremism. The Group is also actively responding to enquiries and requests for tenders from authorities in Southeast Asia and the Middle East.

Subsequent to year-end, we have been awarded a contract worth S$6.4 million for the building of a firearms training facility in Southeast Asia. Furthermore, we have also been awarded two maintenance contracts from unrelated vendors with a total value of S$9.7 million. These contracts will be carried out for a base period of 3 years, with an option to extend for another 3 years based on mutual agreement. These contracts are a result of our extensive marketing efforts and opportunistic business approach, and further solidifies our position in the region's defence sector.

These contracts paint a rosy outlook for the upcoming year ahead as it not only expands our recurring revenue base but also validates our extensive capabilities as a top-tier provider of in-house integrated solutions in the regional defence sector.

As the COVID-19 situation is still evolving, there is a degree of uncertainty over the length and severity of this pandemic. However, we continue to remain optimistic about our ongoing discussion with customers and will continue to leverage our strong capabilities and strategic partnerships to further widen our presence in both Southeast Asia and the Middle East.

PROPOSED DIVIDENDS

In order to express our gratitude towards our loyal shareholders for their support, the Board of Directors has recommended a tax exempt one-tier final dividend of 1.0 cent per ordinary share, representing a total dividend pay-out of approximately S$2.5 million.

A WORD OF APPRECIATION

It has indeed been a year that has tested each and every one of us and forced us to step out of our comfort zone and become agile in this new normal. In this regard, I would like to extend my heartfelt gratitude to all our investors who have shown incredible confidence and supported us in these difficult times, to steer Starburst in the right strategic direction in FY2020.

I would also like to take this opportunity to thank our staff and management who have shown incredible resilience and worked tirelessly throughout this pandemic to ensure the growth of the company. Last but not the least, I would like to extend my sincere appreciation to our shareholders, customers, bankers, business associates and suppliers for their long-standing and strong support over the years.

EDWARD LIM CHIN WAH
Chairman and Executive Director

[2] *2021 aerospace and defence industry outlook – Deloitte 2021*

MESSAGE FROM THE MANAGING DIRECTOR

DEAR VALUED SHAREHOLDERS,

FY2020 was characterised by a volatile, uncertain, complex and ambiguous economic environment, mainly due to the pandemic-induced downturn and ongoing geopolitical tensions. Despite these headwinds, the management, along with the help of the employees, showcased excellent character and resilience to ensure that Starburst's order book grew multi-folds, hence, creating a positive impact on the Group's financials for the year ended December 31, 2020.

Our performance in a pandemic year is a testament to not only our technical capabilities but also to our reputation as a top-tier provider of in-house integrated solutions and a trusted partner in the defence industry. This further highlights that we are well-poised to capture the growth of the ever-evolving defence industry as more countries look to modernise their military equipment in the pursuit of strengthening their military capabilities.

REVIEW OF FY2020 FINANCIAL PERFORMANCE

FY2020 saw a significant increase in order book as we secured our single largest contract to date, worth S$40.9 million for the building of a firearms training facility in Southeast Asia. Therefore, revenue increased by 135.5% to S$21.8 million, mainly due to the design, supply and installation of two tactical training mock-up projects and a firearm shooting range project in Southeast Asia, and a firearm shooting range project in the Middle East.

Looking back at our segmental revenue contribution, we saw a similar contribution to the Group's revenue from all three segments. 35.1% of the Group's revenue was driven by our maintenance services and others segment, while firearm shooting ranges contributed 34.8% and lastly, 30.1% of the Group revenue was derived from the tactical training mock-ups. In terms of geographical segmentation, Southeast Asia remained the largest contributor, accounting for 88.9% of the Group's revenue, while the Middle East made up 11.1%. In line with the increase in revenue, our gross profit also rose 178.4% to S$12.0 million. Other operating income increased 93.6%, from S$78,000 in FY2019 to S$151,000 in FY2020, mainly attributable to the grant received from the government agencies.

Consequently, the Group recorded a net profit attributable to shareholders of S$9.1 million in FY2020, a turnaround from a S$2.4 million net loss recorded in FY2019.

Our balance sheet continues to grow and remain sound, with cash and bank balances of S$9.8 million, and a debt-to-equity ratio of 0.52 time as at December 31, 2020. Our strong financial position gives us an opportunity to capitalise on the trend of rising military expenditures across the globe.

GOING FORWARD

FY2020 was an extraordinary year that saw the global economic output shrinking by 4.4%[1]. However, military spending was maintained almost at the same level as the previous year, which illustrates the growing need for

[1] *The Diplomat – Asian Military Spending*

security upskilling amidst the rising geopolitical tensions. US, China, India and Japan, have all seen a significant rise in defence spending over the years and are expected to continue on this trend despite the temporary slowdown due to the pandemic.

In Southeast Asia, closer to home, Vietnam's defence spending is likely to continue on an upward trend due to the rising tensions in the region, including China's rise, sovereignty and territorial integrity issues in the South China Sea. Similarly, Singapore also increased its defence spending to around S$15.36 billion, while Philippines and Indonesia also experienced a rise in defence spending[1].

Furthermore, our key geographical expansion areas, Northeast Asia and Australia, have also shown promising signs of defence spending which highlights a significant market opportunity for Starburst. Australia is expected to spend around 2.38% of its GDP by 2023-2024[1].

In essence, we are optimistic of our business performance in the new year. We will continue to leverage our partnerships and core capabilities to expand our market reach and establish ourselves as strong leaders in the industry. In the first quarter of FY2021, we have already secured an installation contract worth S$6.4 million and maintenance services contract worth S$9.7 million, which will significantly help us expand our recurring revenue base.

We believe that we are well-positioned to capture this heightened momentum in the defence industry with our all-in-one integrated solutions provider model. We are actively responding to enquiries and requests for tenders from authorities in Southeast Asia and the Middle East. We are also working closely with relevant authorities and law enforcement officers to expand our portfolio of maintenance services contracts. As the COVID-19 situation evolves, we will continue to strengthen our competitive advantage and work towards securing more contracts in the new year.

IN CONCLUSION

2020 was a crucial year for us as we managed to steer through the COVID-19 pandemic successfully to emerge as winners in the new normal. However, we will not rest on our laurels and continue to strive and secure more contracts. In 2021, we aim to expand our recurring revenue base by securing more maintenance services contracts as it would provide greater sustainability to our earnings. Subsequent to year-end (February 2021), we have already secured an aggregate of S$9.7 million worth of maintenance services contracts that have a base contract period of 3 years and an option to renew by mutual agreement for an additional 3 years, which showcases that our efforts have already started to yield results.

We also remain cognisant that due to the project-based nature of our business, revenue contribution will continue to vary from quarter to quarter, depending on a variety of factors, such as the size of projects, the scope and completion timeline. Additionally, we will closely monitor our cost management processes in order to achieve sustainable operating performance.

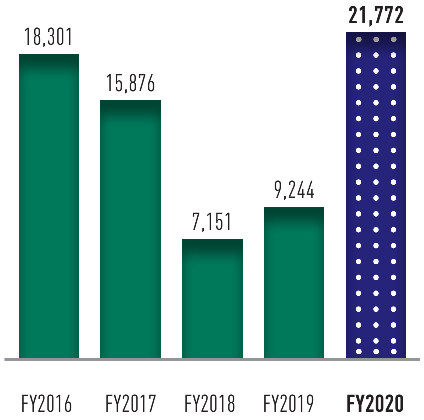
With the COVID-19 situation is still evolving, we will continue to monitor its effect on our business. Nonetheless, beyond the short-term challenges, we are positive in our outlook for Starburst, as we believe that we possess the technical expertise to capitalise on the trend of military modernisation and constantly generate greater value for all our investors.

YAP TIN FOO
Managing Director

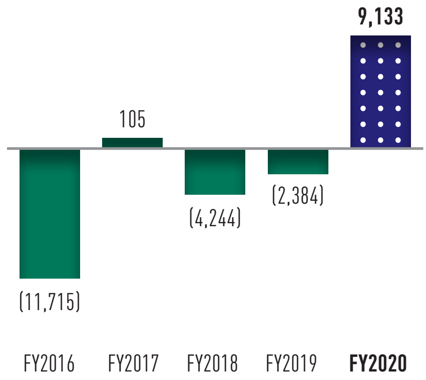
[1] *The Diplomat – Asian Military Spending*

FINANCIAL HIGHLIGHTS

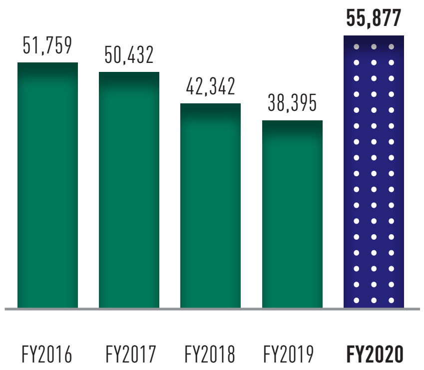
REVENUE (S$'000)



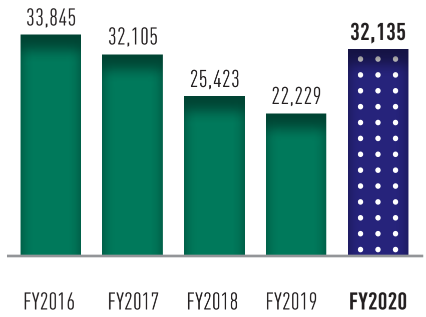
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS (S$'000)



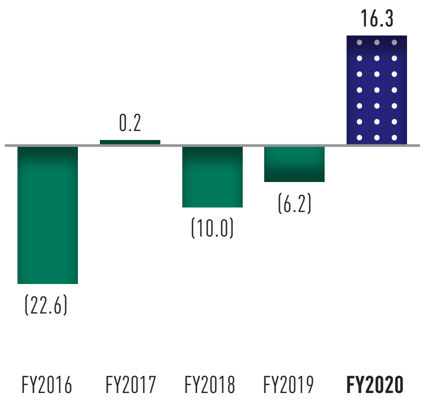
TOTAL ASSETS (S$'000)



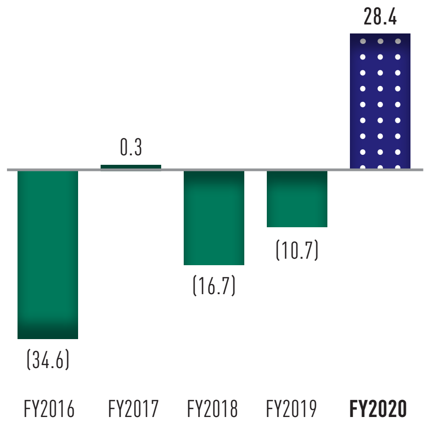
NET ASSETS (S$'000)



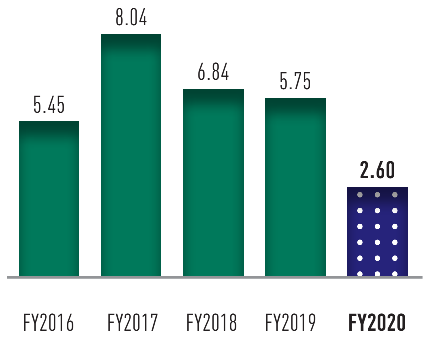
RETURN ON TOTAL ASSETS (%)



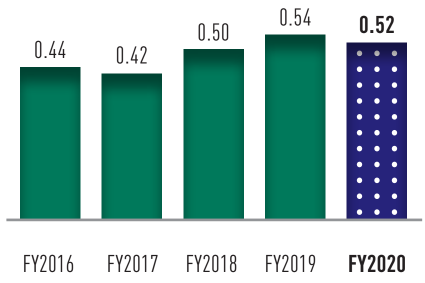
RETURN ON SHAREHOLDERS' EQUITY (%)



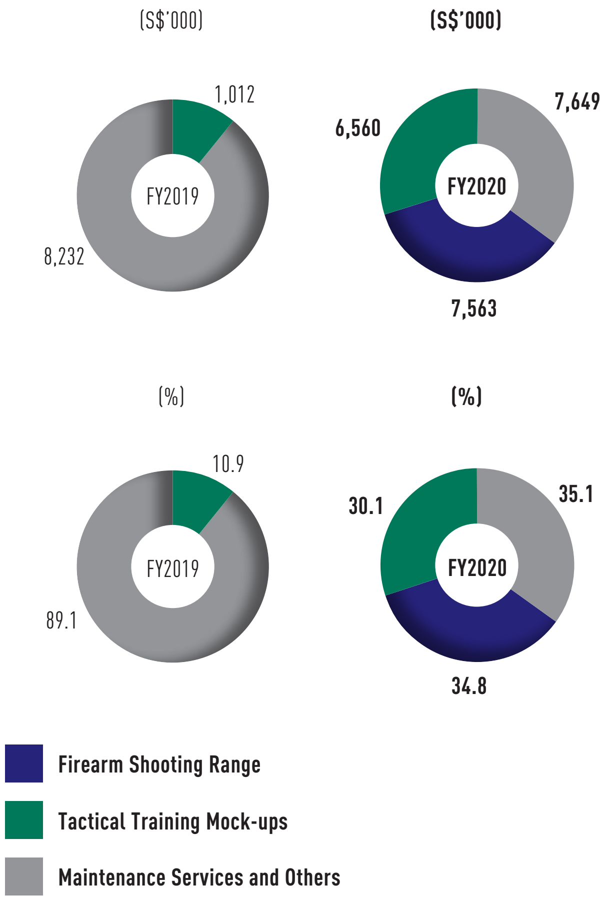
CURRENT RATIO (TIMES)



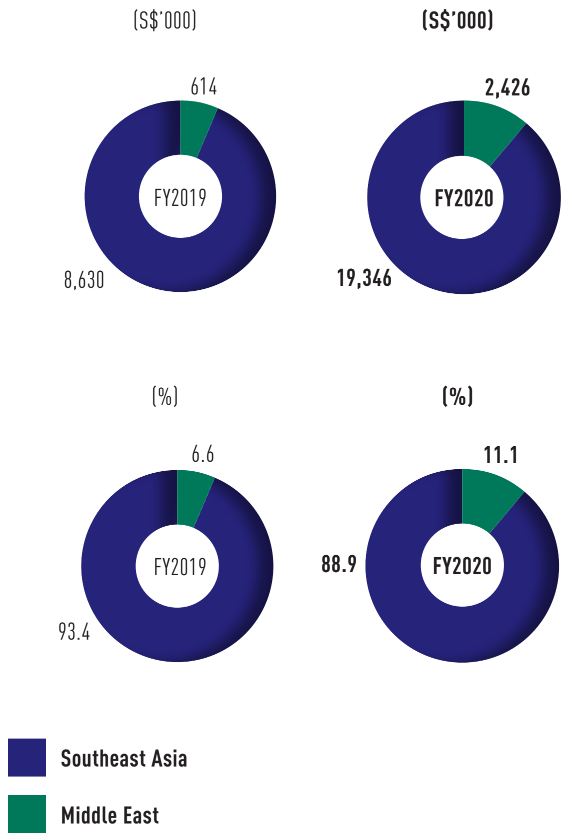
DEBT TO EQUITY RATIO (TIMES)



REVENUE BY BUSINESS SEGMENTS



REVENUE BY GEOGRAPHICAL SEGMENTS



BOARD OF DIRECTORS

EDWARD LIM CHIN WAH

CHAIRMAN AND EXECUTIVE DIRECTOR

Mr. Edward Lim Chin Wah is one of the founders of the Group. Mr. Lim was appointed as the Chairman and Executive Director of the Company on October 28, 2013. He is responsible for the overall management, strategic planning, technical and engineering activities of the Group.

Mr. Lim has more than 30 years of experience in the engineering and structural steel fabrication business. As one of the Group's founders, Mr. Lim was instrumental in laying the Group's early foundation and has been pivotal in the development of the Group and its expansion into the Middle Eastern markets.

Mr. Lim graduated from Singapore Polytechnic with a Technician Diploma in Mechanical Engineering and is a member of the Singapore Institute of Directors.

YAP TIN FOO

MANAGING DIRECTOR AND EXECUTIVE DIRECTOR

Mr. Yap Tin Foo is one of the founders of the Group. Mr. Yap was appointed as the Managing Director and Executive Director of the Company on October 28, 2013. He is responsible for the overall operations, business development and client relationships of the Group.

Mr. Yap has about 30 years of experience in construction and project management. Since he founded the Starburst business in 1999 together with the Group's Chairman and Executive Director, Mr. Edward Lim Chin Wah, he has been instrumental in the development and growth of the Group.

Mr. Yap graduated from the University of South Australia with a Bachelor of Building and is a member of the Singapore Institute of Directors.

MARTIN MULLER

NON-INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Mr. Martin Muller was appointed as Non-Independent and Non-Executive Director on December 10, 2018.

Mr. Muller is currently the Head of Corporate Development of Securitas AG. He has more than 15 years of experience in mergers and acquisitions and corporate finance. He is also the board member of g+m Elektronik AG, Morphean AG, Chairman of Beijing Jibao Sheng'an Security Technology Development Co., Ltd. and Swiss Securitas Beijing.

Mr. Muller graduated from the University of Bern with a Master of Business Administration.

LAI KENG WEI

LEAD INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Mr. Lai Keng Wei was appointed as Lead Independent and Non-Executive Director on January 28, 2019. He is the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

Mr. Lai is the Audit Partner and Head of Valuation of Mazars LLP, Singapore. He has more than 20 years of professional experience in accounting, auditing, corporate finance, mergers and acquisitions, financial due diligence and valuation. His professional experience gained includes those from the Big 4 international accounting firms, mid-tier accounting firms and the commercial industry.

Mr. Lai is a practising member of the Institute of Singapore Chartered Accountants, a fellow member of the Association of Chartered Certified Accountants and a member of the International Association of Certified Valuation Specialists. He is a Singapore Chartered Valuer and Appraiser.

Mr. Lai was appointed as a member of the Complaints and Disciplinary Panel by the Public Accountants Oversight Committee (PAOC) and a member of the Financial Statements Review Committee (FSRC) of the Institute of Singapore Chartered Accountants on April 1, 2019.

GOPAL PERUMAL

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Mr. Gopal Perumal was appointed as Independent and Non-Executive Director on May 28, 2014. He is the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees.

Mr. Perumal has been a practicing lawyer since the beginning of his career and he has more than 30 years of professional experience. He is currently the sole proprietor of Gopal Perumal & Co.

Mr. Perumal graduated from the National University of Singapore with a Bachelor of Laws (with honours) and is a member of the Law Society of Singapore.

TAN TENG WEE

INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Mr. Tan Teng Wee was appointed as Independent and Non-Executive Director on May 28, 2014. He is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

Mr. Tan was previously the Managing Director of PSC Freyssinet (S) Pte Ltd, an international specialist civil engineering contracting company. He has more than 30 years of experience in specialist civil engineering and project management.

Mr. Tan graduated from the National University of Singapore with a Bachelor of Engineering (Civil) and a Graduate Diploma in Marketing from the Marketing Institute of Singapore. He is a fellow member of the Institution of Engineers Singapore.

MANAGEMENT TEAM

SAMER SIDANI

CHIEF EXECUTIVE OFFICER – ABU DHABI OFFICE

Mr. Samer Sidani is the Chief Executive Officer of our Abu Dhabi representative office and is responsible for the management of the office as well as sales activities and project management in the Cooperation Council for the Arab States of the Gulf.

Mr. Sidani began his career in 1998 as a production manager for products with Patchi Silver Factory. In 2000, he joined Zublin-AG as area manager and was responsible for the management of various built projects and held that position until 2005. From 2006, Mr. Sidani was a project manager with Advanced Interactive Systems Limited, where he was responsible for the management of various built projects. He subsequently took on the role of general manager – business development in 2011, where he was responsible for sales and marketing and held this position until 2013 before joining our Group.

Mr. Sidani graduated from the Lebanese University, Lebanon with a Degree of Higher Studies in Architecture.

WU GUANGYI

CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

Mr. Wu Guangyi is the Chief Financial Officer and is responsible for financial management and accounting functions of the Group. Mr. Wu also supports the board of directors in their strategic decision making process as well as the Group's corporate finance and corporate risk management.

Mr. Wu has more than 15 years of experience in accounting, financial management and corporate transactions, including 8 years professional experience with international public accounting firms, Deloitte and KPMG. Prior to joining our Group, he was audit manager with Deloitte in 2012.

Mr. Wu graduated from the Oxford Brookes University with a Bachelor of Science (with honours) in Applied Accounting and a Master of Business Administration from the University of Manchester. He is a fellow member of the Institute of Singapore Chartered Accountants and the Association of Chartered Certified Accountants, UK.

ANDREW POPPLEWELL

REGIONAL DIRECTOR

Mr. Andrew Popplewell is the Regional Director of the Middle Eastern markets and is responsible for technical and project management of all projects in the Cooperation Council for the Arab States of the Gulf.

Mr. Popplewell was a project manager at Woodhouse from 1996 to 2000, and was responsible for the management of various design and build projects. Subsequently, Mr. Popplewell was a design and construct coordinator at Galliford Midlands from 2000 to 2002 and was a design manager at Galliford Rail from 2002 to 2003 in the UK. Mr. Popplewell then joined Advanced Interactive Solutions Limited as a project manager in 2004 and was subsequently promoted to senior project manager in 2005. He was responsible for project management of design and construction projects. Mr. Popplewell held this position until 2010 and was re-designated as operations manager. He held this position until 2013, and joined the Group thereafter.

Mr. Popplewell graduated from Coventry University, UK with a Bachelor's Degree in Civil Engineering (with honours) and, subsequently, a Master's Degree in Civil Engineering.

NG ENG LONG JOSIAH LAWRENCE

SENIOR PROJECT MANAGER

Mr. Ng Eng Long Josiah Lawrence is the Senior Project Manager and is responsible for project management and oversees the execution and progress of our projects in Southeast Asia.

Mr. Ng has more than 20 years of experience in project management in the construction industry. Mr. Ng began his project management career with Permasteelisa Pacific Ltd in 1993. He later joined Mero Asia Pacific Pte Ltd as a project manager from 1998 to 2001. He rejoined Mero Asia Pacific Pte Ltd from 2003 to 2005 in the same capacity after a brief period of self-employment. From 2005 to 2006, he joined Benson Wall System Pte. Ltd. as a project manager. He was with Redwood Interior Pte Ltd as a project manager from 2006 to 2009 before joining the Group.

Mr. Ng holds a Technician Certificate in Architectural Draughtsmanship and a Diploma in Architectural Technology from Singapore Polytechnic. He also holds a Diploma in Sales and Marketing from the Marketing Institute of Singapore and a Diploma in Marketing from the Chartered Institute of Marketing, UK.

DESENGANO EDUARDO ESPIRITU

TECHNICAL MANAGER

Mr. Desengano Eduardo Espiritu is the Technical Manager and is responsible for the Group's engineering design and fabrication drawing activities.

Mr. Desengano has more than 20 years of experience in engineering design and fabrication drawing activities. He began his career as a project engineer with Marfi Realty and Development Corporation in 1989. He joined Union Square 1 Condominium Corp. as an engineering supervisor in 1991. He joined Tostem Philippines Limited, Inc as a curtain wall engineer responsible for the preparation of structural calculations for building facade works in 1995. He was a structural engineer with CAD Solutions Inc. from 1998 to 2000. In 2005, he joined Bescoat Manufacturing Pte Ltd as a senior design engineer before joining us.

Mr. Desengano graduated from the Mapua Institute of Technology, Philippines with a Bachelor of Science in Civil Engineering. He has also been qualified as a civil engineer by the Board of Civil Engineering (Phillippines) since 1989.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

This is the Group's fourth sustainability report and it captures the Group's progress in implementation of our sustainability approach and initiatives for the financial year ended December 31, 2020 ("FY2020"). This report provides information on environmental, social and governance ("ESG") factors and economic factors that are material to Starburst's business and key stakeholders.

We continue to adopt the Global Reporting Initiative (GRI) Standards: Core option as these are globally recognised frameworks which allows for comparison of our current year performance over prior year's performance as well as to ensure compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B of Listing Manual Section B: Rules of Catalist ("Catalist Rules") with references to the guidance set out in SGX-ST's sustainability reporting guide under Practice Note 7F of the Catalist Rules.

In accordance with GRI standards, the report was prepared with reference to the following key reporting principles:

Stakeholders Inclusiveness	• Identification and responding to stakeholder expectations and interests
Sustainability Context	• Presenting the Group's performance in the wider context of sustainability
Materiality	• Focusing on factors that impact the Group's operations with (i) significant economic, environmental or social impact; or (ii) significant influence on the assessments and decisions of the Group's stakeholders
Completeness	• Reflection of the material aspects of the Group to enable the stakeholders to assess the performance of the Group in FY2020

The Company did not seek external assurance for this sustainability report and have relied on internal verification to ensure the accuracy of data. To support our efforts to be environmentally sustainable, the Group will continue to release this report electronically at http://www.starburst.net.sg/investor-relations.

We welcome stakeholders to provide us with feedback and suggestions on this report. Please direct any questions pertaining to our sustainability initiatives to:

Email: mail@starburst.net.sg
Phone number: +65 6862 2282
Mail: Starburst Holdings Limited
6 Tuas View Circuit
Singapore 637599

BOARD STATEMENT

Dear Stakeholders,

On behalf of the Board of Directors (the "Board") of Starburst Holdings Limited ("Starburst" or the "Company") and its subsidiaries (the "Group"), we are pleased to present our fourth Sustainability Report ("SR") for FY2020.

We believe that sustainability is a key component to build an enduring and continuously improving organisation. It is also to build a long-term value and relationship with our stakeholders. Therefore, we are committed to our sustainability journey through responsible business practices.

This report provides a presentation of the efforts taken by the Group on its ESG initiatives and how these ESG factors are integrated into our corporate strategy. This report also shows how we have managed and progress towards our sustainability targets.

The Board oversees the implementation of our sustainability approach and how ESG factors are incorporated into the formulation of our corporate strategy. Our Management team is responsible for the implementation of our sustainability initiatives and reports our progress to the Board periodically.

Despite this challenging Covid-19 period, we are pleased to share that we remained steadfast in our commitment to secure more contracts in Southeast Asia and the Middle East, allowing us to achieve a resilient set of results for FY2020. We foresee that demand for military training will increase due to the rising threat of terrorism and ongoing global security concerns. The Group does not expect a material impact of Covid-19 on the operations and performance given the nature of the business as an essential service. Nevertheless, we aim to monitor closely on the situation and continue to provide updates to our stakeholders.

Back in our head office in Singapore, we have also implemented a Business Continuity Plan to minimise the disruption to our operations and ensure there is adequate protection to our employees against the virus outbreak. We relooked and changed the work arrangement for our employees, such as spilt team arrangement and remote work arrangement, after identifying our key business function and essential employees. In this way, we avoid the risk of infection between our employees and our business operations can continue. The Company has zero infection from the Covid-19 pandemic.

Our Board would like to express our sincere appreciation to our stakeholders for the continuous support over the past years. We believe that our commitment will continue to bear fruits and ensure our continued success. We will continue to achieve greater progress and contribution to our stakeholders, the community and the environment.

SUSTAINABILITY REPORT

OUR SUPPLY CHAIN

In Starburst, to ensure that we appoint the most suitable sub-contractors and suppliers that are in compliance with industry safety standards and align with our sustainability goals, we perform supplier evaluations based on the supplier's experience, track record, quality of the products or services and pricing, amongst other considerations.

Our strategy is to strengthen our partnerships and collaborations to build long-term relationship with them so that we can tap into synergies and drive sustainable growth for the Group. We also work closely with our suppliers under our "Searls" trademark to ensure that raw materials provided were based on our specifications and of good quality.

During this Covid-19 period where our supply chain could be disrupted, we immediately identified our essential suppliers and service providers to mitigate the risk of supply disruptions. We do safeguard the health and safety of both our suppliers and employees through safe distancing measures and temperature taking for our suppliers when they are visiting our office or site. We also identified new suppliers so as to diversify our sources of supplies.

GOVERNANCE AND SUSTAINABILITY APPROACH

Starburst believes in upholding high standards of corporate governance will further enhance stakeholders' value and returns in the long term. We remain focused on reviewing and ensuring that our policies and procedures that are in place are effective in ensuring employees adhere to our principles surrounding integrity and excellence. Please refer to corporate governance report of Annual Report 2020 for details.

The Board continues to oversee the effectiveness of the management and assumes responsibilities in overall corporate governance of the Group to ensure the Group's strategies are in the best interest of the Group and its stakeholders. We also ensure that our governance structure is in line with the latest Code of Corporate Governance 2018 and issued on August 6, 2018 established by the Monetary Authority of Singapore.

The Group aims to provide safe firearm training environment for our users through procuring materials with the highest quality, improving our abilities and offering types of services to the best of our ability. We have continued to fine tune our policies and procedures to safeguard the interests of our stakeholders. Updates to these policies are also communicated to our employees during internal departmental meetings and are also made available in the Company's internal shared drive. Some of these policies are discussed in detail below.

ANTI-CORRUPTION AND ANTI-BRIBERY

The Group strives to foster an environment where our employees act lawfully and with integrity in every aspect of our business. To safeguard the interest of our stakeholders, we adopt a firm stand against corruption and malpractice in the Group and have zero tolerance towards unethical behavior. We have established a channel for the employees of the Group and third parties to raise concerns about wrongdoing, malpractice or misconduct within the Group. The whistleblowing email, whistleblowing@starburst.net.sg is currently monitored by the Audit Committee.

As announced on November 15, 2020, relevant parties from the Group were interviewed by the Corrupt Practices Investigation Bureau relating to the affairs of Starburst Engineering Pte Ltd, a wholly-owned subsidiary of the Group. Based on the representations from the relevant parties that were interviewed, the investigation is not related to the current projects of the Group and it does not affect the business and operations of the Group. The investigation is still ongoing, and the Board confirms that it will continue to monitor the progress of the ongoing investigation and re-assess the relevant parties' suitability as a Director/key management of the Company as and when there are developments to the investigation.

CODE OF CONDUCT AND ETHICS

We have the Code of Conduct Policy that sets out the principles and standards of behaviour to guide employees in carrying out their duties and responsibilities. It also reminds employees to comply with reporting and disclosure requirements of potential or actual conflicts of interest.

MEMBERSHIP OF ASSOCIATIONS AND CERTIFICATES

ISO 14001:2015, Certification for Environmental Management System with respect to the supply and installation of detention and security cells, bullet containment systems, anti-ricochet lining systems, defence and military training facilities as well as related maintenance and structural steel work.

ISO 9001:2015, Certification for Management System in provision of security consultancy services and security solutions including surveillance and access control systems.

ISO 9001:2015, Certification for Quality Management System in the supply and installation of detention / security cell, bullet containment system, anti-ricochet lining system, defence / military training facilities (e.g. obstacle training facilities) and related maintenance, and provision of structural steel work.

bizSAFE Star, Certification of the workplace Safety and Health Management System.

ISO 45001:2018, Certification for Occupational Health and Safety Management System.

S3 Accredited Structural Steel Fabricator by Singapore Structural Steel Society.

SUSTAINABILITY REPORT

CONFLICT OF INTEREST

We have established procedures on Conflict of Interest to ensure that all transactions with interested persons are reported and declared in a timely manner. We continue to perform conflict of interest declarations on a periodic basis.

WHISTLEBLOWING POLICY

The whistleblowing policy was established for employees and external parties to raise concerns and offer reassurance that they will be protected from victimisation for whistleblowing in good faith. We continue to educate our employees on the whistleblowing policy whereby employees understand the importance of highlighting any inappropriate behavior to maintain integrity and honesty for our stakeholders. We also keep all information confidential to protect the interest of our employees.

The policy defines the processes clearly to ensure independent investigation of such matters and permits whistleblowers to report directly via email to a dedicated email account which will be directed to the Independent and Non-Executive Directors, or AC Chairman (in case of management conflict of interest). A Special Committee made up of the Group's directors will direct an independent investigation to be conducted or complaint when received in writing or via email. The AC has power to conduct or authorise investigations into any matter within the AC's scope of responsibility. In FY2020, there was no reported whistleblowing case.

SUSTAINABILITY APPROACH

Our sustainability vision is to create social impact and long-term value through incorporating environmental-friendly and responsible business practices. We have a three-step approach that brings us towards our sustainability goals as shown below.

01

Align our policies and procedures to our sustainability efforts. Assess our policies and set goals every year to ensure progress.

02

Actively interact with our stakeholders to ensure we are aligned with our long-term business strategies and sustainability goals.

03

Identify the ESG factors that are material to our group and address the risk that might have impact to our operations.

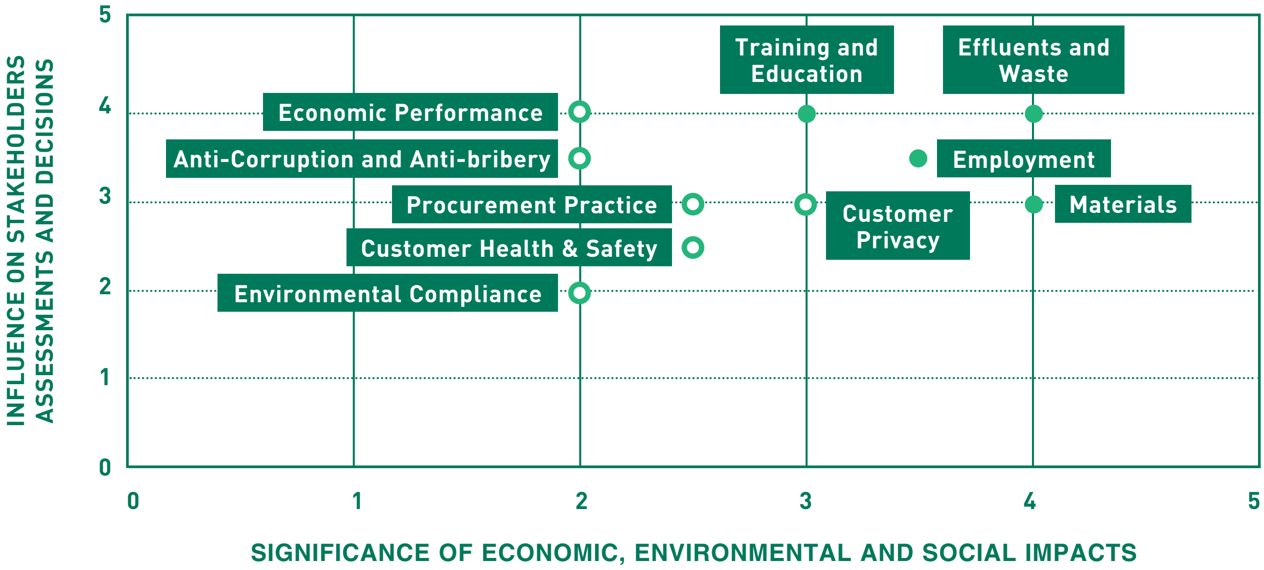
STAKEHOLDER ENGAGEMENT

We believe that it is important for us to understand the expectations of our stakeholders and always to respond to their interests and concerns. We are committed to actively engage and foster relationships with our stakeholders to better understand their needs. Through active interaction, we are able to better align our sustainability approach with their needs and expectations. Our key stakeholder groups for FY2020 are summarized below:

KEY STAKEHOLDERS	ENGAGEMENT ACTIVITIES	STAKEHOLDERS' EXPECTATIONS
Customers	• Product catalogue • Product presentations, enquiry, and feedback • Project meeting	• Customer satisfaction • Quality products and services • Feedback platforms
Employees	• Staff communication session • Internal newsletter/memo • Training programmes • Internal meetings • Employee handbook	• Reward and recognition • Business strategies and corporate goals and objectives • Training and development • Safe and healthy working environment
Investors (including analysts and media)	• Annual general meeting • Half-Yearly financial results announcements • Quarterly business updates • Circulars to stakeholders • Annual Report • Investor and analyst meetings • Announcements via SGXNet • Company website	• Performance and distributions • Operational efficiency and cash flow • Business strategy and outlook • Timely and transparent reporting • Corporate governance
Suppliers and sub-contractors	• Quotations and requests for proposals • Periodic site visits and meetings • Supplier and sub-contractors' evaluation	• Quality products and delivery on time • Occupational health and safety practices • Environmental compliance
Government and Regulators	• Public communication • Relevant authorities' website • Emails • Meetings	• Regulatory and Industrial requirements under Building and Construction Authority (BCA) • Regulatory requirements under Ministry of Manpower (MOM) • Environmental compliance with National Environmental Agency (NEA) • Regulatory requirements under SGX
Community	• Charity initiatives • Collaboration with non-profit local communities	• Community services engagement

MATERIAL TOPICS

Our materiality assessment process involved the process of gathering feedback from our stakeholders to assess material ESG topics. Starburst has a regular review, assessment and feedback process in relation to ESG topics. There were no changes to the 4 material topics reported last financial year.



The flow chart below summarises the material topics that are covered in the report:

	MATERIAL TOPICS	APPROACH	GOALS
Environmental	Materials	Raw material is one of the most important topic as it affects the product quality	To achieve zero complaint rate from customers on quality of products.
	Effluents and Waste	Production may emit pollutants and large amount of waste due to scraps and defects	To maintain record of zero incident of noncompliance to NEA standards.
Social	Employment	Hiring department to ensure fair and quality recruitments to maintain efficiency	To increase the number of local employees and female workers.
Governance	Training and Education	Increasing employees skillset will in turn increase operation efficiency	To review the relevant skills required of our industry and introduce more training programs.

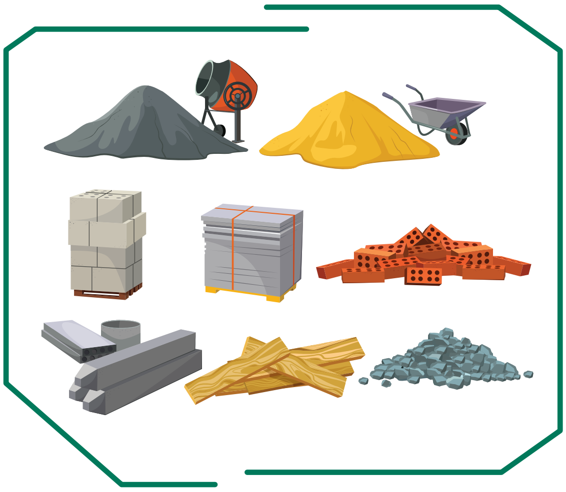
MATERIALS

Why It Matters

In Starburst, the quality of our product builds our reputation and we must ensure that the raw materials we use are of top quality at all times. We are also responsible for the impact our products have on safety, health and environment and we seek to positively contribute throughout our supply chain.

Our Approach

The Group uses recycled materials such as our rubbers for certain projects or whenever requested by our customers. We also source for raw materials with longer lifespan and are reusable, wherever possible. Once we identify suppliers that supply raw materials in-line with our considerations, we will establish strong and long-term relationships with them.



Supplier evaluations are carried out to evaluate the suppliers' performance in terms of responsiveness, delivery, pricing, and quality of goods. We encourage feedback, complaints, suggestions, and compliments from our customers to continue to improve our products and services. Our customers may provide these in the Group email or directly to our project team in charge. In our regular management meeting, we discuss any complaints or feedback raised by our customers and follow up actions to be performed timely.

Our Performance

In FY2020, we have used a total 9.2 tons of recycled rubber materials, which is an increase from our usage of 7.3 tons in 2019. Further to the evaluation carried out for our supplier, we are pleased to report that there were no disqualified suppliers in FY2020. There were also no cases of customer complaints regarding our products and services in all our business segments.

Our Targets

We will continue to target to achieve zero complaint rate from customers on the quality of our products in FY2021. We also seek to look for more ways to improve our sourcing methods and use of our materials to bring about environmental sustainability.

EFFLUENT AND WASTE

Why It Matters

Proper and efficient effluent and waste management is one of the key environmental challenges faced globally. We believe in building a greener future and creating a friendlier environment for our stakeholders.

Inadequate management of lead level within the indoor shooting range facilities is highly impactful to the environment as it pollutes the air and brings harm to the health of users. Since the live firearm training exercises within the training facilities consist of high quantities of lead emission, it is mandatory for us to comply with relevant rule on NEA Environmental Public Health Act and Code of Practice on Pollution Control to overcome the potential threats imposed by the disposal of our waste on the environment during the maintenance of firearm training facilities.

Our Approach

From our production process, it is common that hazardous waste, such as scrap steel, would be produced as by-products. Such waste consists of substances which may be potentially harmful to the environment. Thus, we have established procedures and disposal methods to ensure compliance with established environmental standards set by NEA.

We regularly hold briefing and training sessions to educate and guide our employees on managing effluent and waste efficiently and effectively. We also review our waste management policy to update them on new regulations and equip them with enhanced skillset to manage waste. As a result of these sessions, we have trained and experienced personnel to ensure that the waste generated is managed in accordance with NEA standards.

Our Performance

We are pleased to report that there were no incidents of non-compliance to NEA standards and the Group policy on waste management in FY2020.

Our Targets

The Group targets to maintain our record of zero incident of non-compliance to NEA standards which will result in a fine or penalty for FY2021.

EMPLOYMENT

Why It Matters

Investment in our employees is essential to our organisation's success. Our employees are our most valued assets. We believe in managing a diversified workforce which consists of personnel with the right skillset and mindset. This helps to improve the quality of work performed and increased productivity.

As we specialise in modern firearms-training facilities, there is a constant requirement for exceptionally skilled and technical individuals to ensure our quality and also to meet the requirements of government agencies who engaged us. In order to achieve this, it is crucial to have a thorough recruitment process for our people and business operations.

Our Approach

We have established the Human Resource Policy and Procedure to ensure that recruitments are always on a fair basis and new hires are compatible with our organisation's goals and culture. We recruit using a merit-based system and provide our employees equal opportunities to demonstrate their knowledge, skills, and experience. We do not discriminate our employees based on their age, race, gender, or equivalent in the workplace. We constantly review our Human Resource Policy and Procedure to improve and enhance our procedures in talent recruitment and retention so that we stay up to date with any changing regulations and laws.

As for the recruitment process, potential candidate will require to go through several rounds of screening before getting shortlisted. The Hiring Manager would vet through the shortlisted candidates to ensure that they meet the criteria for employment with the relevant skills and certificates. Interview would be held by at least two of the department head to ensure that they are suited for the role. Lastly, seeking approval from the senior management is required for the candidates selected.

To retain talents, we reward them accordingly with the annual appraisals performed based on merit and grades. Employees with good performance and growth potential are identified and rewarded. Management level employees are also being appraised against their key performance indicators which are aligned with the Group's goals. This annual appraisal conducted also serves as a platform for our employees to raise any feedback and concern they might have encountered with. By listening and communicating with them, we are better equipped to build an inclusive work environment for our employees.

We also strongly encourage our employees to upgrade their skills and knowledge. Thus, we have regular mandatory training sessions held for them and employees are allowed to look for courses relevant to their work and seek approval from their supervisor and the Human Resource team.

The Group strives to provide a safe and conducive working environment for our employees. We have established policies and procedures in place to ensure that our workplace is free of accidents at all time and also highlight the importance of safe working environment to our employees. In view of the Covid-19, the Group has taken precautionary measures such as practicing social distancing, staggered lunch and working hours, and working from home arrangement where possible.

Our Performance

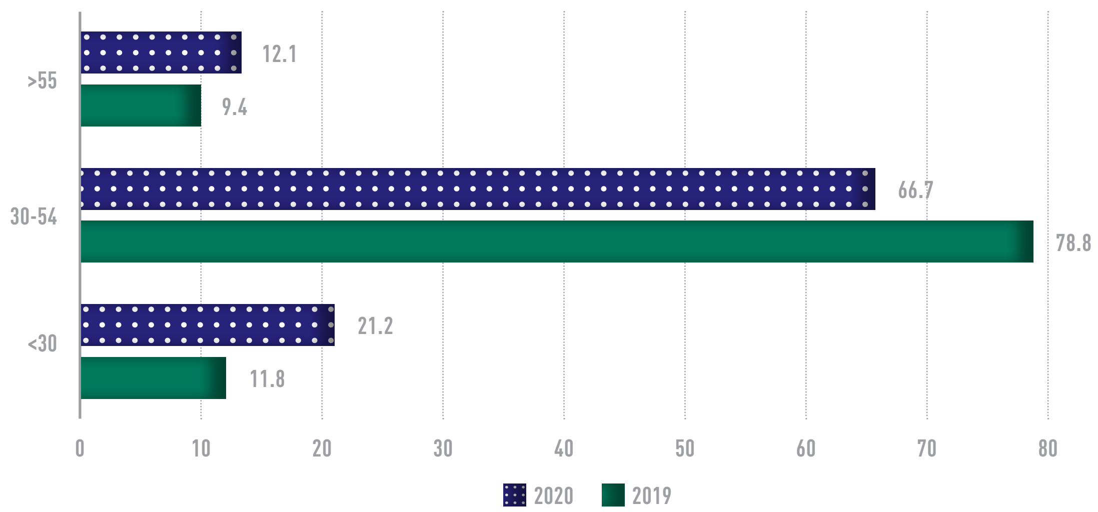
In FY2020, we have achieved a decrease in employee turnover rate from 9.4% in 2019 to 6.6% in 2020.

	FY2020	FY2019
New employee hires (Annual Rate)	21 (19.8%)	7 (8.2%)
Employee turnover (Annual Rate)	7 (6.6%)	8 (9.4%)

We had also improved on employee age diversity in the workplace where, as of December 31, 2020, 21.2% (as at December 31, 2019: 11.8%) of our Group workforce is below 30 years old, 66.7% (as at December 31, 2019: 78.8%) of our Group workforce is between 30-54 years old, while 12.1% (as at December 31, 2019: 9.4%) of the Group workforce is over 55 years old.

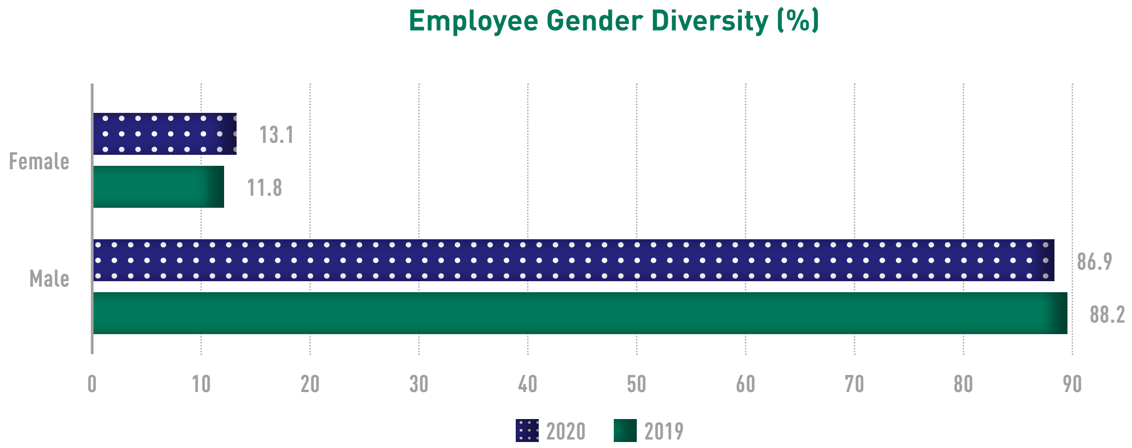
Employee Age Diversity	FY2020	FY2019
> 55	12 (12.1%)	8 (9.4%)
30 – 54	66 (66.7%)	67 (78.8%)
< 30	21 (21.2%)	10 (11.8%)

Employee Age Diversity (%)



For FY2020, we have achieved our target to increase the number of female workers and improved our workforce gender ratio from 11.8% in 2019 to 13.1% in 2020.

Employee Gender Diversity	FY2020	FY2019
Female	13 (13.1%)	10 (11.8%)
Male	86 (86.9%)	75 (88.2%)



Our Targets

In FY2021, we aim to increase the number of local employees and female workers. We also target to reduce the turnover rate in FY2021.

Training and Education

Why It Matters

It is in our best interest to invest in our employees' careers and knowledge through continuous learning, skills upgrading and developing them to their fullest potential. Learning and career development are among our key employee engagement drivers as it helps to enhance productivity of our employees as they upgrade their skillset to perform their duties. In addition, it may also help the Group in cost savings with the increased productivity. Therefore, we strive to offer our people ample opportunities to refresh their job, technical and managerial knowledge.

Our Approach

We have orientation programmes for new employees to familiarise themselves with their work scope. Existing employees also attend internal and external training, courses and seminars to develop and improve their skills so that they can achieve their fullest potential and perform their job duties efficiently.

For instance, our employees attend courses held by external parties such as NTUC Learning Hub, Absolute Kinetics Consultancy Pte Ltd, SCAL Academy, BCA Academy and Setsco Services Pte Ltd. Internally, we conduct training, such as confined space training, welder training and personal data protection act to build on our employees' technical knowledge and changes to regulations.

In addition, through the annual appraisals conducted with our employees, our two-way communication approach allows supervisors and managers to highlight to the employees' areas of improvement and areas on which the employees need additional training.

Our Performance

For FY2020, there was an increase in the total hours of training given to our staff from 776.5 hours in 2019 to 904 hours in 2020.

	FY2020 (Total Hours)	FY2019 (Total Hours)	FY2020 (In hours, per employee)	FY2019 (In hours, per employee)
By Gender				
Female	120	134	24.00	16.75
Male	784	642.5	12.25	14.28
By Employment Category				
Management and above	20	5	5	5
Executive	276	321	17.25	16.05
General Staff	608	450.5	11.47	14.08

Our Targets

For FY2021, with the expertise of our Heads of Department, we aim to review the relevant skills and knowledge required of our industry and introduce more training programs for our staff. We aim to increase, or at least maintain the number of training hours for our employees.

SUSTAINABILITY REPORT

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI STANDARD	DISCLOSURE	PAGE REFERENCE AND REASONS FOR OMISSION, IF APPLICABLE
GENERAL DISCLOSURE		
GRI 102: General Disclosures 2016	**Organizational Profile**	
	102-1 Name of the organisation	2 – 4
	102-2 Activities, brands, products, and services	2 – 4
	102-3 Location of headquarters	2 – 4
	102-4 Location of operations	2 – 4
	102-5 Ownership and legal form	2 – 4
	102-6 Markets served	2 – 4
	102-7 Scale of the organisation	2 – 4
	102-8 Information on employees and other workers	25 – 27
	102-9 Supply chain	18
	102-10 Significant changes during the reporting period	There are no significant changes during the period
	102-11 Precautionary principle or approach	18
	102-12 External initiatives	No material community services or external initiatives
	102-13 Membership of associations	19
	Strategy	
	102-14 Statement from senior decision maker	17
	Ethics and Integrity	
	102-16 Values, principles, standards, and norms of behaviour	18, 20
	Governance	
	102-18 Governance structure	18, 20
	Stakeholder Engagement	
	102-40 List of stakeholder groups	21
	102-41 Collective bargaining agreements	NIL
	102-42 Identifying and selecting stakeholders	21
	102-43 Approach to stakeholder engagement	21
	102-44 Key topics and concerns raised	22

GRI STANDARD	DISCLOSURE	PAGE REFERENCE AND REASONS FOR OMISSION, IF APPLICABLE
	Reporting Practice	
	102-45 Entities included in the consolidated financial statements	17
	102-46 Defining report content and topic boundaries	16
	102-47 List of material topics	22
	102-48 Restatements of information	NIL
	102-49 Changes in reporting	NIL
	102-50 Reporting period	16
	102-51 Date of most recent report	December 2019
	102-52 Reporting cycle	16
	102-53 Contact point for questions regarding the report	16
	102-54 Claims of reporting in accordance with the GRI Standards	16
	102-55 GRI content index	30 – 32
	102-56 External assurance	NIL
MATERIAL TOPICS		
GRI 103: Management Approach 2016	**Materials**	
	103-1 Explanation of the material topic and its boundaries	23
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	
	301-2 Recycled input materials used	
	301-3 Reclaimed products and their packaging materials	

GRI STANDARD	DISCLOSURE	PAGE REFERENCE AND REASONS FOR OMISSION, IF APPLICABLE
	Effluent and Waste	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	24
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 306: Effluent and Waste 2016	306-1 Water discharge by quality and destination	
	306-2 Waste by type and disposal method	
	306-3 Significant spills	
	306-4 Transport of hazardous waste	
	306-5 Water bodies affected by water discharges and/or runoff	
	Employment	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	25 – 27
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
	Training and Education	
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	28 – 29
	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	
	404-2 Programs for upgrading employee skills and transition assistance programs	
	404-3 Percentage of employees receiving regular performance and career development reviews	

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board" or Directors") of Starburst Holdings Limited (the "Company") is committed to achieving and maintaining high standards of corporate governance principles and processes in managing its business and affairs, so as to improve the performance, accountability and transparency of the Company and its subsidiaries (collectively the "Group").

The Company has complied with most of the principles and provisions of the Code of Corporate Governance 2018 issued on August 6, 2018 (the "Code") for the financial year ended December 31, 2020 ("FY2020"), with specific reference made to the principles and provisions of the Code pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") issued by the Singapore Exchange Securities Trading Limited ("SGX-ST").

This report describes the corporate governance policies, framework and practices of the Company for FY2020. The Company and Group have complied with and observed the Principles as set out in the Code for FY2020. Where there are deviations from the Provisions of the Code, explanations, including the provision from which it has varied, reasons for deviation and how the Group's practices adopted are consistent with the intent, aim and philosophy of the Principle in question, have been provided in the relevant sections.

(A) BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

The primary function of the Board is to provide effective leadership and setting strategic direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board exercises due diligence and judgment in dealing with the business affairs of the Group and are fiduciaries who are obliged to act in good faith and to take objective decisions in the best interests of the Group. Any Director who faces a conflict of interest, discloses and recuses himself from deliberation and decisions involving the issue.

The Board has overall responsibility to fulfil its role which includes the following:

- Oversees the overall strategic plans including considering sustainability and environmental issues as part of its strategic formulation, strategic human resources framework and financial objectives of the Group;
- Reviews the operational and financial performance of the Group including reviewing the performance of the Management;
- Approves half yearly financial results announcements, circulars, audited financial statements and annual report;
- Approves changes in the composition of the Board and Board Committees;
- Oversees and safeguards the shareholders' interest and the Company's assets through a robust system of effective internal controls, risk management, financial reporting and compliance;

- Oversees and enhancing corporate governance and practices within the Group;

- Deals with matters such as conflict of interest issues relating to directors and substantial shareholders, major acquisitions and disposals of material assets, dividend and other distributions to shareholders, and those transactions or matters which require Board's approval under the provisions of the Catalist Rules issued by SGX-ST, from time to time, or any applicable regulations;

- Appoints the senior management, approves the policies and guidelines for the Board and senior management executives' remuneration, in addition to approve the appointment of new directors;

- Oversees the code of conduct for the Group to recognise the importance of integrity and professionalism on the conduct of its business activities and sets the tone in respect of ethics, values, culture and standards, and ensuring proper accountability within the Company; and

- Identify key stakeholders groups and recognise that their perceptions affect the Company's reputation.

Matters specifically reserved for the approval by the Board, including but not limited to the following:

(i) the strategy, business plan and annual budget of the Group;

(ii) material acquisitions and disposal of assets;

(iii) capital related matters including corporate or financial restructuring, investment or expenditure exceeding certain threshold limits;

(iv) share issuance;

(v) interim dividend and other form of returns to shareholders; and

(vi) interested person transactions.

Clear directions have been disseminated to the Management that reserved matters must be approved by the Board.

The Board is the highest authority of approval and specific functions of the Board are either carried out by the Board or through various committees established by the Board, namely, the Audit Committee (the "AC"), the Nominating Committee (the "NC") and the Remuneration Committee (the "RC"). Each committee has the authority to examine issues relevant to their term of references and to make fair, proper and appropriate recommendations to the Board when required. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

The Board conducts scheduled meetings on a quarterly basis. Additional meetings are convened as and when circumstances warrant. The Constitution of the Company allows Board meetings to be conducted via any form of audio or audio-visual communication. The directors are free to discuss any information or views presented by any member of the Board and Management.

The Company adopts a policy which welcomes directors to request for further explanations, briefings or informal discussions on any aspect of the Group's operations or business from the Management.

When necessary or appropriate, members of the Board exchange view outside the formal environment of board meetings. Each Board member is expected to objectively discharge his duties and responsibilities at all times as fiduciaries in the best interest of the Company.

The attendance record of each director at meetings of the Board and Board Committees during the FY2020 is disclosed below:

	Number of meetings attended in FY2020			
Name of Directors	**Board**	**AC**	**NC**	**RC**
Mr. Edward Lim Chin Wah	5	4*	2*	1*
Mr. Yap Tin Foo	5	4*	2*	1*
Mr. Martin Muller	5	4*	3*	1*
Mr. Lai Keng Wei	5	4	3	1
Mr. Gopal Perumal	5	4	3	1
Mr. Tan Teng Wee	5	4	3	1
Total Number of meetings held in FY2020	**5**	**4**	**3**	**1**

* By way of invitation.

All directors are updated regularly on changes in the Company's policies and are provided continual briefings from time to time and are kept updated on relevant new laws and regulations including directors' duties and responsibilities, corporate governance and financial reporting standards. Newly appointed directors will be given briefings and orientation by the executive directors and Management to familiarise them with the businesses and operations of the Group. The newly appointed directors will also conduct a site visit at the Group's production facilities. Upon appointment, the director will receive a letter of appointment setting out their duties and responsibilities and will be given briefings by the Management on the business activities of the Group and its strategic direction as well as its corporate governance practices.

Newly appointed directors with no prior experience as a director of a listed Company in Singapore will undergo training in the roles and responsibilities of a listed Company director as prescribed by the SGX-ST in accordance to Rule 406(3). During FY2020, there were no newly appointed directors.

The directors may join institutes and group associations of specific interests, and attend relevant training seminars or informative talks from time to time so that they are in a better position to discharge their duties. The Company encourages the directors to attend courses in areas of directors' duties and responsibilities, corporate governance, changes in financial reporting standards, insider trading, changes in the Companies Act and industry-related matters, to develop themselves professionally, at the Company's expense.

Based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees and their time commitment to the affairs of the Company, the NC is satisfied that the Directors continue to meet the demands of the Group and are discharging their duties adequately. The Board has not capped the maximum number of listed company board representations each Director may hold. The NC and the Board are of the view that setting a maximum number of listed company board representations would not be meaningful as the contributions of the Directors would depend on many factors such as whether they were in full time employment and their other responsibilities and commitments. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments effectively while serving on the Board.

While some Directors have multiple board representations and other principal commitments, the NC is satisfied that the Directors are able to adequately carry out their duties as directors for FY2020 based on the attendance of the Directors and their contributions at meetings of the Board and Board Committees and their time commitment to the affairs of the Company.

In assessing the capacity of Directors, the NC considers, amongst others, the following:

(i) Expected and/or competing time commitments of Directors, including whether such commitment is in a full-time or part-time employment capacity;

(ii) Geographical location of Directors;

(iii) Size and composition of the Board;

(iv) Nature and scope of the Group's operations and size; and

(v) Capacity, complexity and expectations of the other listed directorships and principal commitments held, if any.

The measures and evaluation tools in place to assess the performance and consider competing time commitments of the Directors include the following:

- Declarations by individual Directors of their other listed company board directorships and principal commitments; and

- Attention to the Company's affairs, having regard to his other commitments.

Currently, the Company does not have any alternate Director.

The Company believes that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge of its duties effectively. The Management provides members of the Board with quarterly management accounts, as well as relevant background and explanatory information relating to the matters that would be discussed in the Board meetings, prior to the scheduled meetings. All directors are also furnished with timely updates on the financial position and any material development of the Group as and when necessary. Any additional materials or information requested by the Directors are promptly furnished. If necessary, management staff who are able to explain and provide insights to the matters to be discussed are invited to make the appropriate presentation and answer any queries that the Directors may have.

Directors are aware of their duties and obligations and the requirements in respect of disclosure of interests in securities, disclosure of conflicts of interests in transactions involving the Company, prohibitions on dealings in Company's securities and restrictions on disclosure of price-sensitive information.

On an ongoing basis, Management will update the Board on matters of the Company when necessary. The Board also receives updates and information on regulatory changes, industry developments, and business initiatives as well as changes to the accounting standards. All Directors are encouraged to constantly keep abreast of developments in regulatory, legal and accounting frameworks that are of relevance to the Group.

The Board has separate and independent access to the Company Secretary and Management at all times. The role of the Company Secretary includes responsibility for ensuring the Board's procedures are followed and that the applicable rules and regulations are complied with. The Company Secretary attends and prepares minutes of meetings of the Board and Board Committees and assists the Board in ensuring that the Company complies with the relevant statutory requirements. The appointment and removal of the Company Secretary are subject to the approval of the Board as a whole.

Each Director has direct access to the Group's independent professional advisors as and when necessary to enable each Director to discharge his responsibility effectively. Any cost of obtaining professional advice will be borne by the Company.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this Annual Report, the Board comprises six (6) directors, of whom two (2) are Executive Directors and three (3) are Independent Directors and one (1) is a Non-Independent and Non-Executive Director. As Mr. Edward Lim Chin Wah is the Executive Chairman who are not independent, independent directors only make up half of the Board and does not satisfy Provision 2.2 of the Code that independent director should make up a majority of the board where the Chairman is not independent, for FY2020. The Board is of the view that the present board size of six (6) directors is adequate to provide for a diversity of views, facilitate effective decision-making and that the Board has an appropriate balance of executive and independent and non-executive directors, taking into account the scope and nature of operations of the Group and four (4) out of six (6) directors are non-executive, and hence, majority of the Board is made up of Non-Executive Directors, which satisfies the requirements of Provision 2.3 of the Code. The Board has a Lead Independent Director who plays an additional facilitative role within the Board, and where necessary, he also facilitates communication between the Board and shareholders or other stakeholders of the Company and the independent directors make up half of the Board which is also in compliance with Rule

406(3)(c) of the Catalist Rules, which require the independent directors to make up at least one-third of the Board. As there is a strong independent element on the Board and given the size of the Board and scale of operations, the Board is of the view that it is not necessary to have majority independent directors in the Board.

The Board comprises the following members:

Mr. Edward Lim Chin Wah	Chairman and Executive Director
Mr. Yap Tin Foo	Managing and Executive Director
Mr. Martin Muller	Non-Independent and Non-Executive Director
Mr. Lai Keng Wei	Lead Independent and Non-Executive Director
Mr. Gopal Perumal	Independent and Non-Executive Director
Mr. Tan Teng Wee	Independent and Non-Executive Director

A brief description of the background of each Director is presented at the "Board of Directors" section of the Annual Report.

The NC reviews on an annual basis the independence of the Directors under Provision 2.1 of the Code, and as and when circumstances. In respect of the review of the independence of each director, the NC assessed the independence of each director and had considered that Mr. Lai Keng Wei, Mr. Gopal Perumal and Mr. Tan Teng Wee to be independent.

The Board has sought and obtained written confirmation from each of the current independent directors that, apart from their office as directors of the Company, none of them has any other relationship (business or otherwise) with the Company, its subsidiaries, related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent judgment with a view to the best interests of the Company.

Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules also stipulate that a director will not be independent if he is employed by the issuer or any of its related corporations for the current or any of the past three financial years; or if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporations for the past three financial years, and whose remuneration is determined by the remuneration committee of the issuer.

There are no Directors who is deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.

Each member of the NC has abstained from deliberations in respect of the assessment of his own independence.

The NC reviewed the size and composition of the Board comprises individuals whose diverse skill, experience and attributes provide effective decision making, taking into account factors such as the scope and nature of the operations of the Group and the core competencies of Board members who are in the fields of engineering, project management, accounting and finance, and professional legal services. The non-executive directors constructively challenge and assist in the development of the business strategies, and assist the Board in reviewing and monitoring the Management's performance against set targets. The independent directors met informally and communicate among themselves without the presence of Management.

None of the Independent Directors have served on the Board beyond nine (9) years from their respective date of appointment. Taking into the account the need for Board's renewal, the Board may consider developing its Board's succession plans at the appropriate time, taking into consideration the appropriate balance and mix of skills, knowledge, experience, gender and age.

The NC is of the view that the current Board comprises persons who as a group provide an appropriate balance and diversity of skills, experience and knowledge for the Board to be effective. There is no formal diversity policy adopted by the Company and it may consider adopting a formal policy in due course.

Chairman and Managing Director

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The roles of the Chairman and Managing Director (the "MD") are separate to ensure a clear division of their responsibilities, increased accountability and greater capacity of the Board for independent decision making. Mr. Edward Lim Chin Wah is the Chairman of the Board and is an Executive Director. Mr. Yap Tin Foo is the MD. The Chairman and the MD are not related to each other.

The MD is responsible for the business management and day-to-day operations of the Group whilst the Chairman provides overall leadership to the Board. The Chairman, with the help of the Company Secretary, ensures that Board meetings are convened as and when necessary and sets the meeting agenda in consultation with the MD and fellow directors and other executives, and if warranted, with professional advisors.

The Chairman also leads the Board discussions and ensures that quality, quantity and timeliness of the flow of information between the Management, the Board and shareholders. He assumes the lead role in promoting high standards of corporate governance processes as well as the culture of openness and debate at Board meetings. He also encourages constructive relationship within the Board and between the Board and Management while facilitating the effective contributions of non-executive directors and independent directors during the Board meetings.

Mr. Lai Keng Wei has been appointed as the Lead Independent Director and he is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate. When necessary, the Independent Directors will meet without the presence of the other Directors and the Lead Independent Director will provide feedback to the Chairman after such meetings.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises the following three (3) directors, all whom including the Chairman, are Non-Executive and Independent Directors:–

– Mr. Tan Teng Wee (Chairman)

– Mr. Gopal Perumal

– Mr. Lai Keng Wei

The Company has established the NC to make recommendation to the Board on all Board appointments. The key duties and responsibilities of the NC include:

(i) to review the Board structure, size and composition and make recommendation to the Board with regards to any re-nominations of existing directors for re-election in accordance with the Constitution, taking into account the director's contribution and performance, as well as the process for search, nomination, selection and appointment;

(ii) to review the Board succession plans for Directors, in particular, the Chairman, MD and executive officers;

(iii) to review and approve any new employment of related persons and proposed terms of their employment;

(iv) to determine on an annual basis whether or not a director is independent;

(v) in respect of a director who has multiple board representations on various companies, if any, to review and decide whether or not such director is able to and has been adequately carrying out his duties as director, having regard to the competing time commitments that are faced by the director when serving on multiple boards and discharging his duties towards other principal commitments;

(vi) to decide whether or not a director is able to and has been adequately carrying out his duties as a director;

(vii) to develop a process for evaluation of the performance of the Board, its committees and directors and propose objective performance criteria, as approved by the Board that allows comparison with its industry peers, and address how the Board has enhanced long-term shareholders' value; and

(viii) to review training and professional development programs for the Board.

At each Annual General Meeting ("AGM") of the Company, the Constitution of the Company requires one-third of the directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, being one third of those who have been longest in office since their last re-election. The retiring directors submit themselves for re-nomination and re-election. Newly appointed directors are required to submit for re-election.

In assessing and recommending a candidate for appointment to the Board, the NC takes into consideration the background, qualifications, experience and knowledge that the candidate bring and which could benefit the Board. Other important issues to be considered as part of the process for the selection, appointment and re-appointment of directors include composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation and candor), if applicable, as an independent director.

The NC may also engage external search consultants to search for new directors at the Company's expense. New directors are appointed by way of a board resolution after the NC recommends the appointment for approval of the Board.

The NC determines annually, and as and when circumstances require, the independence of the Independent Directors, having regard to the circumstances set forth in Provision 2.1 of the Code. There are no relationships between the Independent Directors with the Company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence. Further, an Independent Director shall immediately disclose to the Board any relationships or circumstances that could interfere, or be reasonably perceived to interfere, with the exercise of his independent business judgement in the best interests of the Company.

Details of the appointment of directors including date of initial appointment and date of last re-election and directorships are set out below:

Name of Director	Date of Initial Appointment	Date of Last Re-election
Mr. Edward Lim Chin Wah	October 28, 2013	April 25, 2019
Mr. Yap Tin Foo	October 28, 2013	June 25, 2020
Mr. Martin Muller(1)	December 10, 2018	April 25, 2019
Mr. Lai Keng Wei(2)	January 28, 2019	April 25, 2019
Mr. Gopal Perumal	May 28, 2014	April 25, 2019
Mr. Tan Teng Wee	May 28, 2014	June 25, 2020

Notes:
(1) Mr. Martin Muller will retire pursuant to Regulation 93 and is subject to re-election as a Director at the forthcoming AGM of the Company to be held on April 29, 2021.
(2) Mr. Lai Keng Wei will retire pursuant to Regulation 93 and is subject to re-election as a Director at the forthcoming AGM of the Company to be held on April 29, 2021.

Mr. Martin Muller and Mr. Lai Keng Wei will be retiring as Directors of the Company at the forthcoming AGM pursuant to Article 93 of the Constitution of the Company and being eligible, have consented to be re-elected as Directors of the Company. The NC had considered the Directors' overall contribution and performance and had recommended Mr. Martin Muller and Mr. Lai Keng Wei be nominated for re-election at the forthcoming AGM.

The Company released an announcement on November 15, 2020 pursuant to Rule 703(1) of the Catalist Rules where Mr. Edward Lim Chin Wah (Executive Chairman) ("Mr. Lim") and Mr. Yap Tin Foo (Managing Director) ("Mr. Yap") were interviewed by the Corrupt Practices Investigation Bureau ("CPIB") on November 12, 2020 in connection with Starburst Engineering Pte Ltd, a wholly-owned subsidiary of the Company. Currently, both Mr. Lim and Mr. Yap are on bail pending investigation.

The NC and the Board (with Mr. Lim and Mr. Yap recusing themselves) are of the view that Mr. Lim and Mr. Yap should continue with their respective responsibilities and duties in the operation of the Group's businesses to ensure business continuity. The NC and the Board will re-assess their position where appropriate in due course.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC is responsible for assessing the effectiveness of the Board as a whole and the committees and for assessing the contribution of each individual director. The NC decides how the Board's performance may be evaluated and proposes objective performance criteria that are approved by the Board.

The criteria for evaluation of the performance of an individual director includes qualitative and quantitative factors such as performance of principal functions and fiduciary duties, director's attendance, contribution and performance at such meetings. The NC and the Board strive to ensure that each director, with his contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

The NC meets at least once a year, and as warranted by circumstances, to discharge its functions. There were three (3) NC meetings held in FY2020.

The NC has in place a performance evaluation process whereby the Board and individual directors will complete confidential group and individual assessment questionnaires to assess the effectiveness of the Board, its committees and the contributions of each director, including the Chairman. The Board and committee assessment parameters includes areas such as Board composition, Board processes managing the Group's performance and the effectiveness of the Board in its monitoring role and the effectiveness of the respective committee. The individual assessment areas include attendance and contributions during Board and committee meetings as well as commitment to their role as directors. Individual directors are also evaluated on their respective areas of expertise across business, industry, finance and legal. The Company secretary had been requested to collate the Board's and directors' evaluation and to provide the summary observations for the NC Chairman and Board Chairman. The Board Chairman will act on the results of the performance evaluation and the recommendation of the NC, and where appropriate, in consultation with the NC, new members may be appointed or resignation of directors may be sought.

Following the review of the assessment of the Board, its committees and individual directors, including the Chairman for FY2020, both the NC and the Board are of the view that the Board and its committees have operated effectively and each director has contributed to the overall effectiveness of the Board in FY2020. No external facilitator was used in the evaluation process.

All NC members have abstained from voting or review process of any matters in connection with the assessment of his performance.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Matters concerning remuneration of the Board, senior executives and other employees who are related to the controlling shareholders and/or the Directors (if any) are handled by the RC whose primary function is to develop formal and transparent policies on remuneration matters in the Company. The RC also reviews and ensures that the Company's remuneration system is competitive and sufficient to attract, retain and motivate the required talents to run the Company successfully.

The RC comprises the following three (3) directors, all whom including the Chairman, are Non-Executive and Independent Directors:–

– Mr. Gopal Perumal (Chairman)

– Mr. Tan Teng Wee

– Mr. Lai Keng Wei

The roles, duties and responsibilities of the RC cover the functions described in the Code including but not limited to, the following:

(i) to recommend to the Board a framework of remuneration for the directors and executive officers, as well as specific remuneration packages for each executive director. The quantum of the bonus of the executive directors and MD will be subject to the approval of the RC. The bonus for the other executive officers will be determined solely by the executive directors and MD;

(ii) the scope of responsibilities encompasses all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind; and

(iii) to review the remuneration of senior management and employees related to directors, if any.

The Company may terminate a service agreement if, *inter alia*, the relevant executive director or key executive is guilty of dishonesty or serious or persistent misconduct, become bankrupt or otherwise act to the Company's prejudice.

All recommendations made by the RC on remuneration of directors and key executives will be submitted for endorsement by the Board. None of the RC is involved in setting his remuneration package. Each RC member shall abstain from reviewing, deliberating and voting on any resolution in respect of his remuneration package or that of any employees who are related to him.

As and when deemed appropriate by the RC, independent expert advice is or will be sought at the Company's expense. RC shall ensure that existing relationship, if any, between the Company and its appointed remuneration consultant will not affect the independence and objectivity of the remuneration consultant. For FY2020, the Company did not engage any external remuneration consultant to assist in reviewing compensation and remuneration packages.

The RC meets at least once a year, and as warranted by circumstances, to discharge its functions. There was one (1) RC meeting held in FY2020.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

The RC recommends to the Board the quantum of directors' fees and the Board in turn endorses the recommendation for shareholders' approval at each AGM. To facilitate timely payment of directors' fees, the Company has recommended for the directors' fees to be paid on a quarterly basis for the current financial year once approval is obtained from shareholders at the forthcoming AGM to be held on April 29, 2021.

The remuneration packages take into consideration the performance of the Group and individual assessment of each non-executive director, the level of contribution to the Company and Board, taking into account various factors including but not limited to efforts and time spent, responsibilities and duties of the directors. By implementing remuneration packages, the Company hopes to inculcate in all participants a stronger and align their interest with that if the Group.

Directors' fees do not form part of the terms of these service agreements as these requires the approval of the shareholders in a general meeting.

The RC will ensure that the independent directors are not over compensated to the extent that their independence may be compromised. To encourage non-executive directors to hold shares in the Company so as to better align the interests of such non-executive directors with the interests of shareholders, they are able to participate in the Starburst Performance Share Plan and the Starburst Share Option Scheme.

During FY2020, the RC reviewed the compensation and remuneration packages and believes that the directors and Management are sufficiently compensated.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Taking note of the competitive pressures in the industry and the talent market, the Board had, on review decided to disclose the remuneration of the Directors of the Company in bands with a breakdown of the components in percentage for FY2020 as set out below:

	Salary (%)	Bonus (%)	Other benefits (%)	Fees (%)	Total (%)
S$500,000 to S$750,000					
Mr. Edward Lim Chin Wah	66.0	32.3	1.7	–	100
Mr. Yap Tin Foo	65.5	32.1	2.4	–	100
Below S$250,000					
Mr. Gopal Perumal	–	–	–	100	100
Mr. Tan Teng Wee	–	–	–	100	100
Mr. Lai Keng Wei	–	–	–	100	100
Mr. Martin Muller	–	–	–	100	100

The salary and bonus of the incumbent directors are paid by a subsidiary.

Bonus is computed based on the Service Agreements entered into with each of the executive directors, Mr. Edward Lim Chin Wah and Mr. Yap Tin Foo on May 30, 2014.

The Company believes that the current format of disclosure is sufficient indication, for the time being, of each director's remuneration package, given that remuneration continues to be a sensitive subject.

The breakdown (in percentage terms) of the remuneration of five (5) top key executives of the Group for FY2020 is set out below:

Remuneration and Name of Key Executives	Designation	Salary (%)	Bonus (%)	Other benefits (%)	Total (%)
S$250,000 to S$500,000					
Mr. Samer Sidani	Chief Executive Officer – Abu Dhabi office	53.6	6.2	40.2	100
Mr. Andrew Popplewell	Regional Director	54.1	6.2	39.7	100
Below S$250,000					
Mr. Wu Guangyi	Chief Financial Officer	72.0	20.6	7.4	100
Mr. Ng Eng Long Josiah Lawrence	Senior Project Manager	74.8	17.2	8.0	100
Mr. Desengano Eduardo Espirtu	Technical Manager	71.9	16.3	11.8	100

Bonus is paid based on the Company's and individual performance and letter of appointment where applicable.

Other benefits comprise of the Company's contribution towards the Singapore Central Provident Fund where applicable, allowance and other benefits-in-kind.

In aggregate, the total remuneration paid to the five (5) top key executives is S$1,281,859 in FY2020.

There were no termination, retirement and post-employment benefits granted to Directors, the MD and key management personnel other than the payment in lieu of notice in the event of termination in their respective employment contracts in FY2020.

There were no employees within the Group who were substantial shareholders of the Company, immediate family members of a Director, the MD or a substantial shareholder of the Company whose remuneration exceeded S$100,000 in FY2020.

SHARE OPTIONS SCHEME AND PERFORMANCE SHARE SCHEME

On May 28, 2014, the shareholders approved the Starburst Performance Share Plan and the Starburst Share Option Scheme (collectively, the "Share-Based Incentive Plans"). The Share-Based Incentive Plans is administered by the NC and the RC (the "Administration Committee"), and no option or share has been awarded to any participant under the Share-Based Incentive Plans since adoption and for FY2020. No option or share has been awarded to any participant, which, in aggregate, represent five per centum (5%) or more of the aggregate number of options or new shares available under the Share-Based Incentive Plans and as such, no vesting of shares has taken place.

The primary objective of establishing the Share-Based Incentive Plans is to recognise and reward the directors and employees for their valuable contributions to the growth and success of the Group as well as to retain employees whose services are vital to our success in order to achieve greater growth in the Group. Eligible participants (the "Participants") under the Share-Based Incentive Plans will have the opportunity to participate in the equity of the Company, thereby aligning the interests of the Participants with the interests of the Company and shareholders, motivating them towards long-term growth and profitability of the Group and better performance through increased dedication and incentives.

Under the Starburst Share Option Scheme, a Participant will be granted the right to subscribe for shares (the "Options"). An Option represents the right of the Participant to receive fully paid shares upon payment of the Exercise Price (as defined and determined under the Starburst Share Option Scheme) within the Exercise Period (as defined in the Starburst Share Option Scheme). The Exercise Price and Exercise Period shall be determined by the Administration Committee in its absolute discretion in accordance with the Starburst Share Option Scheme. Participants will only be rewarded in the event that the market value of a share is greater than the Exercise Price, thereby motivating Participants toward improving the market value of the shares.

The Starburst Performance Share Plan aims to promote higher performance goals, and recognise and reward the contributions made by employees. The Starburst Performance Share Plan contemplates the contingent award of fully-paid shares after certain pre-determined benchmarks have been met (the "Awards"). The Company believes that the Starburst Performance Share Plan will be more effective than pure cash bonuses in motivating employees to work towards pre-determined goals.

Under the Starburst Performance Share Plan, the size of the Award granted to a Participant will be determined based on, amongst others, his rank, job performance, potential for future development and his contribution to the success and development of the Group as determined by the Administration Committee prior to the date of grant. The performance period here is a forward-looking period for which performance conditions and targets are set and measured over the performance period. The final Award is determined by the performance achievement over the performance period. Awards may comprise fully paid shares, cash or a combination of fully paid shares and cash. The performance period, vesting period and other conditions will be determined by the Administration Committee administering the Starburst Performance Share Plan.

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance and risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholder.

The Group's internal controls and systems are designed to provide reasonable assurance as to the integrity and reliability of the financial information and to safeguard and maintain accountability of assets. Procedures are in place to identify major business risks and to evaluate potential financial implications, as well as for the authorisation of capital expenditure and investments.

The AC, on behalf of the Board, reviews the Group's system of internal controls, including financial, operational and compliance controls, information technology and risk management policies and systems established by Management. This ensures that such system is sound and adequate to provide reasonable assurance of the integrity, effectiveness and efficiency of the Company in safeguarding shareholders' interests and the Group's assets. The Group currently does not have a formal risk management committee but the Management regularly reviews the Group's business and operations to identify areas of significant business risks and controls to mitigate the risks. The Management will highlight all significant matters to the Board and AC. The Board is ultimately responsible for the Group's risk management. The Group's financial risk management objectives and policies are discussed further in note 4 to the financial statements.

The system of internal controls provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision making, human error, losses, fraud or other irregularities.

For FY2020, the Board had received assurances from the Managing Director and Chief Financial Officer that:

- the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

- the Company's risk management and internal control systems are adequate and effective.

The Group strives to foster an environment where all employees act lawfully and with integrity in every aspect of our business. To safeguard the interest of the stakeholders, the Group adopts a firm stance against corruption and malpractice in the Group and have zero tolerance towards unethical behavior. The Company had on November 15, 2020 announced that the Executive Chairman and the Managing Director were interviewed by CPIB on November 12, 2020 in connection with Starburst Engineering Pte Ltd and the investigation is still ongoing. In December 2020, the AC had requested Messrs. BDO Advisory Pte Ltd ("BDO") to conduct an internal review on the Group's relevant internal controls for anti-corruption and anti-bribery ("Internal Review"). The Internal Review was completed in March 2021 with the findings reported to the AC. Findings from the Internal Review were not of a high-risk nature and all recommended practices by BDO have been accepted and in the midst of implementation. All employees of the Group have been informed on the relevant policies relating to anti-corruption and anti-bribery and the Group's zero tolerance towards any unethical behavior.

In addition, the Group has reiterated in its sustainability report and to all employees of the Group to raise any concerns about wrongdoing, malpractice or misconduct within the Group via the whistleblowing email, whistleblowing@starburst.net.sg which is monitored by the AC.

Based on the review, work done by the internal and external auditors, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls addressing financial, operational, compliance risks, IT, risk management systems or significant business risks are adequate and effective.

Audit Committee ("AC")

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC comprises the following three (3) directors, all whom including the Chairman, are Non-Executive and Independent Directors:–

– Mr. Lai Keng Wei (Chairman)

– Mr. Tan Teng Wee

– Mr. Gopal Perumal

The duties and functions of the AC include the following:

(i) assist the Board in the discharge of its responsibilities on financial and reporting matters;

(ii) review, with the internal and external auditors, the audit plans, scope of work, their evaluation of the system of internal accounting controls, their management letter and the management's response, and results of audits compiled by internal and external auditors;

(iii) review the half yearly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with financial reporting standards as well as compliance with the Rules of Catalist and any other statutory/regulatory requirements;

(iv) review the effectiveness and adequacy of the internal control and procedures, including accounting and financial controls and procedures and ensure coordination between the internal and external auditors, and the management, reviewing the assistance given by management to the independent auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the independent auditors may wish to discuss (in the absence of management where necessary);

(v) reviewing the assurance from the MD and Chief Financial Officer on the financial records and financial statements;

(vi) review the scope and results of the external audit, and the independence and objectivity of the external auditors; review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;

(vii) make recommendations to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors;

(viii) review significant financial reporting issues and judgments with the Chief Financial Officer and the external auditors so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance before their submission to the Board of Directors;

(ix) to review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with the Chief Financial Officer and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;

(x) review any potential conflicts of interest;

(xi) reviewing the Group's compliance with such functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;

(xii) reviewing arrangements by which the staff may, in confidence, raise concerns about improprieties in matters of financial reporting or other matters, and to ensure that those arrangements are in place for independent investigations of such matters and for appropriate follow-up;

(xiii) review and establish procedures for whistleblowing policy of the Group, amongst others, criminal offences involving the Group or its employees, questionable accounting, auditing, business, safety or other matters that impact negatively on the Group;

(xiv) reviewing and assessing, at least annually, the adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risks and the extent to which these are operating effectively;

(xv) reviewing risk management structure and recommend appropriate measures to control and mitigate the risks of the Group, as and when these arise; and

(xvi) to undertake such other functions and duties as may be required by statute or the Rules of Catalist, and by such amendments made thereto from time to time.

Apart from the functions listed above, the AC shall also commission and review the findings of internal investigations into matters with external auditors where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/or financial position.

The Board believes that the AC is appropriately qualified to discharge their duties and responsibilities. The AC has explicit authority to investigate any matter within its terms of references. It has full access to Management and full discretion to invite any director or key executive to attend its meetings, and to be provided with reasonable resources to enable it to discharge its functions properly. The executive directors and key executives were invited to be present at the AC meetings to report and brief the AC members on the financial and operating performance of the Group and to answer any queries from the AC members on any aspect of the operations of the Group.

The AC met up with the external and internal auditors without the presence of Management at least once annually.

The external auditors were also invited to be present at AC meetings, as and when required, held during the year to, *inter alia*, answer or clarify any matter on accounting and auditing or internal controls.

The fee paid to the external auditors, Messrs. Deloitte & Touche LLP for audit and non-audit services for FY2020 was S$105,000 and S$10,000 (excluding disbursements and GST) respectively. The AC is of the opinion that the independence and objectivity of the external auditors have not been affected based on the amount of non-audit fees paid in FY2020.

The financial statements of the Company and its subsidiary are audited by Messrs. Deloitte & Touche LLP. The AC and the Board are of the view that the audit firms are adequately resourced, of appropriate standing within the international affiliation, have reviewed and are satisfied that the appointment would not compromise the standard and effectiveness of the audit of the Company and that the Company has complied with Rule 712 and Rule 715 of the Catalist Rules of the SGX-ST.

The AC has recommended to the Board that Messrs. Deloitte & Touche LLP be nominated for re-appointment as the external auditors of the Company at the forthcoming AGM of the Company to be held on April 29, 2021. None of the AC members are former partners of directors of the Company's external firm within the last twelve (12) months and none of the AC members hold any financial interest in the external audit firm.

The Company has a whistleblowing policy whereby staff of the Group and relevant external parties may, in confidence, raise concerns about possible irregularities in matters of financial reporting or other matters. The policy defines the processes clearly to ensure independent investigation of such matters and permits whistleblowers to report directly via email to a dedicated email account which will direct the report to the Independent and Non-Executive Directors, or AC Chairman (in case of management conflict of interest). A Special Committee of board of directors of the Company will direct an independent investigation to be conducted or complaint when received in writing or via email. The AC has power to conduct or authorise investigations into any matter within the AC's scope of responsibility.

For FY2020, the Board has assessed and reviewed, together with the assistance of NC, and of the view that the members of the AC are appropriately qualified to discharge their responsibilities. The Board's view is that adequate and reasonable assistance and support has been properly rendered by the Management to the AC and that the AC has effectively and efficiently contributed to the Board and the Group. In addition, the member of the AC has relevant accounting and related financial management expertise, experience and knowledge. The AC Chairman is a practising member of the Institute of Singapore Chartered Accountants and also a fellow member of the Association Chartered Certified Accountants, a Singapore Chartered Valuer and Appraiser and a member of the International Association of Certified Valuation Specialists.

During FY2020, the AC was provided with information such as updates on the changes to the Singapore's Financial Reporting Standards.

The AC relies on reports from the Management and external and internal auditors on any material non-compliance and internal control weaknesses.

The Group outsourced its internal audit function to Nexia TS Risk Advisory Pte. Ltd. (the "IA") which reports directly to the AC. The IA has an administrative reporting function to Management where planning, co-ordinating, managing and implementing internal audit work cycle are concerned. The work undertaken by the IA, are carried out in accordance with the standards set by internationally recognised professional bodies including Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors, includes the auditing of the Group's system of internal financial, operational and compliance controls over its key operations. The IA will report their audit findings and recommendations directly to the AC. The internal audit plan, findings and recommendations drawn up by the IA are reviewed and approved by the AC.

The AC is satisfied that the IA is independent and adequately resourced to perform its function effectively.

In line with the recommendations by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and SGX-ST, the AC can help improve transparency and enhance quality of the Group's financial reporting by providing its commentary on the Key Audit Matters ("KAM") raised by the Group's external auditors. The AC has considered the FY2020 KAM presented by the external auditors together with management. After reviewing the KAM, the AC has concurred and agreed with the external auditors and management on their assessment, judgements and estimates on the significant matter reported by the external auditors.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholder fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

The Board is committed to providing clear and full information of the Group to shareholders through the publication of notices, announcements, circulars, half yearly and full-year financial results. The Company does not practise selective disclosures and releases its financial results and other material information to the shareholders on a timely basis in accordance with the requirements of the Catalist Rules, via the SGXNet.

The financial statements results announcements of the Group will be released within 45 days from the end of the Group's half-year period, and 60 days from the full financial year end. In addition, the Annual Report 2020 will be released to shareholders on SGXNet at least 14 days before the AGM scheduled to be held on April 29, 2021.

The Group encourages shareholders' participation during the AGM which will be held through electronic means in Singapore. Shareholders are able to proactively engage the Board and the Management on the Group's business activities, financial performance and other business-related matters at the AGM. The Group believes in regular, effective and fair communication with shareholders and is committed to hearing shareholders' views and addressing their concerns. Shareholders are also informed of the rules and voting procedures governing such meetings. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including voting procedures that govern the AGM.

To facilitate participation of the shareholders, the Company's Constitution allow a shareholder to appoint not more than two (2) proxies to attend and vote at general meetings. As the authentication of shareholder identity information and other related security issues still remains a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

At the general meetings, the external auditors as well as all the Directors, in particular the Chairman of the Board and the respective Chairman of the AC, NC and RC, are in attendance to answer queries from shareholders. Shareholders are given the opportunity at general meetings to air their views and query the Directors and Management on matters relating to the Group and its operations. The Board members also avail themselves after general meetings to solicit and understand the view of the shareholders. Minutes of general meetings, which include substantial comments or queries from shareholders and responses from the Board and Management are available to shareholders upon request.

All resolutions are put to vote by poll and the voting results of all votes cast for, or against, or abstain, each resolution and the respective percentages are announced at the meeting and via SGXNet upon the conclusion of the general meetings.

Separate resolutions on each distinct issue are tabled at general meetings and explanatory notes are set out in the notices of general meetings where appropriate.

Dividend Policy

The Company does not have a specific dividend policy. Nonetheless, the Management after reviewing the performance of the Company in the relevant financial period will make an appropriate recommendation to the Board. Any dividend declaration will be communicated to shareholders via announcement through SGXNet.

The Board has recommended a final dividend of S$0.01 per ordinary share for the financial year ended December 31, 2020 for the shareholders' approval at the forthcoming AGM.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

It is the Company's policy to keep all shareholders informed of developments or changes that will have a material impact on the Company's share price, through announcement via SGXNet and such announcement made and press releases of the Group are available on the Company's website at www.starburst.net.sg.

The Company's half yearly and full year results announcements are issued via SGXNet. The Company also publishes the presentation slides used during the briefings on SGXNet and on its website – www.starburst.net.sg. Once the annual report for FY2020 is completed, a copy will be made available on the website and published via SGXNet.

The Company does not have a formal investor relations policy but considers advice from its corporate lawyers and professionals on appropriate disclosure requirements before announcing material information to shareholders. Pertinent information is regularly disseminated to the shareholders through SGXNet. Financial PR, Sino-Lion Communications Pte. Ltd. is the appointed professional investor relations officers to manage the function should the need arises.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of materials stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, community, government and regulators and shareholders and investors. The Company engages its stakeholders through various channels to endure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The Company's engagement with all stakeholders is set out in detail in the Sustainability Report which will be published as a standalone report within five (5) months from its financial year end. The Company ensures that all material information relating to the Company and its financial performance is disclosed in a timely manner via SGXNet.

The Company also maintains a current corporate website, at http://www.starburst.net.sg, on which financial and other information to be communicated to members of the public are made available.

DEALINGS IN SECURITIES

The Company has adopted an internal code in line with the SGX-ST's best practices in relation to dealings in securities, which has been disseminated to all employees as guidance within the Group. The Company will also send a notification via email to notify all its officers and employees a day prior to the close of window for trading of the Company's securities.

The internal code on dealings in securities also makes clear that it is an offence to deal in the Company's securities and securities of other listed companies, while in possession of unpublished price-sensitive information and prohibits trading commencing one month before the announcement of the Company's financial statements for its half year and full financial year.

Each of the above periods will end on the date of the announcement of the relevant results of the Company.

Directors and employees of the Company are reminded not to deal (whether directly or indirectly) in the Company's securities on short-term considerations and be mindful of the law on insider trading as prescribed by the Securities & Futures Act, Chapter 289 of Singapore at all times even when dealing in securities within the permitted trading period.

INTERESTED PERSON TRANSACTIONS ("IPT")

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and that the transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

There was no IPT for FY2020 and the Company also does not have any IPT Mandate which is subject to shareholders' approval at the forthcoming AGM.

UTILISATION OF PROCEEDS

On June 16, 2016, the Company issued 62,500,000 warrants at an exercise price of S$0.25 for each new share. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company. The warrants will expire on June 14, 2021.

As at December 31, 2020, 9,464,025 warrants have been exercised. The proceeds arising from the exercise of 9,464,025 warrants is approximately S$2,366,000. As the Company announced on October 8, 2020, the amount of S$2,316,000 has been utilised for the purchase of ballistic materials for the construction of a firearms training facility and a tactical training mock-up facility in Southeast Asia. The utilisation is in accordance with the intended use for working capital purposes as stated in the offer information statement.

MATERIAL CONTRACTS

Save for the service agreements renewed in May 2017 with the executive directors, there were no material contracts entered into by the Company or any of its subsidiaries involving the interests of any directors or controlling shareholders for the financial year ended December 31, 2020.

NON-SPONSORSHIP FEES

There were no non-sponsor fees paid to the Company's sponsor, SAC Capital Private Limited, during the financial year under review.

FINANCIAL CONTENTS

DIRECTORS' STATEMENT

The directors present their statement together with the audited consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company for the financial year ended December 31, 2020.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 67 to 123 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at December 31, 2020, and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended, and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this statement are:

Edward Lim Chin Wah
Yap Tin Foo
Martin Muller
Lai Keng Wei
Gopal Perumal
Tan Teng Wee

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company under Section 164 of the Singapore Companies Act except as follows:

Name of directors and Company in which interests are held	Shareholdings registered in name of directors At beginning of year	At end of year
	Ordinary shares	
The Company		
Edward Lim Chin Wah	90,113,800	88,931,900
Yap Tin Foo	85,180,000	84,099,500
Gopal Perumal	20,000	20,000

The directors' interests in the shares of the Company at January 21, 2021 were the same at December 31, 2020.

4 WARRANTS

On June 15, 2016, the Company issued 62,500,000 warrants pursuant to a renounceable non-underwritten rights issue on the basis of one warrant for every four (4) existing ordinary shares held in the capital of the Company. On June 17, 2016, the warrants were listed on the Singapore Exchange Securities Trading Limited ("SGX-ST"). Each warrant entitles the warrant holder to subscribe for one (1) new ordinary share in the Company at the exercise price of S$0.25 for each new share.

At the end of the financial year, details of the unissued ordinary shares of the Company under warrants are as follows:

Date of issue	Warrants issued	Warrants exercised	Warrants outstanding	Date of expiry
June 15, 2016	62,500,000	9,464,025	53,035,975	June 14, 2021

Name of directors in which interests are held	Warrant holdings registered in name of directors At beginning of year	At end of year
Edward Lim Chin Wah	13,019,750	11,019,750
Yap Tin Foo	11,020,000	9,020,000

The directors' interests in the warrants of the Company at January 21, 2021 were the same at December 31, 2020.

5 OPTIONS AND SHARE AWARDS

(a) Options to take up unissued shares

During the financial year, no share awards were granted and no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option or vesting of a share award to take up unissued shares.

(c) Unissued shares under option

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options or share awards.

6 AUDIT COMMITTEE

The Audit Committee of the Company, consisting all independent directors, is chaired by Mr. Lai Keng Wei, a lead independent director, and includes Mr. Gopal Perumal, an independent director and Mr. Tan Teng Wee, an independent director. The Audit Committee has met four (4) times since the last Annual General Meeting ("AGM"), and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

a) The audit plan and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;

b) The Group's financial and operating results and accounting policies;

c) The audit plan of the external auditors;

d) The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company before their submission to the directors of the Company and the external auditor's report on those financial statements;

e) The half yearly and annual announcements as well as the related press releases on the results and financial position of the Company and the Group;

f) The co-operation and assistance given by the management to the Group's external and internal auditors; and

g) The re-appointment of the external and internal auditors of the Group.

DIRECTORS' STATEMENT

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of Deloitte & Touche LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

7 AUDITORS

The auditors, Messrs. Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Edward Lim Chin Wah
Chairman and Executive Director

Yap Tin Foo
Managing Director

Singapore
March 31, 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STARBURST HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Starburst Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 67 to 123.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at December 31, 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 to the financial statements, which discloses that in November 2020 the Corrupt Practices Investigation Bureau ("CPIB") had, pursuant to Section 6(b) of the Prevention of Corruption Act (Chapter 241) of Singapore, commenced an investigation on two directors of the Company and an employee of a subsidiary in connection with the affairs of Starburst Engineering Pte Ltd ("SBEL"), a wholly-owned subsidiary of the Company. The Board of Directors (with the two directors under investigation recusing themselves) ("Board") have indicated that the investigation is not related to the current projects of the Group and accordingly does not affect the business and operations of the Group. Our Opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STARBURST HOLDINGS LIMITED

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition of construction contracts

The Group recognises contract revenue and costs using the input method to measure the Group's progress towards complete satisfaction of a performance obligation and recognise revenue over time in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*.

Significant judgement is required to estimate the projected total costs to completion which include estimation for variation works and any other claims from contractors. When it is probable that total costs exceed total contract revenue, management records the expected loss as an expense in the period in which they are incurred. Any changes to the projected total costs to completion may result in a significant impact to the revenue recognised during the year.

The accounting policy for revenue recognition for construction contracts is disclosed in Note 2 and the amount of revenue recognised based on input method is disclosed in Note 21.

Our audit performed and responses thereon

We obtained an understanding and evaluated the design and implementation of the relevant controls put in place by management in respect of revenue recognition, including obtaining an understanding of the cost budgeting process by management.

We reviewed the projected total costs to completion and assessed the reasonableness of the estimates used by management, including on a sampling basis, agreed the estimates to the supporting documents and performed retrospective review on completed projects. We performed substantive tests of details on a sampling basis for the costs incurred during the reporting period and checked that costs incurred were recorded in the correct accounting period.

We also agreed the contract sum or any variation orders to the signed agreements and re-computed the percentage of progress of the contracts based on input method to test the accuracy of the percentage of progress used to recognise revenue.

Valuation of inventories

The Group has inventories of $3,446,000 as at December 31, 2020. The Group purchases inventory customised for use on certain projects. As a result, the valuation of any excess or obsolete inventory is subject to valuation estimation which requires significant management judgement as such inventories may not be suitable for use on other projects. Management evaluates the valuation of inventory based on ageing analysis, the type and condition of the inventory, and taking into consideration similar projects in which the inventory can be or are being utilised.

Details of inventories are disclosed in Note 10.

Our audit performed and responses thereon

We performed procedures to understand management's process over the monitoring and review of inventory obsolescence to determine the level of allowance required.

We have discussed with management to obtain an understanding on the nature and intended usage of materials procured for the different type of projects and checked against the profitability of each project to assess if any allowance is required. We had checked to the usage of these materials, if any, during the year and also obtained information with regards to past projects to assess the type of inventories required for future similar projects to assess that the relevant materials can be utilised.

We had discussed and evaluated the basis used by management in the assessment of allowance for inventories, including testing the accuracy of the aging data used on a sampling basis. We also assessed the adequacy of disclosures made by management in respect of allowance for inventories.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report and the other sections of the annual report ("Other Sections"), which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Other Sections which are expected to be made available to us after the date of this auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STARBURST HOLDINGS LIMITED

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Hoe Chi-Hsien.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore
March 31, 2021

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2020

	Note	Group		Company	
		2020	2019	**2020**	2019
		$'000	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash and cash equivalents	7	**9,778**	4,987	**156**	67
Trade and other receivables	8	**6,306**	3,080	**5,619**	2,142
Contract assets	9	**6,419**	975	**–**	–
Inventories	10	**3,446**	1,952	**–**	–
Total current assets		**25,949**	10,994	**5,775**	2,209
Non-current assets					
Fixed deposits pledged	7	**2,861**	2,829	**–**	–
Trade and other receivables	8	**1,794**	887	**–**	–
Investment in subsidiaries	11	**–**	–	**36,238**	36,438
Property, plant and equipment	12	**22,847**	23,685	**–**	–
Intangible assets	13	**–**	–	**–**	–
Deferred tax assets	14	**2,426**	–	**–**	–
Total non-current assets		**29,928**	27,401	**36,238**	36,438
Total assets		**55,877**	38,395	**42,013**	38,647
LIABILITIES AND EQUITY					
Current liabilities					
Bank loans	15	**5,701**	655	**–**	–
Trade and other payables	16	**3,202**	1,192	**124**	75
Contract liabilities	9	**1,002**	–	**–**	
Current portion of lease liabilities	17	**44**	44	**–**	–
Income tax payable		**28**	22	**28**	22
Total current liabilities		**9,977**	1,913	**152**	97
Non-current liabilities					
Bank loans	15	**11,060**	11,446	**–**	–
Lease liabilities	17	**2,705**	2,807	**–**	–
Total non-current liabilities		**13,765**	14,253	**–**	–
Capital and reserves					
Share capital	18	**42,936**	41,055	**42,936**	41,055
Treasury shares	19	**(4,244)**	(3,745)	**(4,244)**	(3,745)
Warrant reserve	20	**422**	422	**422**	422
Currency translation reserve	20	**1**	2	**–**	–
Merger reserve	20	**(25,438)**	(25,438)	**–**	–
Retained earnings		**18,458**	9,933	**2,747**	818
Total equity		**32,135**	22,229	**41,861**	38,550
Total liabilities and equity		**55,877**	38,395	**42,013**	38,647

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2020

	Note	Group	
		2020	2019
		$'000	$'000
Revenue	21	**21,772**	9,244
Other operating income	22	**151**	78
Project and production costs	23	**(9,795)**	(4,942)
Employee benefits expenses		**(2,479)**	(3,168)
Depreciation expense	12	**(1,065)**	(1,309)
Other operating expenses	24	**(1,519)**	(1,875)
Finance costs	25	**(331)**	(390)
Profit (Loss) before income tax		**6,734**	(2,362)
Income tax credit (expense)	26	**2,399**	(22)
Profit (Loss) for the year	27	**9,133**	(2,384)
Other comprehensive income (net of tax):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operation		**(1)**	1
Other comprehensive income for the year, net of tax		**(1)**	1
Total comprehensive income (loss) for the year		**9,132**	(2,383)
Basic earnings (loss) per share (cents)	29	**3.73**	(0.98)
Diluted earnings (loss) per share (cents)		**3.48**	(0.98)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2020

	Share capital $'000	Treasury shares $'000	Warrant reserve $'000	Currency translation reserve $'000	Merger reserve $'000	Retained earnings $'000	Total $'000
Group							
At January 1, 2019	41,028	(3,513)	422	1	(25,438)	12,923	25,423
Transactions with owners, recognised directly in equity:							
Repurchase of shares (Note 19)	–	(232)	–	–	–	–	(232)
Exercise of warrants (Note 18)	27	–	–	–	–	–	27
Dividends (Note 28)	–	–	–	–	–	(606)	(606)
Total	27	(232)	–	–	–	(606)	(811)
Total comprehensive loss for the year:							
Loss for the year	–	–	–	–	–	(2,384)	(2,384)
Other comprehensive income	–	–	–	1	–	–	1
	–	–	–	1	–	(2,384)	(2,383)
Balance at December 31, 2019	41,055	(3,745)	422	2	(25,438)	9,933	22,229
At January 1, 2020	**41,055**	**(3,745)**	**422**	**2**	**(25,438)**	**9,933**	**22,229**
Transactions with owners, recognised directly in equity:							
Repurchase of shares (Note 19)	**–**	**(499)**	**–**	**–**	**–**	**–**	**(499)**
Exercise of warrants (Note 18)	**1,881**	**–**	**–**	**–**	**–**	**–**	**1,881**
Dividends (Note 28)	**–**	**–**	**–**	**–**	**–**	**(608)**	**(608)**
Total	**1,881**	**(499)**	**–**	**–**	**–**	**(608)**	**774**
Total comprehensive income for the year:							
Profit for the year	**–**	**–**	**–**	**–**	**–**	**9,133**	**9,133**
Other comprehensive income	**–**	**–**	**–**	**(1)**	**–**	**–**	**(1)**
	–	**–**	**–**	**(1)**	**–**	**9,133**	**9,132**
Balance at December 31, 2020	**42,936**	**(4,244)**	**422**	**1**	**(25,438)**	**18,458**	**32,135**

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2020

	Share capital $'000	Treasury shares $'000	Warrant reserve $'000	Retained earnings $'000	Total $'000
Company					
Balance at January 1, 2019	41,028	(3,513)	422	775	38,712
Transactions with owners, recognised directly in equity:					
Repurchase of shares (Note 19)	–	(232)	–	–	(232)
Exercise of warrants (Note 18)	27	–	–	–	27
Dividend (Note 28)	–	–	–	(606)	(606)
Total	27	(232)	–	(606)	(811)
Profit for the year, representing total comprehensive income for the year	–	–	–	649	649
Balance at December 31, 2019	41,055	(3,745)	422	818	38,550
Balance at January 1, 2020	**41,055**	**(3,745)**	**422**	**818**	**38,550**
Transactions with owners, recognised directly in equity:					
Repurchase of shares (Note 19)	**–**	**(499)**	**–**	**–**	**(499)**
Exercise of warrants (Note 18)	**1,881**	**–**	**–**	**–**	**1,881**
Dividend (Note 28)	**–**	**–**	**–**	**(608)**	**(608)**
Total	**1,881**	**(499)**	**–**	**(608)**	**774**
Profit for the year, representing total comprehensive income for the year	**–**	**–**	**–**	**2,537**	**2,537**
Balance at December 31, 2020	**42,936**	**(4,244)**	**422**	**2,747**	**41,861**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020

	Group	
	2020	2019
	$'000	$'000
Operating activities		
Profit (Loss) before income tax	**6,734**	(2,362)
Adjustments for:		
Allowance for doubtful debts	**7**	–
Depreciation expense	**1,065**	1,309
Interest expense	**331**	390
Interest income	**(32)**	(24)
Amortisation of prepaid insurance	**45**	45
Gain on disposal of property, plant and equipment	**–**	(3)
Amortisation of intangible assets	**–**	150
Operating cash flows before working capital changes	**8,150**	(495)
Trade and other receivables	**(4,185)**	(492)
Inventories	**(1,494)**	158
Contract assets	**(5,444)**	(167)
Trade and other payables	**2,010**	7
Contract liabilities	**1,002**	–
Cash generated from (used in) operations	**39**	(989)
Income tax paid	**(22)**	(19)
Interest paid	**(331)**	(390)
Interest received	**32**	14
Net cash used in operating activities	**(282)**	(1,384)
Investing activities		
Increase in fixed deposits (Note 7)	**(32)**	(14)
Purchase of property, plant and equipment	**(284)**	(11)
Proceeds from disposal of property, plant and equipment	**–**	3
Net cash used in investing activities	**(316)**	(22)
Financing activities		
Proceeds from bank loan	**5,000**	–
Repayment of lease liabilities	**(44)**	(126)
Purchase of treasury shares	**(499)**	(232)
Proceeds from exercise of warrants	**1,881**	27
Repayment of bank loans	**(340)**	(637)
Dividend paid	**(608)**	(606)
Net cash from (used in) financing activities	**5,390**	(1,574)
Net increase (decrease) in cash and cash equivalents	**4,792**	(2,980)
Cash and cash equivalents at beginning of year	**4,987**	7,966
Effect of foreign exchange rate charges on the balance of cash held in foreign currencies	**(1)**	1
Cash and cash equivalents at end of year (Note 7)	**9,778**	4,987

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

1 GENERAL

The Company (Registration Number 201329079E) was incorporated in Singapore with its principal place of business and registered office at 6 Tuas View Circuit, Singapore 637599. The Company is listed on the Catalist Board of Singapore Exchange Securities Trading Limited. The consolidated financial statements are expressed in Singapore dollars, which is also the functional currency of the Company.

The principal activities of the Company are those of investment holding and provision of management services.

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

As announced by the Company in November 2020, the Corrupt Practices Investigation Bureau ("CPIB") had on November 12, 2020, pursuant to Section 6(b) of the Prevention of Corruption Act (Chapter 241) of Singapore, commenced an investigation on two directors of the Company and an employee of a subsidiary in connection with the affairs of Starburst Engineering Pte Ltd ("SBEL"), a wholly-owned subsidiary of the Company. The Company's Board of Directors (with the two directors under investigation recusing themselves) ("Board") are of the view that the directors of the Company and an employee of a subsidiary should continue with their respective responsibilities and duties in the operation of the Group's businesses to ensure business continuity and the Board will reassess its position where appropriate in due course. The Board will continue to monitor the progress of the ongoing investigation and will continue to re-assess the suitability of the directors of the Company and an employee of a subsidiary in their respective roles in the Company as and when there are developments to the investigation. In addition, the Board indicated that the investigation is not related to the current projects of the Group and accordingly does not affect the business and operations of the Group. The Board has assessed that there is no impact to the liquidity risk of the Group as the existing contracts with customers are still on-going and subsequent to the end of the reporting period, the Group had announced that it had clinched two projects.

At the date of authorisation of these financial statements, the CPIB's investigation is ongoing. The Board of Directors and management have assessed that this matter is not expected to have a significant impact to the financial statements for the year.

1 GENERAL (CONTINUED)

COVID-19 pandemic and the aftermath

The COVID-19 pandemic and the aftermath of the pandemic globally had forced to suspend or limit business operations during the reporting year and the aftermath is expected for the unforeseeable period ahead. Measures were taken by the governments to contain the spread of COVID-19, including travels, social distancing and closure of non-essential services. This resulted in an economic slowdown. However, there was no significant impact on the business of the Group, given the nature of the Group's operations and that the industry it operates in is of an essential nature. Notwithstanding this, the economic uncertainties have also created some uncertainties relating to the impairment or recoverability of certain assets (including impairment allowances for receivables and valuation of inventories) (see Note 3).

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended December 31, 2020 were authorised for issue by the Board of Directors on March 31, 2021.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (International) ("SFRS(I)s").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of SFRS(I) 2 *Share-based Payments*, leasing transactions that are within the scope of SFRS(I) 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in SFRS(I) 1-2 *Inventories* or value in use in SFRS(I) 1-36 *Impairment of Assets*.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADOPTION OF NEW AND REVISED STANDARDS – On January 1, 2020, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRSs") that are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF CONSOLIDATION (Continued)

- Rights arising from other contractual arrangements; and

- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

Investments in subsidiaries are stated at cost less any impairment in net recoverable value that has been recognised in profit or loss.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets

All financial assets are recognised and de-recognised on a trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Classification of financial assets (Continued)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised in profit or loss using effective interest method and is included in the "Other operating income" line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Exchange differences are recognised in profit or loss in either the "other operating income" or "other operating expenses" line items.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, contract assets, as well as on loan commitments and financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Impairment of financial assets (Continued)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment if whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date if initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtor operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks or other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely the defense industry.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Impairment of financial assets (Continued)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or

- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;

- a breach of contract, such as a default or past due event;

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or

- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Impairment of financial assets (Continued)

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Impairment of financial assets (Continued)

Measurement and recognition of expected credit losses (Continued)

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by a Group entity are recorded at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments (Continued)

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with SFRS(I) 9; and
- the amount initially recognised less, where appropriate, cumulative amount of income recognised in accordance with the revenue recognition policies.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the "other operating income" and "other operating expense" line item in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments (Continued)

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

CONTRACT ASSETS AND LIABILITIES – A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables at the point at which it is invoiced to the customer. Contract liabilities are recognised as revenue as the Group performs under the contract.

LEASES

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expenses on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Group's incremental borrowing rate. The rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES (Continued)

The Group as lessee (Continued)

Lease payments included in the measurement of the lease liability comprise of variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group re-measures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate; or
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs obligation for costs to dismantle and removed a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES (Continued)

The Group as lessee (Continued)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as part of Property, plant and equipment in the consolidated statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use assets is impaired and accounts for any identified impairment loss as described in the 'Impairment of tangible and intangible assets policy.

As a practical expedient, SFRS(I) 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

INVENTORIES – Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials that have been incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in selling and distribution.

INTANGIBLE ASSETS – Intangible assets acquired separately are reported at cost less accumulated amortisation (where they have finite useful lives) and accumulated impairment losses. Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives are not amortised. Each period, the useful lives of such assets are reviewed to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset. Such assets are tested for impairment in accordance with the policy below.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

PROPERTY, PLANT AND EQUIPMENT – Building held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Property, plant and equipment are carried at cost less accumulated depreciation and any impairment losses.

Depreciation is charged so as to write off the cost over their estimated useful lives using the straight-line method, on the following bases:

Office equipment	–	3 years
Plant and machinery	–	5 years
Motor vehicles	–	5 years
Furniture and fittings	–	3 years
Computers	–	3 years
Renovation	–	5 years
Building	–	Over the remaining lease period of 38 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS – At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS (Continued)

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event where, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

GOVERNMENT GRANTS – Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

REVENUE RECOGNITION – Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Contract revenue

The Group constructs facilities that are stated in the contract and it is common to have a deferred liability period included in the contract, spanning for 1 or 2 years subsequent to the completion of the construction of the facility. The Group's performance creates an asset with no alternative use to the Group, as each construction project is customised to the customer's needs and is physically built at the customer's premises or at a location that the customer controls, hence the asset cannot be resold to another customer. The Group has an enforceable right to payment for work done. Contract revenue is therefore recognised over time on a cost-to-cost method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under SFRS(I) 15 *Revenue from Contracts with Customers*.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUE RECOGNITION (Continued)

Contract revenue (Continued)

The Group becomes entitled to invoice customers for construction of facilities based on achieving a series of performance-related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method, then the Group recognises a contract liability for the difference. This is not considered to be a significant financing component in construction contracts with customers as the period between the recognition of revenue under the cost-to-cost method and payment from customer is generally less than one year.

Maintenance service revenue

The Group provides maintenance services to customers throughout the contract or defect liability period. Revenue relating to the maintenance services is recognised over time when the customer simultaneously receives and consumes the benefits as the Group performs the services (i.e. the monthly maintenance services performed).

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group’s obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FOREIGN CURRENCY TRANSACTIONS – The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS – Cash and cash equivalents in the statement of cash flows comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Critical judgements in applying the entity's accounting policies

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements apart from those involving estimates which are dealt with below.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(ii) Key sources of estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition of construction contracts

The Group recognises contract revenue during the course of project construction by reference to the progress towards complete satisfaction of a performance obligation at the end of the reporting period. Progress towards complete satisfaction of a performance obligation is measured based on input method.

Significant judgement is required to estimate the total cost on completion which include estimation for variation works and other claims from contractors. The subjectivity involved in determining the total cost on completion may result in a significant impact to the revenue recognised during the year.

The amount of contract revenue recognised based on input method is disclosed in Note 21. The carrying amounts of contract assets and current liabilities arising from construction contracts are disclosed in Note 9.

Valuation of inventories

The Group purchases inventory customised for use on certain projects. As a result, the valuation of any excess inventory is subject to valuation estimation which requires significant management judgement since these inventories may not be suitable for use on other projects. Management evaluates the valuation of inventory based on ageing analysis, condition of the inventory, taking into consideration similar projects in which the inventory can be or are being utilised. The carrying amount of the Group's inventories is disclosed in Note 10 to the consolidated financial statements.

Recoverable amounts of trade and other receivables

When measuring ECL, a considerable amount of judgement and accounting estimates such as supportable forward-looking information relating to forecast of future economic conditions (including the impact of Covid-19 pandemic) is required in assessing the ultimate realisation of trade and other receivables (Note 8).

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

(ii) Key sources of estimation uncertainties (Continued)

Recoverable amounts of trade and other receivables (Continued)

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Deferred tax assets

As at December 31, 2020, deferred tax assets of $2.4 million (2019: $ Nil), mainly arising from unused tax losses and capital allowances, have been recognised in the Group's statement of financial position. The realisability of the deferred tax assets is subject to management estimation and mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the future profits generated are less than expected, a reversal of the deferred tax assets may arise, which would be recognised in the profit or loss for the period in which such a reversal takes place.

As explained in Note 1, two directors of the Company are being investigated by CPIB and the Board has evaluated that the operations of the Group and the Company has not been significantly impacted by this matter. The Group continues to provide its services on the existing projects and has secured two new projects subsequent to end of the reporting period, and management has assessed that there are sufficient future profits to utilise the deferred tax assets recognised at the end of the reporting period.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Financial assets				
Financial assets at amortised costs	**19,125**	9,842	**5,752**	2,186
Financial liabilities				
Financial liabilities at amortised cost	**19,963**	13,293	**124**	75
Lease liabilities	**2,749**	2,851	**–**	–

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

The Group does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting arrangements.

(c) Financial risk management policies and objectives

The Group is exposed to various financial risks arising in the normal course of business. It has adopted risk management policies and utilises a variety of techniques to manage its exposure to these risks.

There has been no change to the Group's exposure to these financial risks or the manners in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group transacts business in various foreign currencies, including United States dollar and United Arab Emirates dirhams and therefore is exposed to foreign exchange risk.

At the end of the reporting period, the carrying amounts of significant monetary assets and monetary liabilities denominated in currencies other than the respective Group entities' functional currencies are as follows:

	Group			
	Assets		Liabilities	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
United States dollar	**237**	402	**–**	–
United Arab Emirates dirham	**29**	16	**–**	–

The following table details the sensitivity to a 5% increase and decrease in the relevant foreign currencies against the functional currency of each Group entity. 5% represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) Financial risk management policies and objectives (Continued)

(i) Foreign exchange risk management (Continued)

If the relevant foreign currency strengthens by 5% against the functional currency of each Group entity, profit (loss) for the year will increase (decrease) (2019: decrease (increase)) by approximately:

	Group	
	2020	2019
	$'000	$'000
United States dollar	**12**	20
United Arab Emirates dirham	**2**	1

The impact will be vice-versa if the relevant foreign currencies weaken by 5% against the functional currency of each Group entity.

(ii) Interest rate risk management

The Group is exposed to interest rate risk arising from changes in interest rates for interest-earning cash balances and fixed deposits and interest-bearing debts.

The interest rates for bank loans are disclosed in Note 15 to the consolidated financial statements. No hedging has been taken by the Group for borrowings which bear floating interest rates.

Interest rate sensitivity

The sensitivity analyses below have been determined on the exposure to interest rates for the Group's bank overdrafts and bank loans throughout the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 100 basis point increase or decrease represents management's assessment of possible change in interest rates.

If interest rates increase/decrease by 100 basis points with all other variables held constant, the Group's profit (loss) for the year would have been lower/higher by approximately $118,000 (2019: higher/lower by $121,000).

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) Financial risk management policies and objectives (Continued)

(iii) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk on cash and bank balances and derivative financial instruments is limited as these balances are placed with or transacted with institutions of repute. The Group does not expect to incur material credit losses on its financial instruments.

The Group develops and maintains its credit risk gradings to categorise exposures according to their degrees of risk of default. The Group uses its trading records to rate its major customers and other debtors. The Group does not hold any collateral to cover its credit risks associated with its financial assets.

The Group's current credit risk framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit- impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit- impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) Financial risk management policies and objectives (Continued)

(iii) Credit risk management (Continued)

The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
2020						
Trade receivables	8	**(i)**	**Lifetime ECL (simplified approach)**	**5,089**	**(13)**	**5,076**
Contract assets	9	**(i)**	**Lifetime ECL (simplified approach)**	**6,419**	**–**	**6,419**
Other receivables	8	**Performing**	**12 month ECL**	**1,410**	**–**	**1,410**
					(13)	
Company						
2020						
Amount owing by subsidiaries	8	**Performing**	**12 month ECL**	**6,233**	**(643)**	**5,590**
Deposits	8	**Performing**	**12 month ECL**	**6**	**–**	**6**
					643	

	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount $'000	Loss allowance $'000	Net carrying amount $'000
Group						
2019						
Trade receivables	8	(i)	Lifetime ECL (simplified approach)	1,789	(6)	1,783
Contract assets	9	(i)	Lifetime ECL (simplified approach)	975	–	975
Other receivables	8	Performing	12 month ECL	243	–	243
					(6)	
Company						
2019						
Amount owing by subsidiaries	8	Performing	12 month ECL	2,762	(643)	2,119

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) Financial risk management policies and objectives (Continued)

(iii) Credit risk management (Continued)

(i) For trade receivables and contract assets, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate reflect current conditions and estimates of future economic conditions. Note 8 includes further details on the loss allowance for trade receivables.

The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking into account of the value of any collateral obtained.

At the end of the reporting period, the Group has certain concentration of credit risk whereby approximately 35% (2019: 12%) of the total trade and other receivables were due from the Group's 3 (2019: 5) largest customers.

(iv) Liquidity risk management

The objective of liquidity management is to ensure that the Group has sufficient funds to meet its contractual and financial obligations. To manage this risk, the Group monitors its net operating cash flow and maintains a level of cash and cash equivalents deemed adequate by management for working capital purposes so as to mitigate the effects of fluctuations in cash flows.

The Group has uncommitted credit line of approximately $5,500,000 (2019: $6,480,000) which is unutilised as at the end of the reporting period.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) Financial risk management policies and objectives (Continued)

(iv) Liquidity risk management (Continued)

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and Company can be required to pay. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial liabilities on the statements of financial position.

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Group						
2020						
Non-interest bearing	–	3,202	–	–	–	3,202
Variable interest rate instruments	1.68	892	3,568	8,823	(1,522)	11,761
Fixed interest rate instruments	2.75	5,000	–	–	–	5,000
Lease liabilities (fixed rate)	2.48	112	448	3,673	(1,484)	2,749
		9,206	4,016	12,496	(3,006)	22,712

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) Financial risk management policies and objectives (Continued)

(iv) Liquidity risk management (Continued)

Non-derivative financial liabilities (Continued)

	Weighted average effective interest rate %	On demand or within 1 year $'000	Within 2 to 5 years $'000	After 5 years $'000	Adjustment $'000	Total $'000
Group						
2019						
Non-interest bearing	–	1,192	–	–	–	1,192
Variable interest rate instruments	2.48	945	3,781	9,768	(2,393)	12,101
Lease liabilities (fixed rate)	2.48	114	456	3,864	(1,583)	2,851
		2,251	4,237	13,632	(3,976)	16,144

All financial liabilities of the Company are on demand or due within one year.

Non-derivative financial assets

All financial assets of the Group are on demand or due within one year except for the pledged fixed deposits of $2,861,000 (2019: $2,829,000) as disclosed in Note 7.

All the financial assets and liabilities of the Company are on demand or due within one year except for amount owing by subsidiaries of $643,000.

(v) Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(d) Capital management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of debt and equity balance.

The capital structure of the Group consists of issued capital, retained earnings, reserves and borrowings disclosed in Note 15. The Group is required to maintain specified gearing ratios in order to comply with covenants in loan agreements with banks and is in compliance with such requirements.

The Group's overall strategy remains unchanged from the preceding year.

5 RELATED COMPANY TRANSACTIONS

Related companies in these consolidated financial statements refer to the subsidiaries of the Company. There are transactions and arrangements with the subsidiaries in the Group and the effect of these on the basis determined between the parties is reflected in these consolidated financial statements. The intercompany balances are unsecured, interest-free and repayable on demand unless stated otherwise. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are therefore not disclosed in this note.

6 OTHER RELATED PARTY TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these consolidated financial statements. Balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year were as follows:

	2020	2019
	$'000	$'000
Short-term benefits	**2,480**	2,239
Post-employment benefits	**65**	67
	2,545	2,306

The remuneration of directors and key management is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

7 CASH AND BANK BALANCES

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Cash on hand and at bank	**9,778**	4,987	**156**	67
Fixed deposits	**2,861**	2,829	**–**	–
	12,639	7,816	**156**	67
Less: Fixed deposits pledged (non-current)^	**(2,861)**	(2,829)		
Cash and cash equivalents in the consolidated statement of cash flows	**9,778**	4,987		

Fixed deposits bear interest at an average effective interest rate of 1.4% (2019: 0.92%) per annum and for a weighted average tenure of approximately 328 days (2019: 328 days).

^ The fixed deposits are pledged to a bank to secure banking facilities for the Group (Note 15).

8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Unbilled revenue	**1,808**	1,167	**–**	–
Trade receivables from outside parties	**3,281**	622	**–**	–
Loss allowance for doubtful debts	**(13)**	(6)	**–**	–
	5,076	1,783	**–**	–
Prepayment^	**1,614**	1,941	**23**	23
Amount owing by subsidiaries – non-trade	**–**	–	**5,590**	2,119
Other receivables	**503**	205	**–**	–
Grant receivables	**76**	–	**–**	–
Deposits	**831**	38	**6**	–
	8,100	3,967	**5,619**	2,142
Less: Prepayment and other receivables (non-current)	**(1,794)**	(887)	**–**	–
Amount owing by subsidiaries- non-trade (non-current)	**–**	–	**(643)**	(643)
Loss allowance for doubtful debts	**–**	–	**643**	643
Trade and other receivables (current)	**6,306**	3,080	**5,619**	2,142

^ An amount of $886,000 (2019: $932,000) relates to life insurance policy premium for certain directors which are pledged to secure bank facilities (Note 15).

8 TRADE AND OTHER RECEIVABLES (CONTINUED)

In 2019, the Company had provided a loss allowance of $643,000, relating to an amount due from a subsidiary as management had assessed that the amount was not recoverable from the subsidiary.

Trade receivables

The average credit period ranges from 30 to 90 days (2019: 30 to 90 days) and the balances are non-interest bearing. Loss allowance for trade receivables has always been measured at an amount equal to lifetime expected credit losses (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A trade receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

The following is an aging analysis of trade receivables:

	2020 **$'000**	2019 $'000
Not past due	**2,360**	1,637
Past due less than 3 months	**2,714**	146
Past due more than 3 months	**15**	6
	5,089	1,789
Loss allowance for doubtful debts	**(13)**	(6)
	5,076	1,783

8 TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables (Continued)

The table below shows the lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in SFRS(I) 9:

Group	Lifetime ECL – credit-impaired $'000
Balance as at January 1, 2019 and December 31, 2019	6
Charge to profit or loss	**7**
Balance as at December 31, 2020	**13**

Other receivables

For purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month expected credit losses (ECL).

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. Management had assessed that these receivables are subject to immaterial credit losses.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

9 CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2020 **$'000**	2019 $'000
Contract assets		
Construction contracts	**6,419**	975
Contract liabilities		
Construction contracts	**1,002**	–

9 CONTRACT ASSETS AND CONTRACT LIABILITIES (CONTINUED)

Contract assets

Contract assets relating to construction contracts are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance – related milestones. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

The changes in contract asset balances are mainly due to new projects secured during the reporting period.

Management always estimates the loss allowance on amounts due from customers at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the construction industry. None of the amounts due from customers at the end of the reporting period is past due.

There has been no change in the estimation techniques or significant assumptions made during the current financial period in assessing the loss allowance for the contract assets.

Contract liabilities

Contract liabilities relating to construction services are balances due to customers under construction contracts. These arise when progress billings exceeds the revenue recognised to date under the cost-to-cost method.

The changes in contract liability balances are mainly due to new projects secured during the reporting period.

10 INVENTORIES

	Group	
	2020	2019
	$'000	$'000
Materials	**3,657**	2,163
Less: allowance for inventories	**(211)**	(211)
	3,446	1,952
Movement in allowance for inventories:		
Balance at beginning and end of the year	**211**	211

11 INVESTMENT IN SUBSIDIARIES

	Company	
	2020	2019
	$'000	$'000
Unquoted equity shares, at cost	**30,638**	30,638
Deemed investment	**5,800**	5,800
Less: Impairment loss	**(200)**	–
	36,238	36,438

Deemed investment represents advances to a subsidiary which was reclassified as deemed capital investment in Starburst Engineering Pte Ltd in previous years.

Name of subsidiaries	Country of incorporation/ operation	Proportion of Ownership interest and voting power held		Principal activity
		2020	2019	
		%	%	
Starburst Engineering Pte Ltd[(1)]	Singapore	**100**	100	Manufacturing of ordinary accessories, training, protection and containment system; and building construction including major upgrading works.
Starburst Risk Consulting Pte Ltd[(1)]	Singapore	**100**	100	Provision of security services and installation of fire protection and security alarm systems.
Starburst Engineering (M) Sdn. Bhd.[(2)]	Malaysia	**100**	100	Dormant.

(1) Audited by Deloitte & Touche LLP, Singapore.
(2) Audited by Teh & Associates (JB) Chartered Accountants.

In 2020, management carried out a review of recoverable value of its investment in Starburst Risk Consulting Pte Ltd. Based on management's assessment and on the financials of the subsidiary, full impairment loss of $200,000 has been recorded in the profit or loss for year ended December 31, 2020.

12 PROPERTY, PLANT AND EQUIPMENT

	Office equipment $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fittings $'000	Computers $'000	Renovation $'000	Building $'000	Leasehold land $'000	Total $'000
Group									
Cost:									
At January 1, 2019	202	2,639	1,744	227	446	285	22,000	2,980	30,523
Additions	–	2	–	–	9	–	–	–	11
Write-off	(2)	–	–	–	(16)	–	–	–	(18)
Disposal	–	–	(24)	–	–	–	–	–	(24)
At December 31, 2019	200	2,641	1,720	227	439	285	22,000	2,980	30,492
Additions	**–**	**122**	**91**	**–**	**71**	**–**	**–**	**–**	**284**
Write-off	**–**	**(14)**	**–**	**–**	**(21)**	**–**	**–**	**–**	**(35)**
Remeasurement	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(57)**	**(57)**
At December 31, 2020	**200**	**2,749**	**1,811**	**227**	**489**	**285**	**22,000**	**2,923**	**30,684**
Accumulated depreciation:									
At January 1, 2019	169	1,958	1,438	197	408	147	1,073	150	5,540
Depreciation	32	386	166	29	29	57	537	73	1,309
Write-off	(2)	–	–	–	(16)	–	–	–	(18)
Disposal	–	–	(24)	–	–	–	–	–	(24)
At December 31, 2019	199	2,344	1,580	226	421	204	1,610	223	6,807
Depreciation	**1**	**277**	**96**	**1**	**24**	**57**	**537**	**72**	**1,065**
Write-off	**–**	**(14)**	**–**	**–**	**(21)**	**–**	**–**	**–**	**(35)**
At December 31, 2020	**200**	**2,607**	**1,676**	**227**	**424**	**261**	**2,147**	**295**	**7,837**
Carrying amount:									
At December 31, 2020	**–**	**142**	**135**	**–**	**65**	**24**	**19,853**	**2,628**	**22,847**
At December 31, 2019	1	297	140	1	18	81	20,390	2,757	23,685

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Building is located at 6 Tuas View Circuit, Singapore 637599 with an unexpired leasehold tenure of approximately 38 years (December 31, 2019: 39 years).

The building is mortgaged to a bank to secure a bank loan (Note 15).

Right-of-use assets

	Leasehold land $'000	Motor vehicles $'000	Total $'000
Net carrying amount:			
December 31, 2020	**2,628**	**–**	**2,628**
December 31, 2019	2,757	45	2,802
Depreciation expenses for the year ended:			
December 31, 2020	**72**	**–**	**72**
December 31, 2019	73	21	94

The Group leases the leasehold land for office, warehouse and factory purposes.

Amounts recognised in profit or loss

	2020 $'000	2019 $'000
Depreciation expense on right-of-use assets	**72**	94
Interest expense on lease liabilities (Note 25)	**70**	82
Expenses relating to short-term leases (Note 24)	**131**	192
Expenses relating to leases of low value assets (Note 24)	**6**	9

At December 31, 2020, the Group is committed to $166,000 (2019: $131,000) for short-term and low value leases.

The total cash outflow for leases for the year amounted to $44,000 (2019: $126,000).

13 INTANGIBLE ASSETS

	Customer list $'000
Group	
Cost:	
At January 1, December 31, 2019 and 2020	600
Amortisation:	
At January 1, 2019	(450)
Amortisation for the year	**(150)**
At December 31, 2019 and 2020	**(600)**
Carrying amount:	
At December 31, 2019 and 2020	**–**

On June 6, 2017, the Group through its wholly-owned subsidiary entered into an agreement with a company which an ex-director has significant influence, to acquire a customer list with a 2 year anti-competition clause for a consideration of $600,000. The consideration is amortised over the estimated useful life of 2 years. The intangible assets were fully amortised in 2019.

14 DEFERRED TAX ASSETS

Deferred tax assets arise from the following:

	Unused tax losses and capital allowances $'000
At January 1, 2019 and December 31, 2019	–
Credit to profit or loss (Note 26)	**2,426**
At December 31, 2020	**2,426**

14 DEFERRED TAX ASSETS (CONTINUED)

Subject to the agreement by the tax authorities, at the end of the reporting period, the Group has temporary differences arising from unabsorbed tax loss and capital allowance carry forwards as follows:

	Group	
	2020	2019
	$'000	$'000
Tax losses and capital allowance:		
At beginning of year	**13,221**	12,121
Adjustments	**301**	–
Arising during the year	**2,322**	1,100
Utilisation during the year	**(1,156)**	–
At end of year	**14,688**	13,221
Deferred tax assets recognised on above	**2,426**	–
Deferred tax assets not recognised on above	**71**	2,248

No deferred tax asset had been recognised in respect of those losses and capital allowance which are due to unpredictability of future profit streams.

The realisation of the future income tax benefits from tax losses and capital allowance carried forward are available for an unlimited period subject to the conditions imposed by law including the retention of majority shareholders as defined.

15 BANK LOANS

	Group	
	2020	2019
	$'000	$'000
Secured – at amortised cost		
Bank loans	**16,761**	12,101
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(5,701)**	(655)
Amount due for settlement after 12 months	**11,060**	11,446

15 BANK LOANS (CONTINUED)

The Group's bank loans comprises:

(a) A loan of $5,000,000 obtained during 2020 with a fixed interest rate of 2.75% per annum on monthly rests and for a tenure of 12 months. The loan is secured by a corporate guarantee from the Company.

(b) Bank loan of $11,761,000 (2019: $12,101,000) which bear floating interest of 1.68% (2019: 2.48%) per annum. They are repayable in 240 monthly instalments from May 2015.

The average effective interest rates were as follows:

	Group	
	2020	2019
	%	%
Bank loans	1.68	2.48

The bank loans are secured on:

(1) The first legal mortgage of the building at 6 Tuas View Circuit (Note 12);

(2) Fixed deposits of not less than $2,061,000 (Note 7);

(3) A first legal assignment of all the rights, title, interest and benefits under and arising out of the life insurance policy taken out on the life of certain directors (Note 8); and

(4) A corporate guarantee from the Company.

Management is of the view that the fair values of the bank loans approximate their carrying amounts.

15 BANK LOANS (CONTINUED)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	January 1, 2020 $'000	**Financing cash flows (i) $'000**	**Non-cash changes remeasurement $'000**	**December 31, 2020 $'000**
Bank loans	**12,101**	**4,660**	**–**	**16,761**
Lease liabilities (Note 17)	**2,851**	**(44)**	**(58)**	**2,749**
	14,952	**4,616**	**(58)**	**19,510**

	January 1, 2019 $'000	Financing cash flows (i) $'000	Non-cash changes remeasurement $'000	December 31, 2019 $'000
Bank loans	12,738	(637)	–	12,101
Lease liabilities (Note 17)	2,977	(126)	–	2,851
	15,715	(763)	–	14,952

(i) The cash flows make up the net amount of proceeds from borrowings and repayment of borrowings in the statement of cash flows.

16 TRADE AND OTHER PAYABLES

	Group		**Company**	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000
Retention payables	**184**	12	**–**	–
Trade payables due to outside parties	**950**	45	**–**	–
	1,134	57	**–**	–
Other payables	**222**	186	**46**	12
Accrued expenses	**1,846**	949	**78**	63
	3,202	1,192	**124**	75

The credit period on trade payables ranges from 30 to 60 days (2019: 30 to 60 days).

16 TRADE AND OTHER PAYABLES (CONTINUED)

Trade payables principally comprise amounts outstanding for trade purchases and ongoing project costs. Included in accrued expenses are employee benefits related expense of approximately $1,019,000 (2019: $662,000).

17 LEASE LIABILITIES

	Group	
	2020	2019
	$'000	$'000
Maturity analysis		
Year 1	**112**	114
Year 2	**112**	114
Year 3	**112**	114
Year 4	**112**	114
Year 5	**112**	114
Year 6 onwards	**3,673**	3,864
	4,233	4,434
Less: Unearned interest	**(1,484)**	(1,583)
	2,749	2,851
Analysed as:		
Current	**44**	44
Non-current	**2,705**	2,807
	2,749	2,851

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's treasury function.

18 SHARE CAPITAL

	Group and Company			
	2020	2019	**2020**	2019
	Number of shares ('000)		**$'000**	$'000
Issued and fully paid:				
At beginning of year	**251,941**	251,832	**41,055**	41,028
Exercise of warrants	**7,523**	109	**1,881**	27
At end of year	**259,464**	251,941	**42,936**	41,055

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends.

19 TREASURY SHARES

	Group and Company			
	2020	2019	**2020**	2019
	Number of shares ('000)		**$'000**	$'000
At the beginning of the year	**9,922**	9,311	**3,745**	3,513
Repurchased during the year	**1,267**	611	**499**	232
At the end of the year	**11,189**	9,922	**4,244**	3,745

The Company acquired 1,267,100 (2019: 611,900) of its own shares through purchases on the Singapore Exchange during the year. The amount paid to acquire the shares was $499,129 (2019: $232,078) and is presented as a deduction from shareholders' equity. The shares are held as 'treasury shares'.

The Company intends to either reissue these shares to the market at an appropriate time or to employees who exercise their options under the Starburst Employee Share Option Scheme.

20 RESERVES

Warrant reserve

In 2016, the Company issued 62,500,000 of warrants at an issue price of $0.01 for each warrant. Each warrant entitles the warrant holder to subscribe for one new ordinary share in the capital of the Company at the exercise price of $0.25 for each new share. The warrant reserve represents the gross proceeds from the issuance of warrants, net of direct issuance costs.

Merger reserve

Merger reserve represents the difference between the nominal amount of the share capital of the subsidiaries at the date when they were acquired by the Company and the nominal amount of the share capital issued as consideration for the acquisition using the principles of merger accounting applicable to entities under common control.

Currency translation reserve

Exchange differences relating to the translation from the functional currency of the Group's foreign subsidiary into Singapore dollars are accounted for as other comprehensive income and accumulated in foreign currency translation reserve, a component of equity.

21 REVENUE

The Group derives its revenue from the transfer of services over time in the following major product service lines. This is consistent with the revenue information that is disclosed for each reportable segment under SFRS(I) 8 (see Note 30).

	Group	
	2020	2019
	$'000	$'000
Contract revenue	**14,123**	1,012
Maintenance services and others	**7,649**	8,232
	21,772	9,244
Timing of revenue recognition		
Over time:		
Contract revenue	**14,123**	1,012
Maintenance services and others	**7,649**	8,232
	21,772	9,244

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the reporting period.

	Group	
	2020	2019
	$'000	$'000
Contract revenue – projects(1)	**55,454**	2,551
Maintenance services and others(2)	**33,277**	27,202

(1) Management expects that the transaction price allocated to the unsatisfied contracts as of December 31, 2020 to be recognised as revenue during the next two financial years.

(2) Management expects that 16% (2019: 20%) of the transaction price allocated to the unsatisfied maintenance contracts as of December 31, 2020 will be recognised as revenue during the next reporting period amounting to $5,314,000 (2019: $5,440,000). Of the remaining 84%, $4,270,000 (2019: $3,277,000) will be recognised in the 2022 financial year, $4,721,000 (2019: $1,730,000) in the 2023 financial year, $3,403,000 (2019: $1,554,000) in the 2024 financial year, $3,496,000 (2019: $1,502,000) in the 2025 financial year and $12,073,000 (2019: $13,699,000) in the years thereafter.

22 OTHER OPERATING INCOME

	Group	
	2020	2019
	$'000	$'000
Interest income	**32**	24
Gain on disposal of property, plant and equipment	**–**	3
Others	**119**	51
	151	78

23 PROJECT AND PRODUCTION COSTS

	Group	
	2020	2019
	$'000	$'000
Materials costs	**3,120**	1,395
Fabrication costs	**3,120**	2,751
Sub-contracting costs	**2,652**	339
Other costs	**903**	457
	9,795	4,942

Other costs include site equipment rental charges, project expendables, freight and handling charges, project related travelling costs and project consultant fees.

24 OTHER OPERATING EXPENSES

	Group	
	2020	2019
	$'000	$'000
Allowance for doubtful debts	**7**	–
Net foreign exchange loss	**81**	29
Professional fees	**515**	565
Expenses relating to short-term leases (Note 12)	**131**	192
Expenses relating to leases of low value assets (Note 12)	**6**	9
Sales and marketing expenses	**209**	311
Amortisation of intangible asset	**–**	150
Others	**570**	619
	1,519	1,875

25 FINANCE COSTS

	Group	
	2020	2019
	$'000	$'000
Interest expense on lease liabilities (Note 17)	**70**	82
Interest on loans	**261**	308
	331	390

26 INCOME TAX CREDIT (EXPENSE)

	Group	
	2020	2019
	$'000	$'000
Current tax	**(21)**	(22)
Under provision of current tax in prior year	**(6)**	–
Deferred tax	**2,426**	–
	2,399	(22)

The income tax is calculated at 17% (2019: 17%) of the estimated assessable profit (loss) for the year. The total charge for the year can be reconciled to the accounting profit (loss) as follows:

	Group	
	2020	2019
	$'000	$'000
Profit (Loss) before income tax	**6,734**	(2,362)
Income tax expense (credit) at statutory rate of 17%	**1,145**	(402)
Effect of non-deductible expenses	**167**	274
Effect of income not taxable in determining taxable profit	**(119)**	–
Tax concession	**(25)**	(27)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	**10**	187
Effect of utilisation of tax losses not previously recognised	**(1,156)**	–
Effect of previously unrecognised and unused tax losses and tax offsets now recognised as deferred tax assets	**(2,426)**	–
Under provision of current tax in prior year	**6**	–
Others	**(1)**	(10)
Total income tax (benefit) expense for the year	**(2,399)**	22

27 PROFIT (LOSS) FOR THE YEAR

Profit (Loss) for the year has been arrived at after charging (crediting):

	Group	
	2020	2019
	$'000	$'000
Costs of inventories recognised as expense	**3,120**	1,395
Directors' remuneration – of the Company	**1,095**	1,084
Employee benefits expense (inclusive of directors' remuneration)	**2,611**	3,361
Cost of defined contribution plans included in employee benefit expense	**290**	235
Audit fees:		
– paid to auditors of the Company	**105**	95
– paid to other auditors	**–***	–*
Non-audit fees paid to auditors of the Company	**10**	9
Depreciation expense	**1,065**	1,309
Amortisation of prepaid insurance	**45**	45
Amortisation of intangible asset	**–**	150
Government grants deducted against employee benefits expense	**(476)#**	–
Foreign worker levy waiver deducted against employee benefits expense	**(231)**	–

* This represents amount less than $1,000.

\# In 2020, the Group received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Group assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Grant income is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Management has determined the period of uncertainty to be 17 months commencing from April 2020. Government grant income of $476,000 was recognised during the year by deducting against employee benefits expense.

28 DIVIDENDS

During the financial year, the Company declared and paid a final one-tier tax exempt dividend of 0.25 cents per ordinary share amounting to $608,000 in respect of the financial year ended December 31, 2019.

In the financial year 2019, the Company declared and paid a final one-tier tax exempt dividend of 0.25 cents per ordinary share amounting to $606,000 in respect of the financial year ended December 31, 2018.

Subsequent to the financial year, the Company proposed a final one-tier tax exempt dividend of 1.00 cents per ordinary share amounting to approximately $2,483,000 in respect of the financial year ended December 31, 2020. This dividend is subject to approval by shareholders at the Annual General Meeting and it has not been included as a liability for the current financial year in accordance with SFRS(I) 1-10 – *Events After The Reporting Period.*

29 EARNINGS (LOSS) PER SHARE

The calculation of the profit (loss) per share attributable to ordinary equity holders of the Company is based on the following data:

	2020	2019
	$'000	$'000
Profit (Loss) for the purpose of basic and diluted earnings (loss) per share attributable to owners of the Company	**9,133**	(2,384)

	2020	2019
	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings (loss) per share	**245,083**	242,295

At the end of the reporting period, the 53,035,975 (2019: 60,559,075) outstanding warrants were excluded from the calculation of the diluted weighted average number of ordinary shares in issue as their effects would have been anti-dilutive.

30 SEGMENT BUSINESS INFORMATION

The Group operates in two principal geographical areas – Southeast Asia and Middle East.

The Group is organised into three principal business segments namely the firearm shooting ranges, tactical training mock-ups and maintenance services and others.

The firearm shooting ranges business segment pertains to the design, fabrication and installation of firearm shooting ranges for military and law enforcement organisations. This includes the design, fabrication and installation of indoor, outdoor and modular live-firing ranges as well as close quarters battle house and method of entry training facilities.

The tactical training mock-ups business segment pertains to design, fabrication and installation live-firearms and non-live firearm, full sized tactical training mock-ups which simulate specific training scenarios, including rescue and evacuation operations, aviation, maritime and other counter terrorism operations and sniper operations.

30 SEGMENT BUSINESS INFORMATION (CONTINUED)

The maintenance services and other business segment provide maintenance services for completed firearm shooting ranges and tactical training mock-ups; and design, supply and/or fabricate steel struts and steel beams for temporary or permanent structural and architectural steel works on an ad hoc basis. Additionally, the Group designs, constructs and installs ballistic protection and security systems for various facilities, including high-security detention facilities.

(a) Analysis by Business Segments

	Revenue		Net profit (loss)	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Firearms shooting ranges	**7,563**	–	**3,611**	–
Tactical training mock-ups	**6,560**	1,012	**3,381**	222
Maintenance services and others	**7,649**	8,232	**4,985**	4,080
Total	**21,772**	9,244	**11,977**	4,302
Other operating income			**151**	78
Other operating expenses			**(5,063)**	(6,352)
Profit (Loss) from operations			**7,065**	(1,972)
Finance costs			**(331)**	(390)
Profit (Loss) before income tax			**6,734**	(2,362)
Income tax credit (expense)			**2,399**	(22)
Profit (Loss) for the year			**9,133**	(2,384)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in 2020 and 2019.

30 SEGMENT BUSINESS INFORMATION (CONTINUED)

(b) Analysis by Geographical Segments

Segment revenue: Segment revenue is analysed based on the location of customers regardless of where the goods are produced.

Segment assets: Segment assets (non-current assets) are analysed based on the location of those assets.

	Revenue	
	2020	2019
	$'000	$'000
Southeast Asia	**19,346**	8,630
Middle East	**2,426**	614
	21,772	9,244

	Non-current assets	
	2020	2019
	$'000	$'000
Southeast Asia	**27,496**	27,400
Middle East	**6**	1
	27,502	27,401

Non-current assets presented above are non-current assets as presented in the statements of financial position excluding deferred tax assets.

Information about major customers

Included in revenues arising from the firearms shooting ranges and tactical training mock-ups segment of $14,123,000 (2019: $1,012,000) were revenue of $14,123,000 (2019: $1,012,000) which arose from services rendered to the Group's four largest customers (2019: Group's single largest customer).

31 STANDARDS ISSUED BUT NOT EFFECTIVE

At the date of authorisation of these financial statements, management anticipates that the adoption of the following SFRS(I) pronouncements which were issued but not effective will not have a material impact on the financial statements of the Group and the Company in the periods of their initial application.

Effective for annual periods beginning on or after June 1, 2020

- Amendment to SFRS(I) 16: *Covid-19-Related Rent Concessions*

Effective for annual periods beginning on or after January 1, 2021

- Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4, SFRS(I) 16: *Interest Rate Benchmark Reform – Phase 2*

Effective for annual periods beginning on or after January 1, 2022

- Amendments to SFRS(I) 3: *References to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

Effective for annual periods beginning on or after January 1, 2023

- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*

STATISTICS OF SHAREHOLDINGS

AS AT MARCH 16, 2021

Issued and fully paid-up capital	:	S$42,935,803
Number of issued shares (excluding treasury shares and subsidiary holdings)	:	248,274,525
Number of treasury shares held	:	11,189,500
Number of subsidiary holdings held	:	nil
Class of shares	:	ordinary shares
Voting rights	:	one vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

As at March 16, 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	50	4.85	476	0.00
100 – 1,000	50	4.85	30,202	0.01
1,001 – 10,000	362	35.15	2,205,200	0.89
10,001 – 1,000,000	557	54.08	43,145,385	17.38
1,000,001 and above	11	1.07	202,893,262	81.72
TOTAL	1,030	100.00	248,274,525	100.00

Based on information available to the Company as at March 16, 2021, 30.30% of the issued ordinary share of the Company were held by the public and therefore, Rule 723 of the Listing Manual, Section B: Catalist Rules of the Singapore Exchange Securities Trading Limited is complied with.

The Company holds 11,189,500 treasury shares as at March 16, 2021, representing 4.51% of the total number of issued ordinary shares excluding treasury shares and subsidiary holdings.

STATISTICS OF SHAREHOLDINGS

AS AT MARCH 16, 2021

TWENTY LARGEST SHAREHOLDERS

As at March 16, 2021

	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	EDWARD LIM CHIN WAH	88,931,900	35.82
2	YAP TIN FOO	84,099,500	33.87
3	PHILLIP SECURITIES PTE LTD	12,347,100	4.97
4	DBS NOMINEES (PRIVATE) LIMITED	5,483,112	2.21
5	RAFFLES NOMINEES (PTE.) LIMITED	2,911,550	1.17
6	UOB KAY HIAN PRIVATE LIMITED	2,705,100	1.09
7	LEOW CHIN YEE	1,814,500	0.73
8	LIN SONGXIAN	1,300,000	0.52
9	OCBC SECURITIES PRIVATE LIMITED	1,150,500	0.46
10	CHUA CHOON KIAT (CAI JUNJIE)	1,100,000	0.44
11	CHEN YANHENG	1,050,000	0.42
12	HO KAY SIEW	982,700	0.40
13	QIU YU	800,000	0.32
14	TEOU KEM ENG @TEOU KIM ENG	750,000	0.30
15	SOH SWEE SENG	686,000	0.28
16	TAY THIAM SONG	665,700	0.27
17	MAYBANK KIM ENG SECURITIES PTE. LTD.	642,600	0.26
18	TANG CHONG SIM	560,400	0.23
19	KGI SECURITIES (SINGAPORE) PTE. LTD.	516,700	0.21
20	LIM KENG CHIANG (LIN QINGCHANG)	515,100	0.21
TOTAL		209,012,462	84.18

SUBSTANTIAL SHAREHOLDERS

As at March 16, 2021

NAME OF SHAREHOLDERS	DIRECT INTEREST	%
EDWARD LIM CHIN WAH	88,931,900	35.82
YAP TIN FOO	84,099,500	33.87

STATISTICS OF WARRANTHOLDINGS

AS AT MARCH 16, 2021

DISTRIBUTION OF WARRANTHOLDERS BY SIZE OF WARRANTHOLDINGS

As at March 16, 2021

SIZE OF WARRANTHOLDINGS	NO. OF WARRANTHOLDERS	%	NO. OF WARRANTS	%
1 – 99	7	3.76	325	0.00
100 – 1,000	15	8.06	13,300	0.02
1,001 – 10,000	91	48.93	416,551	0.79
10,001 – 1,000,000	63	33.87	5,838,375	11.01
1,000,001 and above	10	5.38	46,767,424	88.18
TOTAL	186	100.00	53,035,975	100.00

TWENTY LARGEST WARRANTHOLDERS

As at March 16, 2021

	NAME OF WARRANTHOLDERS	NO. OF WARRANTS	%
1	PHILLIP SECURITIES PTE LTD	13,848,675	26.11
2	EDWARD LIM CHIN WAH	11,019,750	20.78
3	YAP TIN FOO	9,020,000	17.01
4	UOB KAY HIAN PRIVATE LIMITED	2,881,300	5.43
5	DIANA SNG SIEW KHIM	2,162,100	4.08
6	LEOW CHIN YEE	2,036,500	3.84
7	TANG CHONG SIM	1,948,249	3.67
8	DBS NOMINEES (PRIVATE) LIMITED	1,334,100	2.52
9	SOEHASONO	1,300,000	2.45
10	TAN KIM SENG	1,216,750	2.29
11	MAYBANK KIM ENG SECURITIES PTE. LTD.	889,300	1.68
12	SEAH KHENG LUN	672,900	1.27
13	WONG SOOK ENG	465,125	0.88
14	CHUA CHAI TIANG	438,400	0.83
15	KONG YOKE CHUN	408,600	0.77
16	CHEE CHENG SOON	344,000	0.65
17	SNG SIEW LIN	275,800	0.52
18	SNG THIAM HOCK	275,800	0.52
19	TAN PANG KOK	186,475	0.35
20	RAFFLES NOMINEES (PTE.) LIMITED	148,025	0.28
TOTAL		50,871,849	95.93

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Martin Muller and Mr. Lai Keng Wei are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on April 29, 2021 ("AGM") (collectively, the "Retiring Directors" and each a "Retiring Director").

Pursuant to Catalist Rule 720(5), the information relating to the Retiring Directors as set out in Appendix 7F is set out below:

	MR. MARTIN MULLER	MR. LAI KENG WEI
Date of Appointment	December 10, 2018	January 28, 2019
Date of last re-appointment	April 25, 2019	April 25, 2019
Age	50	52
Country of principal residence	Switzerland	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Mr. Martin Muller for re-appointment as a Non-Independent Non-Executive Director of the Company. The Board have reviewed and concluded that Mr. Martin Muller possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of the Nominating Committee ("NC") and has reviewed and considered the qualification, work experience and suitability of Mr. Lai Keng Wei for re-appointment as a Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees of the Company. The Board have reviewed and concluded that Mr. Lai Keng Wei possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR. MARTIN MULLER	MR. LAI KENG WEI
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Independent and Non-Executive Director	Lead Independent and Non-Executive Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees
Professional Qualifications	University of Bern, Master of Business Administration	Practicing Member, Institute of Singapore Chartered Accountants Fellow member, the Association of Chartered Certified Accountants Member, the International Association of Certified Valuation Specialists Chartered Valuer and Appraiser, Singapore
Working experience and occupation(s) during the past 10 years	2004 to present Head of Corporate Development at Securitas AG	December 2012 to present Messrs. Mazars LLP – Audit Partner and Head of Valuation October 2008 to November 2012 Messrs. BDO LLP – Audit Partner
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
any relationship (including immediate family relationships with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR. MARTIN MULLER	MR. LAI KENG WEI
Conflict of Interest (including any competing business) Professional qualifications Working experience and occupation(s) during the past 10 years Shareholding interest in the listed issuer and its subsidiaries	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Past Directorships (for the last 5 years) Present	Other Principal Commitments NIL Past Directorships (for the last 5 years) China Alliance, Hong Kong Lawoon AG, Switzerland Present Directorships Starburst Holdings Limited, g+m Elektronik AG, Switzerland Morphean AG, Switzerland Beijing Jibao Ltd. Co, China Swiss Securitas, Beijing	Other Principal Commitments NIL Past Directorships (for the last 5 years) NIL Present Directorships Starburst Holdings Limited
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR. MARTIN MULLER	MR. LAI KENG WEI
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR. MARTIN MULLER	MR. LAI KENG WEI
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR. MARTIN MULLER	MR. LAI KENG WEI
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR. MARTIN MULLER	MR. LAI KENG WEI
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Disclosure applicable to the appointment of Director only		
Any prior experience as a director of a listed company? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange. Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **STARBURST HOLDINGS LIMITED** will be held by way of electronic means on Thursday, April 29, 2021 at 10.00 a.m., to transact the following businesses:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended December 31, 2020 together with the Independent Auditors' Report thereon.

(Resolution 1)

2. To declare a final tax exempt (one-tier) dividend of S$0.01 per ordinary share for the financial year ended December 31, 2020.

(Resolution 2)

3. To re-elect the following Directors retiring pursuant to Article 93 of the Constitution of the Company, and who have, being eligible, offered themselves for re-election as Directors:

Mr. Martin Muller **(Resolution 3)**
Mr. Lai Keng Wei **(Resolution 4)**

[See Explanatory Note (i)]

4. To approve the payment of Directors' fees of S$165,000 for the financial year ending December 31, 2021, payable quarterly in arrears.

[See Explanatory Note (ii)] **(Resolution 5)**

5. To re-appoint Messrs. Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 6)

6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act, Cap. 50 ("Companies Act") and Rule 806 of the Listing Manual Section B of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual: Rules of Catalist (the "Catalist Rules"), the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of the Instruments made of ranted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the convertible securities;

(b) new shares arising from the exercising of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

(c) any subsequent bonus issue, consolidation or subdivision of shares.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)] **(Resolution 7)**

8. Authority to allot and issue shares under the Starburst Employee Share Option Scheme (the "Share Option Scheme")

That pursuant to Section 161 of the Companies Act, Cap 50, the Directors of the Company be authorised and empowered to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the Share Option Scheme provided always that the aggregate number of new shares to be allotted and issued pursuant to the Share Option Scheme, Starburst Performance Share Plan, and all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company shall not exceed fifteen per centum (15%) of the total number of issued share (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time, as determined in accordance with the provisions of the Share Option Scheme.

[See Explanatory Note (iv)] **(Resolution 8)**

9. Authority to allot and issue shares under the Starburst Performance Share Plan

That pursuant to Section 161 of the Companies Act, Cap 50, the Directors of the Company be authorised and empowered to grant awards in accordance with the provisions of the Starburst Performance Share Plan and to allot and issue from time to time, such number of shares in the capital of the Company as may be required to be issued pursuant to the vesting of awards under the Starburst Performance Share Plan, provided always that the aggregated number of shares issued and issuable pursuant to vesting of awards granted under the Starburst Performance Share Plan, when added to (i) the number of shares issued and issuable in respect of all awards granted or awarded thereunder; and (ii) all shares issued and issuable in respect of all options granted or awards granted under the Share Option Scheme, all options granted under any other share option, share incentive, performance share or restricted share plan implemented by the Company for the time being in force, shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company on the day preceding the relevant date of the award.

[See Explanatory Note (v)] **(Resolution 9)**

10. Proposed Renewal of the Share Purchase Mandate

That:

(a) for the purposes of Sections 76C and 76E of the Companies Act, Cap 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("Shares") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited ("SGX-ST") transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, such scheme satisfying all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(b) the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next Annual General Meeting of the Company is held or is required by law to be held;

(ii) the date on which the purchase or acquisition of Shares have been carried out to the full extent of the Share Purchase Mandate; or

(iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by an ordinary resolution of shareholders of the Company in general meeting;

(c) in this Resolution:–

"Prescribed Limit" means the number of Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the date of passing of this Resolution, unless the Company has reduced its share capital in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereafter defined), in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered (excluding any treasury shares and subsidiary holdings);

"Relevant Period" means the period commencing from the date of the passing of this Resolution and expiring on the date on which the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price, where:

"Average Closing Price" is the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during such five-day market period and the day on which the Market Purchase is made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase;

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"Market day" means a day on which the SGX-ST is open for trading in securities; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (vi)] **(Resolution 10)**

By Order of the Board

Wu Guangyi
Tan Wee Sin
Company Secretaries

Singapore
April 13, 2021

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(i) Mr. Martin Muller, upon re-election as a Director of the Company, will remain as a Non-Independent Non-Executive Director.

Mr. Lai Keng Wei, upon re-election as a Director of the Company, will remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees, and the Board of Directors (save for Mr. Lai Keng Wei) consider him independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

(ii) Ordinary Resolution 5, if passed, will facilitate the payment of Directors' fees during the financial year ending December 31, 2021 in which the fees are incurred which is payable quarterly in arrears.

(iii) The Ordinary Resolution 7 in item 7 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(iv) The Ordinary Resolution 8 in item 8 above, if passed, will empower the Directors to issue shares up to an amount in aggregate not exceeding fifteen per centum (15%) of the issued share capital (excluding treasury shares) of the Company pursuant to the Starburst Employee Share Option Scheme which was approved at the Extraordinary General Meeting of the Company on May 28, 2014. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution No. 7.

(v) The Ordinary Resolution 9 in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant awards under the Starburst Performance Share Plan in accordance with the provisions of the Starburst Performance Share Plan and to allot and issue from time to time such number of fully-paid shares as may be required to be issued pursuant to the vesting of the awards under the Starburst Performance Share Plan subject to the maximum number of shares prescribed under the terms and conditions of the Starburst Performance Share Plan.

The aggregate number of ordinary shares which may be allotted and issued pursuant to the Starburst Performance Share Plan and under any other share incentive scheme or share plan adopted by the Company for the time being in force, is limited to fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) of the Company from time to time. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution No. 7.

(vi) The Ordinary Resolution 10 in item 10 above, if passed, will empower the Directors of the Company, during the period commencing from the date on which the Ordinary Resolution 10 is passed and expiring on the earliest of the date on which the next Annual General Meeting is held or is required by law to be held, the date on which the purchase of shares has been carried out to the full extent of the mandate or the date the said mandate is revoked or varied by the Company in a general meeting, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in Ordinary Resolution 10.

The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of shares by the Company pursuant to the Share Purchase Mandate is set out in greater detail in the Appendix dated April 13, 2021 to the Annual Report.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF BOOKS CLOSURE AND PAYMENT DATE FOR DIVIDEND

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed at 5.00 p.m. on May 6, 2021 for the purpose of determining Members' entitlements to the proposed first and final tax exempt (one-tier) dividend of S$0.01 per ordinary share for the financial year ended December 31, 2020 ("Proposed Dividend").

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on May 6, 2021 will be registered to determine shareholders' entitlements to the Proposed Dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares at 5.00 p.m. on May 6, 2021 will be entitled to the Proposed Dividend.

The Proposed Dividend, if approved by members at the Annual General Meeting to be held on April 29, 2021 will be paid on May 14, 2021.

IMPORTANT NOTICE TO SHAREHOLDERS REGARDING THE COMPANY'S ANNUAL GENERAL MEETING

The Annual General Meeting ("AGM") to be convened, will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company will not be issuing printed copies of this notice of AGM (the "Notice"), proxy forms and annual reports to its shareholders and members. Instead, the Notice, proxy forms and annual report are accessible by electronic means via the Company's website at www.starburst.net.sg and on SGX website at https://www.sgx.com/securities/company-announcements.

Participation in the AGM via live webcast or live audio feed

1. Due to the current COVID-19 measures in Singapore, the AGM will be held by way of electronic means and shareholders will NOT be able to attend the AGM in person. All shareholders or their corporate representative (in the case of shareholders which are legal entities) will be able to participate in the AGM proceeding by accessing a live webcast or live audio feed. To do so, shareholders are required to pre-register their participation in the AGM by sending the following details:

   (i) Full name (as per CDP/SRS account records);
   (ii) NRIC/Passport No./Company Registration No.; and
   (iii) Contact number and address;

   to mail@starburst.net.sg by 10.00 a.m. on Thursday, April 22, 2021 ("Registration Deadline") for verification of their status as shareholders (or corporate representatives of such shareholders) ("Pre-registration").

2. Upon successful verification, each such shareholder or its corporate representative will receive an email by 10.00 a.m. on Friday, April 23, 2021. The email will contain instructions to access the live webcast or live audio feed of the AGM proceedings.

   Shareholders or their corporate representative must not forward the email to other persons who are not shareholders and who are not entitled to participate in the AGM. Shareholders or their corporate representatives who have pre-registered by the Registration Deadline but do not receive an email by 10.00 a.m. on Friday, April 23, 2021 may contact the Company for assistance at (65) 68622282 or email us at mail@starburst.net.sg.

Voting by Proxy

1. Shareholders may only exercise their voting rights at the AGM via proxy voting.

   Shareholders who wish to vote on any or all of the resolutions at the AGM must appoint the Chairman of the AGM as their proxy to do so on their behalf. In the Proxy Form, a shareholder should specifically direct the Chairman on how he is to vote for or vote against or abstain from voting on each resolution to be tabled at the AGM, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

2. The Chairman of the AGM, as proxy, need not be a member of the Company.

3. The instrument appointing the Chairman of the AGM as proxy must be

   (i) deposited at the registered office of the Company at Company at 6 Tuas View Circuit, Singapore 637599; or
   (ii) sent by email to mail@starburst.net.sg

   not less than forty-eight (48) hours before the time appointed for holding the AGM.

   In view of the current COVID-19 measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email to mail@starburst.net.sg

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited ("CDP") as at seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote on any or all of the resolutions at the AGM by appointing the Chairman of the AGM as his/her proxy to do so on his/her behalf. In view of Section 81SJ(4) of the Securities and Futures Act (Cap. 289), Singapore, a Depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP as at seventy-two (72) hours before the AGM. Any shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the AGM will not be entitled to attend and vote at the AGM. Accordingly, even if such shareholder deposits his/her proxy form forty-eight (48) hours before the AGM, the Chairman of the Meeting who is appointed as his/her proxy will not be entitled to vote on his/her behalf at the AGM.

CPF or SRS Investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM (i.e. by 10.00 a.m. on Thursday, April 22, 2021) to ensure that their votes are submitted.

4. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy.

Access to documents or information relating to the AGM

All documents and information relating to the business of the AGM (including the Annual Report and the Proxy Form) have been published on SGX Website at https://www.sgx.com/securities/company-announcements and the Company's website at www.starburst.net.sg. Printed copies will not be sent to shareholders.

Submission of questions prior to the AGM

1. Shareholders may submit questions related to the resolutions to be tabled at the AGM via email to our Investor Relations team at tech@financialpr.com.sg. Questions must be submitted not less than seventy-two (72) hours before the time appointed for the holding of the AGM (i.e. **by 10.00 a.m. on Thursday, April 26, 2021**) so that they may be addressed during the AGM proceedings. Any relevant and subsequent queries (after April 26, 2021) received will be addressed before or during the AGM through the publication of the minutes of the AGM on SGXNet and the Company's website.

2. Shareholders or their corporate representative must state his/her full name and whether he/she is a shareholder or a corporate representative of a corporate shareholder. Any question without the identification details will not be addressed.

3. The Company shall address relevant and substantial questions before or during the AGM, and publish the minutes of the AGM on the SGXNet, and the Company's website within one month after the date of AGM.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

By (a) submitting an instrument appointing the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, or (b) completing the Pre-registration in accordance with this Notice, or (c) submitting any question prior to the AGM in accordance with this Notice, a shareholder of the Company consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents or service providers) for the following purposes:

(i) the processing and administration by the Company (or its agents or service providers) of proxy forms appointing the Chairman of the AGM as a proxy for the AGM (including any adjournment thereof);
(ii) the processing of the Pre-registration for purposes of granting access to shareholders (or their corporate representatives in the case of shareholders which are legal entities) to the live webcast or live audio feed of the AGM proceedings and providing them with any technical assistance where necessary;
(iii) addressing relevant and substantial questions from shareholders received before the AGM and if necessary, following up with the relevant shareholders in relation to such questions;
(iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof); and
(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines.

The member's personal date may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

Due to the constantly evolving COVID-19 situation, the Company will closely monitor the situation and reserve the right to change our arrangements for the AGM at short notice. Shareholders should check SGXNet and the Company's website. The Company apologises for any inconvenience caused and seek the understanding and cooperation of all Shareholders in enabling the Company to hold its AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Modern Firearms-Training Facilities

STARBURST HOLDINGS LIMITED

(Company Registration No: 201329079E)
(Incorporated in the Republic of Singapore)

IMPORTANT:
1. In light of the current COVID-19 measures in Singapore, shareholders will not be able to attend the Annual General ("AGM") in person. Instead, alternative arrangements set out in the Notice of AGM have been put in place to allow members to participate at the AGM.
2. Shareholders who wish to vote on any or all of the resolutions at the AGM must appoint the Chairman of the AGM as their proxy to do so on their behalf.
3. For investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. CPF or SRS investors who wish to appoint Chairman of the AGM as their proxy should contact their respective Agent Banks or SRS Operators at least seven (7) working days before the AGM to specify voting instructions and to ensure that their votes are submitted.

PROXY FORM

ANNUAL GENERAL MEETING

*I/We____(Name)

____________________________________(NRIC/Passport No./Company Registration No.)

of____(Address)

being *a Member/Members of Starburst Holdings Limited (the "Company") hereby appoint the Chairman of the Annual General Meeting (the "AGM") of the Company as *my/our *proxy to attend and vote for *me/us on *my/our behalf at the AGM of the Company, to be held by way of electronic means on Thursday, April 29, 2021 at 10.00 a.m. and at any adjournment thereof. *I/We direct *my/our *proxy to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder.

Voting will be conducted by poll. If you wish the Chairman of the AGM as your proxy to cast all your votes "For" or "Against" a resolution, please tick (√) within the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution.

If you wish the Chairman of the AGM as your proxy to abstain from voting a resolution, please tick (√) within the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of votes that the Chairman of the AGM as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of that resolution.)

No.	Resolutions relating to:	For	Against	Abstain
ORDINARY BUSINESS				
1	To adopt the Directors' Statement and Audited Financial Statements for the financial year ended December 31, 2020 together with the Independent Auditor's Report thereon.			
2	To approve a first and final tax exempt (one-tier) dividend of S$0.01 per ordinary share for the financial year ended December 31, 2020.			
3	To re-elect Mr. Martin Muller as a Director.			
4	To re-elect Mr. Lai Keng Wei as a Director.			
5	To approve of Directors' fees of S$165,000 for the financial year ending December 31, 2021.			
6	To re-appoint Messrs. Deloitte & Touche LLP as the Auditors of the Company and to authorise the Directors to fix their remuneration.			
SPECIAL BUSINESS				
7	To authorise Directors to allot and issue new shares.			
8	To authorise Directors to allot and issue shares pursuant to the Starburst Employee Share Option Scheme.			
9	To authorise Directors to allot and issue shares pursuant to the Starburst Performance Share Plan.			
10	To approve the Proposed Renewal of the Share Purchase Mandate.			

Dated this__________day of__________2021

Total number of Shares in	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature(s) of Member(s)/Common Seal

* *Delete accordingly*

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

NOTES:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. In light of the current COVID-19 measures in Singapore, shareholders will not be able to attend the AGM in person. A shareholder (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM if such shareholders wish to exercise his/her/its voting rights at the AGM. This proxy form has been made available on SGXNet at https://www.sgx.com/securities/company-announcements and may be accessed at and the Company's website at www.starburst.net.sg. A printed copy of this proxy form will NOT be sent to shareholders.

3. CPF or SRS Investor who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators at least seven (7) working days before the AGM (i.e. by 10:00 a.m. on Thursday, April 22, 2021), to ensure that their votes are submitted.

4. Where a shareholder (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

5. The instrument appointing the Chairman of the AGM must be deposited at the registered office of the Company at 6 Tuas View Circuit, Singapore 637599 or sent by email to mail@starburst.net.sg not less than forty-eight (48) hours before the time appointed for holding the AGM (i.e. by 10:00 a.m. on Tuesday, April 27, 2021). **In view of the current COVID-19 measures which may make it difficult for shareholders to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email**.

6. The instrument appointing the Chairman of the AGM must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Singapore Companies Act, Cap. 50.

GENERAL:

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, a member of the Company accepts and agrees to the personal date privacy terms set out in the Notice of the AGM dated April 13, 2021.

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STARBURST

MODERN FIREARMS-TRAINING FACILITIES

Address : 6 Tuas View Circuit Singapore 637599
Website : http://www.starburst.net.sg