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 2014

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 prepared by the Company and its contents have been reviewed by the Company's sponsor, DBS Bank Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this Annual Report. This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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. Koh Boon Pin, Vice President, Capital Markets, DBS Bank Ltd., at 12 Marina Boulevard Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, telephone +65 6878 8888.

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Corporate Profile

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 GSL researchers at the U.S. Army Engineer Research and Development Center.

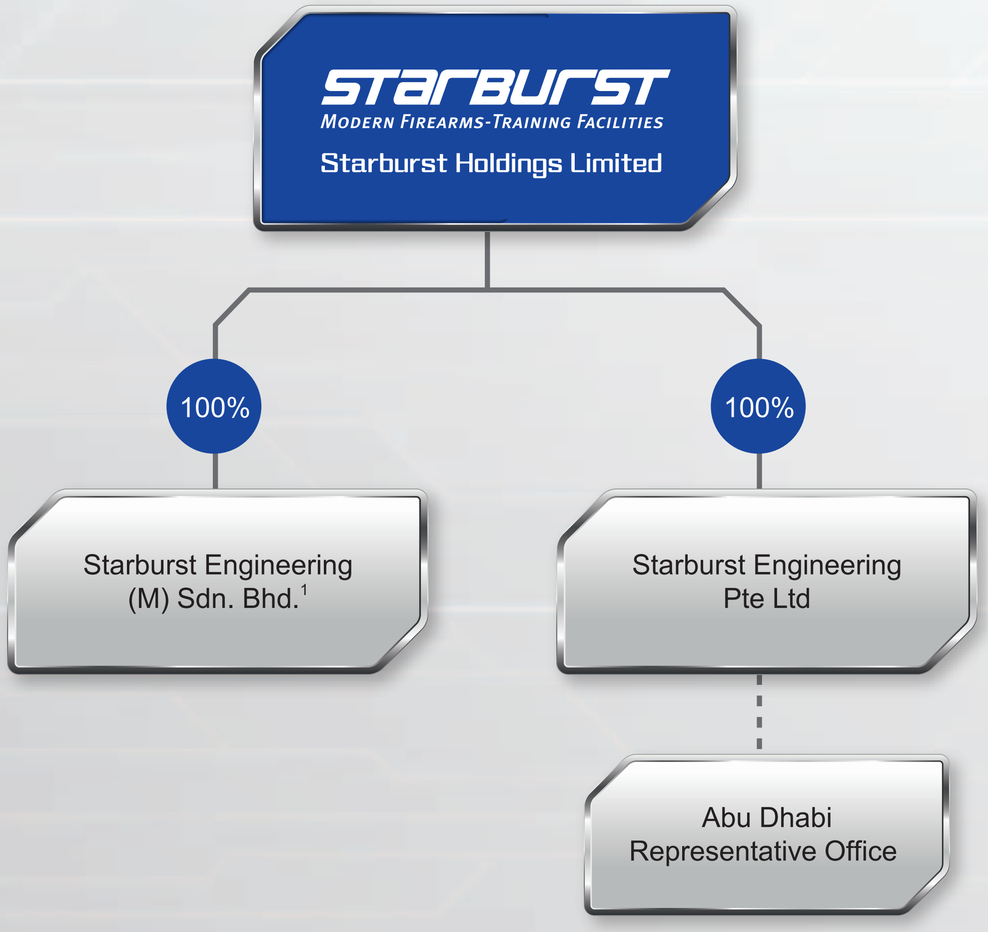
Starburst Holdings Limited ("Starburst" or the "Company") and its subsidiaries (the "Group") was listed on the Catalist Board of the SGX-ST on 10 July 2014. The Group is an engineering group specialising in the design and engineering of firearms-training facilities. With an established track record and experience of close to 15 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.

As a part of the Group's commitment to consistently provide products and services which meet its customers' and applicable statutory and regulatory requirements, Starburst achieved the ISO 9001:2008 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. With Starburst 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

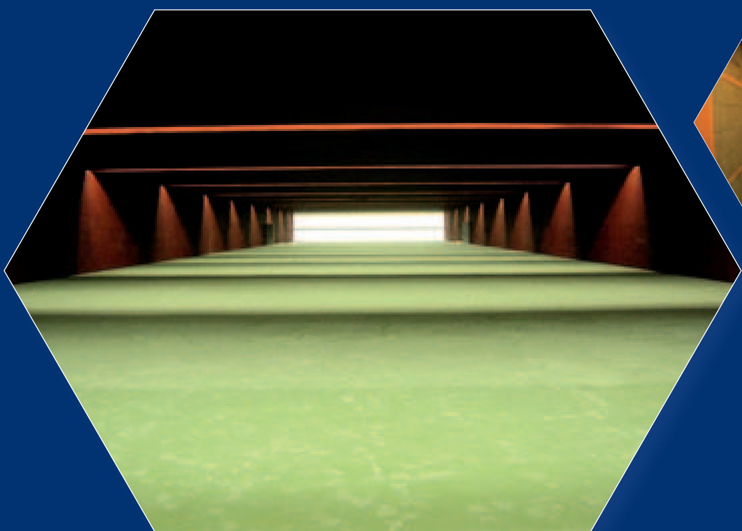
Starburst specialises in the design and engineering of firearms-training facilities and the design, fabrication, installation and maintenance of anti-ricochet ballistic protection systems for firearm shooting ranges and tactical training mock-ups for law enforcement, military and security agencies as 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, project managers and engineers, who work closely with range consultants, to ensure that a solid foundation is laid right from the start.



OUR BUSINESS

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

2003 Completed our first high impact resistant detention facilities in Southeast Asia.

2004 Completed our 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 our 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 systems, anti-ricochet lining systems, 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.

2012 Completed our first live-firearm multi-storey indoor shooting range training facility in Southeast Asia.

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.

MESSAGE FROM THE CHAIRMAN

DEAR FELLOW SHAREHOLDERS,

On behalf of the Board of Starburst Holdings Limited, I am pleased to present to you the inaugural annual report for the financial year ended 31 December 2014 ("FY2014"). FY2014 marked several significant milestones for Starburst, one of which was our successful initial public offering ("IPO") and listing debut on the Catalist Board of the SGX-ST in July 2014. The listing has raised our profile among existing and potential customers beyond Southeast Asia and the Middle East.

We are heartened by the strong interest garnered from the investment community in Singapore. With our IPO priced at S$0.31 per share, the offering of 50 million invitation shares, comprising 2 million offer shares and 48 million placement shares, was approximately 9.5 times subscribed. At the same time, we are encouraged to be recognised by the investment community as one of the best performing IPOs in 2014. I would like to take this opportunity to extend our heartfelt appreciation to all our investors for placing their faith in Starburst.

SHAPING A SAFER WORLD

Almost 15 years ago in October 1999, Starburst Engineering Pte Ltd, our wholly-owned subsidiary and the precursor to Starburst, was formed to capitalise on opportunities present in the market to provide a safer environment for firearms-training facilities.

MESSAGE FROM THE CHAIRMAN

Starburst Holdings Limited's listing ceremony

Since then, Starburst's unique business model and strong track record have helped us to grow into one of the few companies with capabilities to provide in-house integrated solutions in the niche business of design, fabrication, installation and maintenance of anti-ricochet ballistic protection systems for firearm shooting ranges and tactical training mock-ups in Southeast Asia and the Middle East.

Amidst increased security threats around the world which have dominated news headlines in recent months, we are encouraged that our products and services have established a role in shaping a safer world through a safer firearms-training environment.

In addition to adopting international standards to maintain the high quality and safety of our products and services, we also recognise the importance of human capital and strive to ensure a safe working environment for our employees.

PERFORMANCE REVIEW

The commencement of the fabrication and installation work phases of three firearms training facilities projects in Southeast Asia and the Middle East has contributed to the Group achieving a strong set of financial results in FY2014. Our revenue increased by 87.6%, from S$21.0 million in the previous corresponding year ("FY2013") to S$39.4 million in FY2014, while gross profit rose 76.2% to S$22.2 million.

Consequently, our strong top line performance translated to a 51.7% growth in net profit to S$13.2 million in FY2014, from S$8.7 million in FY2013.

With our balance sheet strengthened by the IPO proceeds, we are in a strong position to finance our capacity expansion as well as support the execution of a higher number of firearms-training facilities projects.

MESSAGE FROM THE CHAIRMAN

BUILDING RECURRING BUSINESS, BROADENING OUR REVENUE BASE

With the rising costs of building new shooting ranges, customers increasingly prefer working with reputable service providers to not only maintain but also extend the operational efficiency of their shooting ranges. The trend of increasing complexity and sophistication of shooting ranges to allow for more rigorous trainings with a higher calibre of firearms has presented us with a good opportunity to grow our maintenance services business. We intend to leverage our business relationships with existing customers to broaden our business with them.

OUTLOOK AND PROSPECTS

From a macro perspective, growth in Asia-Pacific's defence expenditure is expected to rise to 4.8% in 2015 from 3.3% in 2014 alone. The longer term outlook is for Asia-Pacific's defence spending to grow to US$547.1 billion by 2020 from US$415.6 billion in 2014[1]. Also, the Middle East and North Africa region's defence expenditure is set to reach US$155.3 billion by 2020, from US$140.2 billion in 2014[1]. As such, we expect to ride on this trend of growing defence budgets, given that a large proportion of this growth is expected in our key markets.

There has also been an emergence of global security and terrorism threats. There is hence an increasing awareness among military and law enforcement authorities in recent years of the need to strengthen and provide a safe firearms-training environment. Starburst is well-placed to capitalise on these trends and business opportunities.

We also plan to continue leveraging on our established network of contacts and goodwill built among existing and potential customers to increase the penetration into our key markets. By expanding our portfolio of maintenance service contracts, we seek to increase Starburst's earnings visibility by growing its recurring revenue streams.

Going forward, Starburst's strategic direction remains focused on growing the business organically as well as through selective acquisitions and strategic partnerships.

[1] IHS Jane's Defence Budgets-Analysis: Five Key Global Defence Budget Trends for 2015, 15 December 2014

MESSAGE FROM THE CHAIRMAN

DIVIDENDS

To reward our shareholders for the strong financial performance in FY2014, the Board of Directors has proposed a tax exempt one-tier final dividend of 1.2 Singapore cents per ordinary share, subject to shareholders' approval at the upcoming annual general meeting. The proposed dividends translate to a payout ratio of 22.8% of Starburst's FY2014 net profit, in line with our intended dividend payout ratio of at least 20% as laid out during our IPO.

WORDS OF APPRECIATION

On behalf of the Board of Directors, I would like to express my gratitude to the management team and staff who have contributed to Starburst's growth and their continued dedication, commitment and enthusiasm. We are indeed proud to have a pool of long serving and committed staff, without which we would not have delivered on our achievements and success today.

To our customers, bankers, business partners and suppliers, I would like to thank them for their trust and support through these years and we look forward to many more years of even stronger partnerships.

I would also like to thank our loyal shareholders for their confidence and faith in Starburst as a newly listed and promising entity.

Last but not least, I would like to thank my fellow Board members for their wise counsel in charting Starburst's strategy and direction. Together, we remain committed to the long-term interests and continued value creation for Starburst's shareholders through our efforts to shape a safer world.

Edward Lim Chin Wah
Executive Chairman

12 March 2015

Message From The Managing Director

DEAR FELLOW SHAREHOLDERS,

We embarked on FY2014 preparing for Starburst's listing on the SGX-ST and successfully made our debut on 10 July 2014. Since then, we have attained greater recognition in our industry which bodes well for our current and potential pipeline of business opportunities.

During the year, we commenced work on several firearms-training projects, notably the fabrication and installation of two firearm shooting ranges, one in Southeast Asia and the other in the Middle East. In addition, we also began works on a tactical training mock-up project in Southeast Asia.

While these works are largely project-based and constitute the main bulk of our business and consequently, our revenue and net profits, we are highly cognizant of the need to boost Starburst's stream of recurring income. To that end, we secured a contract to provide comprehensive maintenance services worth S$3.2 million soon after our IPO. Lasting up to June 2017, the three-year maintenance services contract will be highly complementary to Starburst's business and serves as a pillar to Starburst's core strength in the design, fabrication and installation solutions for firearms-training facilities and tactical training mock-ups. We are working to build up our portfolio of maintenance contracts in 2015.

FINANCIAL PERFORMANCE REVIEW

The Group achieved a strong set of financial results for FY2014, with our revenue increasing by 87.6% from

MESSAGE FROM THE MANAGING DIRECTOR

S$21.0 million in FY2013 to S$39.4 million in FY2014. The increase was mainly due to a higher level of revenue recognition for the fabrication and installation work phases of the three firearms-training facilities projects in FY2014. These projects were mostly in the design work phase during FY2013.

On a business segment basis, Starburst's firearm shooting ranges segment contributed to the bulk of FY2014's revenue at 76.5% while the tactical training mock-ups segment and maintenance services and others segment contributed 6.4% and 17.1% respectively. In comparison, the firearm shooting ranges segment made up 69.6% of FY2013's revenue, with tactical training mock-ups making up 16.4% and maintenance services and others, 14.0%.

From a geographical segmentation perspective, Southeast Asia continues to be the main revenue driver, making up 61.2% of FY2014's revenue, with the Middle East contributing the remaining 38.8%. Southeast Asia and the Middle East contributed to 68.4% and 31.6% to Starburst's revenue in FY2013 respectively.

In line with the rise in Starburst's top line, project and production costs rose by 104.8% from S$8.4 million in FY2013 to S$17.2 million in FY2014. This translates to gross profit growing by 76.2% or S$9.6 million from S$12.6 million to S$22.2 million, with gross profit margin declining marginally from 60.0% to 56.4%, primarily due to the increase in material and fabrication costs typically incurred during such work phases.

On the operating expenses front, it increased by 81.1% or S$3.0 million from S$3.7 million in FY2013 to S$6.7 million in FY2014. This was largely attributable to one-off IPO expenses of S$1.2 million and related listing fees, an increase in employee benefits expenses of S$1.3 million as well as directors' fees and performance bonus. Our increased headcount at our Middle East office coupled with annual increment and bonuses for staff resulted in the increase in employee benefits expenses.

Net profit for the year rose 51.7% from S$8.7 million in FY2013 to S$13.2 million in FY2014 while Earnings Per

Share increased correspondingly by 50.7% from 3.49 cents to 5.26 cents.

The Group remains backed by a robust balance sheet, with cash and bank balance of S$17.7 million and maintained a low debt to equity ratio of 0.04 times as at 31 December 2014. With a strong net cash position, Starburst is well-placed to capitalise on future growth opportunities.

SECURING OUR FUTURE IN A RESILIENT INDUSTRY

Despite the technological advancement in modern military weaponry over the years, Starburst has managed to stay at the forefront of its core business and established track record. We have also carved a strong reputation in a niche industry for the timely delivery of quality products and services.

Due to the nature of Starburst's industry, substantially all of our customers are government agencies. With a solid track record of 15 years of experience, we are well-positioned in this sector as government bodies typically require specialist contractors to have an established and relevant track record and experience. In addition, given the financial strength, credibility and reliability of our customers, Starburst's exposure to credit risks and payment defaults are mitigated.

At the same time, as a valued specialist contractor partner to global military training equipment and services players, we are in a good position to secure a specialist

MESSAGE FROM THE MANAGING DIRECTOR

role in the design and engineering aspects for firearms-training facilities. We continue to maintain close business relationships with these key global players in the military training software and equipment market and leverage on our established track record to gain an even stronger foothold in our key markets of Southeast Asia and the Middle East.

Starburst's management team has collectively over 55 years of experience in engineering and management, and an in-depth understanding of the industry and customers' requirements. Also, there is strong alignment of shareholders' interests, with senior management owning 80% of Starburst. We are confident of securing Starburst's future by steering it towards a sound strategic direction of business growth.

THE PATH AHEAD

At present, we have received a healthy level of enquiries from existing and potential new customers internationally, including those within the Asia-Pacific region for products and services relating to ballistic protection and security systems. This heightened interest arose partly on the back of recent terrorist activities such as the Charlie Hebdo office shooting and the Paris hostage crisis which have afflicted France, as well as the uncovering of a terror plot in Belgium.

Further, in our key market of the Middle East, with the preparations underway for the Dubai Expo in 2020 and the FIFA World Cup in 2022 in Qatar, we anticipate increased security and defence-related spending by government agencies to translate into opportunities in Starburst's area of specialisation in firearms-training facilities. In addition, with the implementation of compulsory military services in Qatar, UAE and Kuwait, we are well-placed to tap on the anticipated higher defence spending in this region. Indeed, the Middle East is an increasingly important market for Starburst, with revenue contribution rising by 128.4% or S$8.6 million to S$15.3 million in FY2014. Southeast Asia too is actively upgrading and modernising facilities to protect critical infrastructures and offers growth opportunities for us.

Over the long term, Starburst is well-positioned to capitalise on the increasing focus by government agencies on the encroaching threats of terrorism on a global scale. However, we are also aware of the potential short-term challenges such as rising labour and material costs as well as the necessity to hire adequately skilled staff. As such, we strive to put in place measures to better optimise costs by raising productivity and in improving the specialised skills of our pool of employees through training.

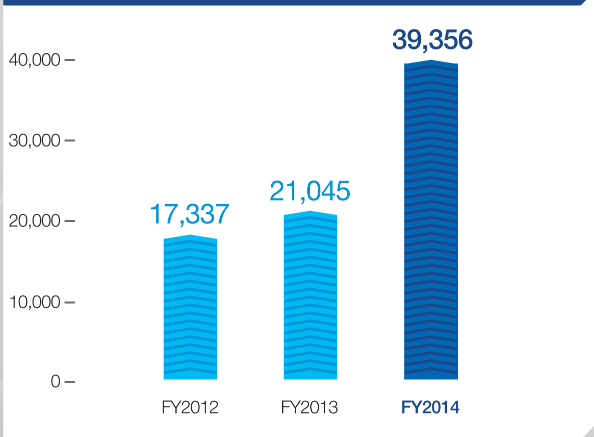
As we navigate through FY2015 amidst favourable prospects, we remain committed to delivering shareholder value and rewarding our loyal investors in the years ahead.

Yap Tin Foo
Managing Director

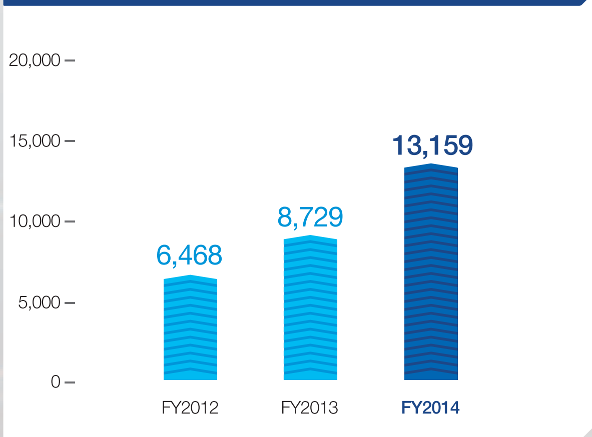
12 March 2015

Financial Highlights

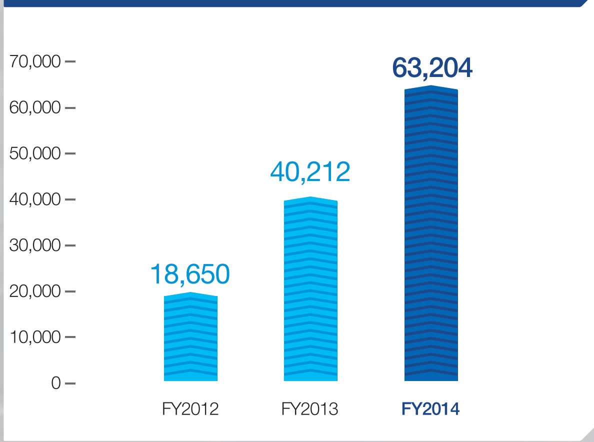
Revenue (S$'000)



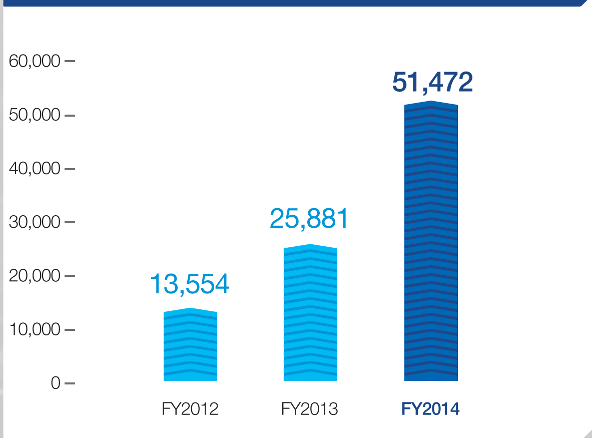
Net profit attributable to owners (S$'000)



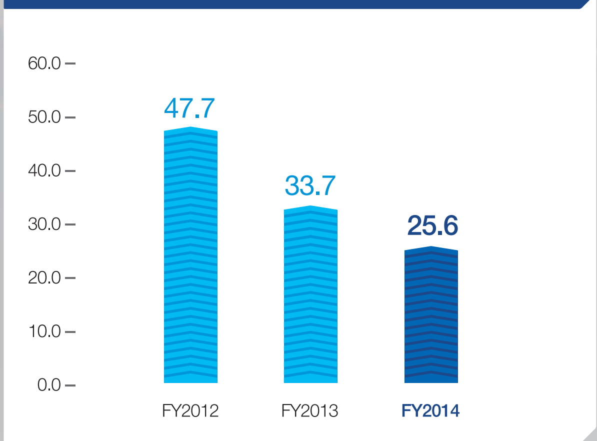
Total assets (S$'000)



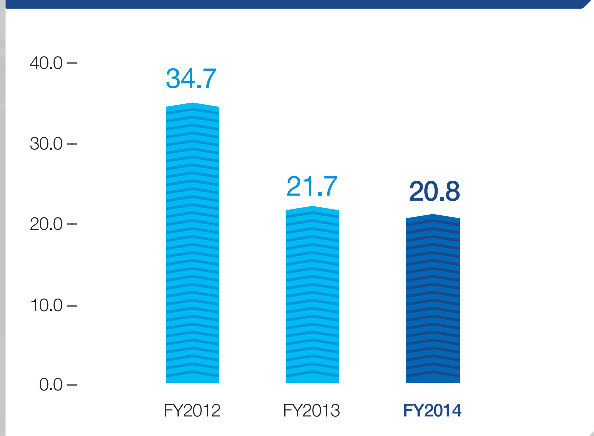
Net assets (S$'000)



Return on shareholders' equity (%)

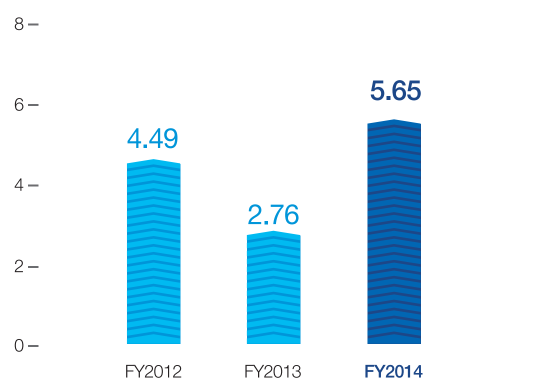


Return on total assets (%)

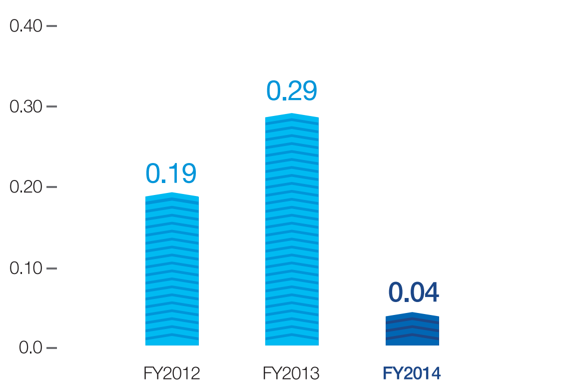


FINANCIAL HIGHLIGHTS

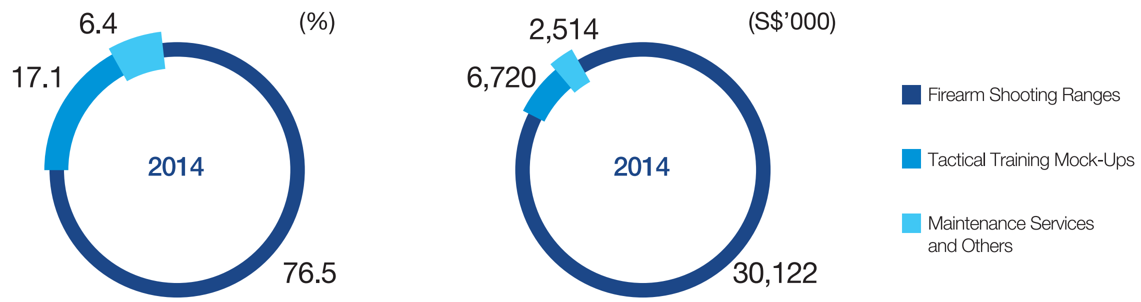
Current ratio (Times)



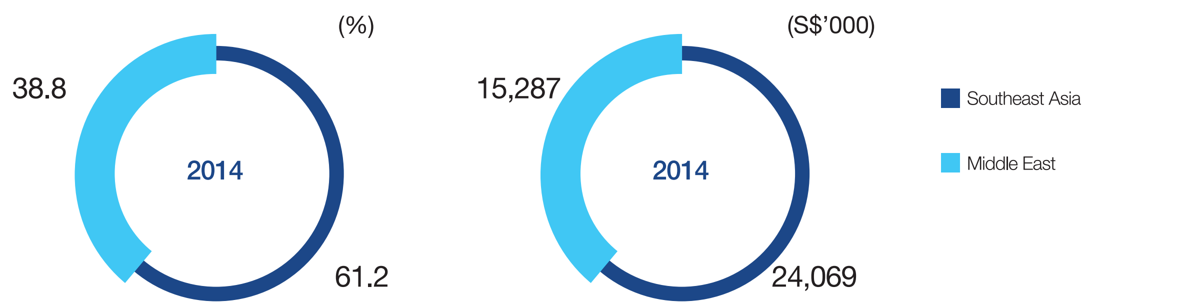
Debt to equity ratio (Times)



Revenue by business segment - FY2014



Revenue by geographical - FY2014



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 28 October 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 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 28 October 2013. He is responsible for the overall operations, business development and client relationships of the Group.

Mr. Yap has more than 25 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.

GAN LAI CHIANG LEAD INDEPENDENT AND NON-EXECUTIVE DIRECTOR

Mr. Gan Lai Chiang was appointed as Lead Independent and Non-Executive Director on 28 May 2014. He is Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees.

Mr. Gan is currently an Independent Director and the Chairman of the Audit Committee of Health Management International Ltd. He is also concurrently the managing director of Swiss Securitas Asia Pte Ltd, a company specialising in providing security services. In addition, Mr. Gan has previously served as a Member of Parliament for the Marine Parade GRC, an advisor to various Grassroots Organisations as well as a member of various Community Development Councils.

Mr. Gan graduated from the University of Western Australia with a Bachelor of Commerce. He is a fellow member of the Institute of Singapore Chartered Accountants and a fellow member of CPA Australia.

BOARD OF DIRECTORS

GOPAL PERUMAL INDEPENDENT AND NON-EXECUTIVE DIRECTOR

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

Mr. Tan is currently the Managing Director of PSC Freyssinet (S) Pte Ltd. He has more than 30 years of experience in engineering and project management. Mr. Tan is a professional engineer and has been recognised in his field of work through the publication of an abstract for an article entitled "Vacuum Consolidation for Soft Soils" in Conspectus 2001. Mr. Tan was also awarded the Service to Education Award from the Ministry of Education of Singapore for being a Board Member of the School Management Committee of Monfort Secondary and Junior Schools.

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 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 factory 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

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

Mr. Wu was previously an auditor with public accounting firms. He began his career as an audit assistant at T S Tay & Associates in 2004 and audit associate at BDO International in 2005. He was with Deloitte & Touche LLP in 2006 and left as an audit assistant manager in 2009 before joining KPMG Services Pte. Ltd. in 2010, where his last held position was audit manager. He rejoined Deloitte & Touche LLP in 2011 and left as an audit manager until 2012 before joining our Group.

Mr. Wu graduated from the Oxford Brookes University with a Bachelor's Degree in Science in Applied Accounting (with honours). He is a fellow member of The Association of Chartered Certified Accountants and a member of the Institute of Singapore Chartered Accountants.

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 co-ordinator at Galliford

MANAGEMENT TEAM

Midlands from 2000 to 2002 and was a design manager at Galliford Rail from 2002 to 2003, 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 our 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 our 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 been also qualified as a civil engineer by the Board of Civil Engineering (Phillippines) since 1989.

Corporate Information

BOARD OF DIRECTORS

Edward Lim Chin Wah *(Chairman and Executive Director)*
Yap Tin Foo *(Managing Director)*
Gan Lai Chiang *(Lead Independent Director)*
Gopal Perumal *(Independent Director)*
Tan Teng Wee *(Independent Director)*

AUDIT COMMITTEE

Gan Lai Chiang *(Chairman)*
Gopal Perumal
Tan Teng Wee

NOMINATING COMMITTEE

Tan Teng Wee *(Chairman)*
Gan Lai Chiang
Gopal Perumal

REMUNERATION COMMITTEE

Gopal Perumal *(Chairman)*
Gan Lai Chiang
Tan Teng Wee

COMPANY SECRETARIES

Wu Guangyi
Yoo Loo Ping

REGISTERED OFFICE

6 Tuas West Street
Singapore 637442
Tel : +65 6862 2282
Fax: +65 6861 2282
Email : mail@starburst.net.sg
Reg. No.: 201329079E

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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

SPONSOR

DBS Bank Ltd.
12 Marina Boulevard Level 46
Marina Bay Financial Centre Tower 3
Singapore 018982

INDEPENDENT AUDITORS

Deloitte & Touche LLP
6 Shenton Way
OUE Downtown 2, #33-00
Singapore 068809

Partner-in-charge: Lee Boon Teck
(Appointed in financial year 2014)

PRINCIPAL BANKER

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

INVESTOR RELATIONS

Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street #02-01
Singapore 048914
Tel : +65 6534 5122
Dolores Phua/Han Zhongchou

Corporate Governance Report

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 generally complied with most of the principles and guidelines of the Code of Corporate Governance 2012 (the "Code"), pursuant to Rule 710 of Listing Manual Section B: Rules of Catalist (the "Catalist Rules") issued by the Singapore Exchange Securities Trading Limited ("SGX-ST") for the financial year ended 31 December 2014 ("FY2014").

This report describes the corporate governance practices of the Company with specific reference made to each of the principles and guidelines of the Code, and provides explanation for deviations.

(A) BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The primary function of the Board is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. 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 quarterly financial results announcements, circulars, audited financial statements and annual report;

— Approves changes in the composition of the Board;

— Oversees and safeguards the shareholders' interest and 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; and

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

CORPORATE GOVERNANCE REPORT

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 Articles of Association of the Company allow 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 views outside the formal environment of board meetings. Each Board member is expected to objectively discharge his or her 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 FY2014 is disclosed below:

	Number of meetings attended in FY2014			
Name of Director	**Board(1)**	**AC**	**NC**	**RC**
Mr. Edward Lim Chin Wah	2	2	—	—
Mr. Yap Tin Foo	2	2	—	—
Mr. Gan Lai Chiang	2	2	—	—
Mr. Gopal Perumal	2	2	—	—
Mr. Tan Teng Wee	2	2	—	—
Number of meetings held in 2014	2	2	—	—

(1) As part of the Company's listing exercise, the Board and Management have attended additional verification meetings during FY2014. The Company held its first Board meeting on 12 August 2014, after its listing on 10 July 2014.

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.

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.

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

As at the date of this Annual Report, the Board comprises five (5) directors, of whom two (2) are Executive Directors and three (3) are Independent Directors. The Board is of the view that the present board size of 5 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. The Board comprises the following members:

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

The NC determines on an annual basis whether or not a director is independent, taking into account the Code's definition. In respect of the review of the independence of each director, the NC assessed the independence of each director and had considered that Mr. Gan Lai Chiang, Mr. Gopal Perumal and Mr. Tan Teng Wee to be independent. Details of directors' qualifications and experiences are set out on pages 16 and 17 of this Annual Report.

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 10% 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.

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 for 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. Where necessary or appropriate, the independent directors may meet separately without the presence of Management.

CORPORATE GOVERNANCE REPORT

Chairman and Managing Director

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The roles of the Chairman and Managing Director (the "MD") in the Company are separate. 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.

The MD has the executive responsibility for the 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 held 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 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.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

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 recommend to the Board on board appointments, including re-nominations of existing directors for re-election in accordance with the Articles of Association, taking into account the director's contribution and performance;

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

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

(iv) 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;

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

(vi) 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.

CORPORATE GOVERNANCE REPORT

The NC comprises three directors, all whom including the Chairman, are non-executive and independent. The Chairman is not a substantial shareholder or directly associated with a substantial shareholder.

The NC members are:

— Mr. Tan Teng Wee *(Chairman)*

— Mr. Gan Lai Chiang

— Mr. Gopal Perumal

At each AGM of the Company, the Articles of Association 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 brings 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 also considered, and is of the opinion, that the multiple board representations held by directors of the Company do not impede their performance in carrying out their duties to the Company. For FY2014, the Board did not set any cap on the number of directorship given that all non-executive or independent directors were able to dedicate their time to the business of the Company. Nevertheless, if the Board finds that time commitment is lacking from any particular director, they may consider imposing a cap in future.

CORPORATE GOVERNANCE REPORT

Details of the appointment of directors including date of initial appointment and date of last re-election and directorships in other listed companies, both current and for the preceding three years, are set out below:

Name of Director	Age	Date of Initial Appointment	Date of Last Re-election	Current directorships in other listed companies	Past directorships in other listed companies
Mr. Edward Lim Chin Wah(1)	57	28 October 2013	NA	NA	NA
Mr. Yap Tin Foo	51	28 October 2013	NA	NA	NA
Mr. Gan Lai Chiang (2)	66	28 May 2014	NA	Health Management International Ltd	Mun Siong Engineering Limited
Mr. Gopal Perumal(3)	58	28 May 2014	NA	NA	NA
Mr. Tan Teng Wee(4)	58	28 May 2014	NA	NA	NA

NA – Not applicable

Notes:

(1) Mr. Edward Lim Chin Wah will retire pursuant to Article 93 and is subject to re-election as a director at the forthcoming Annual General Meeting ("AGM") of the Company to be held on 23 April 2015.

(2) Mr. Gan Lai Chiang will retire pursuant to Article 99 of the Articles of Association of the Company and is subject to re-election as a director at the forthcoming AGM of the Company to be held on 23 April 2015.

(3) Mr. Gopal Perumal will retire pursuant to Article 99 of the Articles of Association of the Company and is subject to re-election as a director at the forthcoming AGM of the Company to be held on 23 April 2015.

(4) Mr. Tan Teng Wee will retire pursuant to Article 99 of the Articles of Association of the Company and is subject to re-election as a director at the forthcoming AGM of the Company to be held on 23 April 2015.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

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 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.

CORPORATE GOVERNANCE REPORT

The NC meets once a year, and as warranted by circumstances, to discharge its functions. In FY2014, no NC meeting was held given that the Company was listed on 10 July 2014.

The NC has in place a Board performance evaluation whereby the Board will complete a group assessment collectively given that the decisions of the Board are often made collectively. The Company Secretary has been requested to collate the Board's evaluations and provide the summary observations for the NC Chairman and Board Chairman. As the Company was listed in July 2014, the NC had at a meeting held in February 2015 concurred that it would be meaningful to evaluate the performance of the Board as a group collectively for FY 2014. Furthermore, it was difficult to evaluate the performance of the Board's committees or individual director during a short time span.

Access to Information

Principle 6: In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Management including the executive directors keeps the Board apprised of the Group's operations and performance through quarterly updates and reports as well as through informal discussions. Key executives who can provide additional insight into the matters at hand would be invited to the Board meeting.

Prior to any meeting of the Board or committees, directors are provided, where appropriate, with sufficient relevant information to enable them to be prepared for the meeting. On an ongoing basis, all the Board members have separate and independent access to Management should they have any queries or require additional information on the affairs of the Company and the Group.

Before each meeting, Management would provide the Board members with the required explanatory documents relating to matters to be brought before the Board. Copies of disclosure documents, budgets, forecasts, quarterly internal financial statements, together with explanations for any material variance between the projections and actual results in respect of its financial performance would be tabled by Management to the Board for review and discussion during the Board meeting.

The directors also have access to the Company Secretary who attends all the Board and its committees' meetings. The Company Secretary also assists the Chairman and the Board to implement and strengthen corporate governance practices and processes. The Board are given the names and contact details of the Company's senior management and the Company Secretary to facilitate direct, separate and independent access. The appointment and removal of the Company Secretary is subjected to the approval of the Board as a whole.

Where the directors either individually or as a group, in the furtherance of their duties, require independent professional advice, assistance is available to assist them in obtaining such advice at the Company's expense.

CORPORATE GOVERNANCE REPORT

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

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 RC comprises entirely of non-executive directors, all of whom are independent. The RC members are:

— Mr. Gopal Perumal *(Chairman)*

— Mr. Gan Lai Chiang

— Mr. Tan Teng Wee

All recommendations made by the RC on remuneration of directors and key executives will be submitted for endorsement by the Board. Members of the RC will ensure that they do not set their own remuneration and no member of the RC is involved in setting his/her remuneration package. 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.

The RC meets at least once a year, and as warranted by circumstances, to discharge its functions. In FY2014, no RC meeting was held given that the Company was listed on 10 July 2014.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose

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 23 April 2015.

For FY2014, a recommendation is made to shareholders to approve the payment of S$95,054 to the non-executive directors taking into account of their contributions during the pre-listing meetings of the Company.

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.

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

The Company has entered into Service Agreements with each of the executive director, Mr. Edward Lim Chin Wah and Mr. Yap Tin Foo on 30 May 2014, respectively. Their Service Agreements are for an initial period of three years (the "Initial Term") commencing with effect from the date of admission of the Company and subject to automatic renewal on a yearly basis thereafter unless otherwise agreed in writing between the Company and the executive directors or terminated in accordance with the Service Agreements. During the Initial Term, the parties may terminate the respective Service Agreement by either party giving not less than six months' notice in writing to the other. The parties may by mutual agreement waive or vary the notice requirement.

Pursuant to the terms of the Service Agreements, the executive directors will receive an annual salary of approximately S$360,000 and an annual wage supplement of 3 months' salary. In addition, each of them is entitled to an annual performance bonus in respect of each financial year commencing from FY2014, such bonus to be computed on the basis of the Group's audited consolidated profit before income tax ("CPBT") for each financial year (before deducting for such performance bonus payments and excluding any gains earned from extraordinary and exceptional items) based on the achievement of certain criteria where the bonus will be paid out ranging from nil to 1.75% depending on the pre-agreed CPBT achieved.

Pursuant to the terms of their respective letter of appointment, the two executive officers, Mr. Andrew Popplewell and Mr. Samer Sidani, are entitled to a performance bonus to be paid on a quarterly basis, subject to statutory deductions. The performance bonus is calculated based on a 10.0% commission on the net profit of all projects undertaken by Abu Dhabi Representative Office once a sales target of US$500,000 (or the local currency equivalent) is reached.

The RC will ensure that the independent directors are not overcompensated 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 FY2014, the RC reviewed the compensation and remuneration packages and believes that the directors and Management are sufficiently compensated. For FY2014, the Company did not engage any external remuneration consultant to assist in the review of compensation and remuneration packages.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The breakdown (in percentage terms) of the remuneration of the directors of the Company for FY2014 is set out below:

	Salary (%)	Bonus (%)	Other benefits (%)	Fees (%)	Total (%)
S$500,000 to S$750,000					
Mr. Edward Lim Chin Wah	47.2	51.5	1.3	—	100
Mr. Yap Tin Foo	47.0	51.3	1.7	—	100
Below S$250,000					
Mr. Gan Lai Chiang	—	—	—	100	100
Mr. Gopal Perumal	—	—	—	100	100
Mr. Tan Teng Wee	—	—	—	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 30 May 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.

CORPORATE GOVERNANCE REPORT

The breakdown (in percentage terms) of the remuneration of 5 top key executives of the Group for FY2014 is set out below:

Remuneration and Name of Key Executives	Designation	Salary (%)	Bonus (%)	Other benefits (%)	Total (%)
S$500,000 to S$750,000					
Mr. Samer Sidani	Chief Executive Officer – Abu Dhabi office	30.9	47.7	21.4	100
Mr. Andrew Popplewell	Regional Director	33.3	45.6	21.1	100
Below S$250,000					
Mr. Wu Guangyi	Chief Financial Officer	63.2	31.0	5.8	100
Mr. Ng Eng Long Josiah Lawrence	Senior Project Manager	66.1	25.5	8.4	100
Mr. Desengano Eduardo Espirtu	Technical Manager	62.3	26.2	11.5	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.

Given the highly competitive conditions of the labour market and the prevalent poaching of experienced executives, the Company believes that the disclosure of the total remuneration of each individual executive as recommended by the Code may not be in the best interest of the Group. Nevertheless, the Company has sought to provide the remuneration of these executives in the bands of S$250,000 and also a breakdown in percentage term.

In aggregate, the total remuneration paid to the 5 top key executives is S$1,598,895 in FY2014.

Save as disclosed, there is no family relationship between any of our directors and/or key executives, or between any of our directors and key executives and there is also no employee who is an immediate family member of a director or MD whose remuneration exceeds S$50,000 during FY2014.

SHARE OPTIONS SCHEME AND PERFORMANCE SHARE SCHEME

On 28 May 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 share has been awarded to any participant under the Share-Based Incentive Plans since adoption and for FY2014. No share has been awarded to any participant, which, in aggregate, represent five per centum (5%) or more of the aggregate number of new shares available under the Share-Based Incentive Plans and as such, no vesting of shares has taken place.

CORPORATE GOVERNANCE REPORT

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

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects, including interim and other price sensitive public information and reports to regulators (if required). Management provides directors on a quarterly basis, with sufficient relevant information on the Group's financial performance and commentary of the competitive conditions of the industry in which the Group operates. 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 Management.

CORPORATE GOVERNANCE REPORT

The AC reports to the Board on the results for review and approval. The Board approves the results after review and authorises the release of the results to SGX-ST and the public. The Company also uploads latest announcement(s) which has been disseminated via SGXNET on its website www.starburst.net.sg.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

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 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.

Based on the review, work done by the internal and external auditors, the Board, with the concurrence of the AC, is not aware of any matter which suggests that the Group's internal controls addressing financial, operational, compliance risks, IT, risk management systems or significant business risks are inadequate or ineffective.

CORPORATE GOVERNANCE REPORT

Audit Committee ("AC")

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

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 quarterly 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) review the scope and results of the external audit, and the independence and objectivity of the external auditors;

(vi) 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 financial controller 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 financial controller and the internal and external auditors, including financial, operation, compliance and information technology controls via reviews carried out by the internal auditors;

(x) review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Rules of Catalist (if any);

(xi) review any potential conflicts of interest;

(xii) review and approve all hedging policies and instruments (if any) to be implemented by the Group;

(xiii) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of AC;

(xiv) review and establish procedures for receipt, retention and treatment of complaints received by 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; and

(xv) generally 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.

The AC comprises three members, all of whom are non-executive, independent directors. The members of the AC are:

— Mr. Gan Lai Chiang *(Chairman)*

— Mr. Gopal Perumal

— Mr. Tan Teng Wee

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 auditors without the presence of Management. 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.

During FY2014, the Group has paid S$100,000 to the external auditors as part of the professional fees incurred for the listing exercise of the Company. The fees were paid to the external auditors and its member firms for their roles as reporting accountants and tax advisors in relation to the listing of the Company.

The AC is of the opinion that the independence and objectivity of the external auditors have not been affected as the substantial amount of non-audit fees paid in FY2014 is solely for the listing of the Company and is not expected to be recurring.

The fee paid to Deloitte & Touche LLP for audit and non-audit services for the financial year ended 31 December 2014 is S$85,000 and S$100,000 respectively.

CORPORATE GOVERNANCE REPORT

The financial statements of the Company and its subsidiary are audited by 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 the re-appointment of Deloitte & Touche LLP as external auditors of the Company at the forthcoming AGM of the Company to be held on 23 April 2015.

The Company has a whistle-blowing 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 whistle blowers 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 FY2014, 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 fellow member of the Institute of Singapore Chartered Accountants and also a fellow member of CPA Australia. During the last quarter of 2014, the AC was provided with information such as updates on the changes to the Singapore's Financial Reporting Standards.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The AC relies on reports from the Management and external and internal auditors on any material non-compliance and internal control weaknesses. Thereafter, the AC oversees and monitors the implementations thereto. For FY2014, the AC had received assurance from the MD and the Chief Financial Officer acknowledging their responsibility on:

— The maintenance of proper accounting and other records and an adequate system of internal accounting controls;

— Preparation of financial information which is in their opinion, presented a true and fair view of the Group's operation and finances, in all material aspect and was in accordance with Singapore's Financial Reporting Standards; and

— The design, implementation and operation and effectiveness of accounting and internal control systems that are design to prevent and detect fraud and errors.

Currently, the Group has 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 has the sufficient assistance from the Management to perform their functions effectively.

(D) SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of the shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The Company strives to disclose information on a timely basis to shareholders and ensure any disclosure of price sensitive information is not made to a selective group. The information are communicated to our shareholders via:

— annual reports – The Board strives to include all relevant information about the Group, including future developments and disclosures required by the Companies Act, Financial Reporting Standards and the Catalist Rules; and

— SGXNET and press releases on major developments of the Group.

SGXNET disclosures and press releases of the Group are also available on the Company's website at www.starburst.net.sg. The Company holds quarterly briefings on its results announcements a business day after the results announcement are published 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 FY2014 is completed, a copy will be made available on the website and published via SGXNET.

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 tax-exempt (one-tier) dividend of S$0.012 per ordinary share for the financial year ended 31 December 2014 for the shareholders' approval at the forthcoming AGM.

CORPORATE GOVERNANCE REPORT

The Company encourages shareholders to participate actively in general meeting. At the forthcoming AGM, shareholders will be given the equitable opportunity to air their views and ask directors or Management questions regarding the Company and the Group. Notices of AGM will be sent together with the annual reports, released on SGXNET and on the Company's website as well as published in the newspapers to inform shareholders of upcoming meetings.

The Board, Management and the external auditors will also be present to address any relevant queries the shareholders may have. At the forthcoming AGM, the Company will prepare the minutes of the AGM which would include substantial or relevant comments from shareholders and the minutes of AGM will be made available to shareholders upon their request.

Under the existing Articles of Association of the Company, a shareholder may vote in person or appoint not more than two proxies to attend and vote in his stead. Such proxy to be appointed need not be a shareholder.

(E) DEALINGS IN SECURITIES

The Company has adopted an internal code on dealings in securities, which has been disseminated to all employees 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.

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.

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 as well as in the following periods:

i) the period commencing two weeks before the announcement of the Company's financial statements for the first, second and third quarters of its financial year; and

ii) the period commencing one month before the announcement of the Company's financial statements for its full financial year.

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

CORPORATE GOVERNANCE REPORT

(F) 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.

Other than the interested person transactions as disclosed in the Offer Document dated 2 July 2014 under the section "Interested Person Transactions – Present and Ongoing Interested Person Transactions" which has been deemed approved by the shareholders, there was no other IPT for FY2014.

The Company also does not have any IPT Mandate which is subject to shareholders' approval at the forthcoming AGM.

(G) UTILISATION OF INITIAL PUBLIC OFFERING ("IPO") PROCEEDS

The Company had raised gross proceeds amounting to S$15.5 million from the IPO on the Catalist Board of the SGT-ST on 10 July 2014.

The details of the utilisation of the IPO proceeds as at the date of this report are set out below:

Use of IPO proceeds	**Amount allocated (S$'000)**	**Amount utilised (S$'000)**	**Balance (S$'000)**
Acquisition of leasehold land and buildings	7,000	(1,000)	6,000
Acquisition of plant and machinery	800	—	800
General working capital purposes	5,687	—	5,687
IPO expenses	2,013	(2,013)	—
Total	15,500	(3,013)	12,487

(H) MATERIAL CONTRACTS

Save for the service agreements entered with the executive directors and the sale and purchase agreements entered into in relation to the restructuring exercise as disclosed in the Offer Document, 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 31 December 2014.

(I) NON-SPONSORSHIP FEES

The amount of non-sponsor fees paid to the Company's sponsor, DBS Bank Ltd., during FY2014 was S$1,042,500 for acting as the issue manager, underwriter and placement agent pursuant to the Company's IPO.

Financial Report

REPORT OF THE DIRECTORS

The directors present their report together with the audited combined 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, 2014.

1 DIRECTORS

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

Edward Lim Chin Wah	(Appointed on October 28, 2013)
Yap Tin Foo	(Appointed on October 28, 2013)
Gan Lai Chiang	(Appointed on May 28, 2014)
Gopal Perumal	(Appointed on May 28, 2014)
Tan Teng Wee	(Appointed on May 28, 2014)

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 director and Company in which interests are held	Shareholdings registered in name of director At beginning of year or date of appointment, if later	At end of year
	Ordinary shares	
The Company		
Edward Lim Chin Wah	1	100,000,000
Yap Tin Foo	1	100,000,000
Gopal Perumal	—	20,000

The directors' interests in the shares of the Company at January 21, 2015 were the same at December 31, 2014.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements.

5 SHARE OPTIONS

(a) Options to take up unissued shares

During the financial year, 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 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.

6 AUDIT COMMITTEE

The Audit Committee of the Company, consisting all independent directors, is chaired by Mr. Gan Lai Chiang, an independent director, and includes Mr. Gopal Perumal, an independent director and Tan Teng Wee, an independent director. The Audit Committee has met three times since the listing of the Company on July 10, 2014 and up to the date of this report, and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

a) The audit plans, scope of work, evaluation of the adequacy of the internal controls, audit reports, management letters on internal controls and management response;

b) The adequacy and effectiveness of the Group's internal controls addressing financial, operational and compliance risks prior to the incorporation of such results in the annual report;

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

d) The financial statements of the Company and the combined financial statements of the Group before their submission to the directors of the Company and external auditors' report on those financial statements;

REPORT OF THE DIRECTORS

e) The quarterly, 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 findings of internal investigations relating to any suspected fraud or irregularity, or failure of internal controls, 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;

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

h) Interested person transactions falling within the scope of Chapter 9 of the Listing Manual, Section 8: Rules of Catalist of the Singapore Securities Trading Limited and other relevant statutory requirements and any potential conflicts of interests; and

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

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

ON BEHALF OF THE DIRECTORS

Edward Lim Chin Wah
Executive Chairman

Yap Tin Foo
Managing Director

Singapore
March 2, 2015

STATEMENT OF DIRECTORS

In the opinion of the directors, the combined 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 47 to 94 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2014, and of the results, 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.

ON BEHALF OF THE DIRECTORS

Edward Lim Chin Wah
Executive Chairman

Yap Tin Foo
Managing Director

Singapore
March 2, 2015

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF STARBURST HOLDINGS LIMITED AND ITS SUBSIDIARIES

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying combined financial statements of Starburst Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the statement of financial position of the Group and the statement of financial position of the Company as at December 31, 2014, and the combined statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 47 to 94.

MANAGEMENT'S RESPONSIBILITY 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

OPINION

In our opinion, the combined 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 Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at December 31, 2014 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

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 incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants

Singapore
March 2, 2015

STATEMENTS OF FINANCIAL POSITION

December 31, 2014

	Note	Group		Company	
		2014	2013	**2014**	2013
		$'000	$'000	**$'000**	$'000
ASSETS					
Current assets					
Cash on hand and at bank	7	**5,688**	478	**2,280**	10
Fixed deposits	7	**12,008**	—	**12,008**	—
Trade and other receivables	8	**13,398**	10,478	**3,773**	—
Contract work-in-progress	9	**15,982**	10,595	**—**	—
Inventories	10	**2,445**	3,139	**—**	—
Total current assets		**49,521**	24,690	**18,061**	10
Non-current assets					
Fixed deposits pledged	7	**3,517**	5,514	**—**	—
Prepayments	8	**1,111**	1,155	**—**	—
Investment in subsidiaries	11	**—**	—	**25,888**	—
Property, plant and equipment	12	**9,055**	8,853	**—**	—
Total non-current assets		**13,683**	15,522	**25,888**	—
Total assets		**63,204**	40,212	**43,949**	10
LIABILITIES AND EQUITY					
Current liabilities					
Trust receipts, bank overdrafts and loans	13	**107**	3,208	**—**	—
Trade and other payables	14	**5,886**	3,837	**125**	10
Current portion of finance leases	15	**86**	86	**—**	—
Contract work-in-progress	9	**—**	282	**—**	—
Income tax payable		**2,693**	1,540	**—**	—
Total current liabilities		**8,772**	8,953	**125**	10
Non-current liabilities					
Bank loans	13	**1,449**	3,796	**—**	—
Finance leases	15	**335**	421	**—**	—
Deferred tax liabilities	16	**1,176**	1,161	**—**	—
Total non-current liabilities		**2,960**	5,378	**—**	—

STATEMENTS OF FINANCIAL POSITION

December 31, 2014

	Note	Group		Company	
		2014	2013	**2014**	2013
		$'000	$'000	**$'000**	$'000
Capital and reserves					
Share capital	17	**40,570**	450	**40,570**	—*
Asset revaluation reserve	18	**5,218**	5,218	**—**	—
Currency translation reserve		**—***	—*	**—**	—
Merger reserve	18	**(25,438)**	—	**—**	—
Retained earnings/ (Accumulated losses)		**31,122**	20,213	**3,254**	(—*)
Total equity		**51,472**	25,881	**43,824**	(—*)
Total liabilities and equity		**63,204**	40,212	**43,949**	10

* This represents amount less than $1,000.

See accompanying notes to financial statements.

COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended December 31, 2014

	Note	Group	
		2014	2013
		$'000	$'000
Revenue	19	**39,356**	21,045
Other operating income	20	**576**	1,211
Project and production costs	21	**(17,168)**	(8,412)
Employee benefits expenses		**(3,341)**	(2,058)
Depreciation expense		**(593)**	(422)
Other operating expenses	22	**(2,808)**	(1,175)
Finance costs	23	**(260)**	(82)
Profit before income tax		**15,762**	10,107
Income tax expense	24	**(2,603)**	(1,378)
Profit for the year	25	**13,159**	8,729
Other comprehensive income (net of tax):			
Items that will not be reclassified to profit or loss:			
Gain on revaluation of property	12	**—**	6,287
Deferred tax arising from the revaluation of property	16	**—**	(1,069)
Other comprehensive income for the year, net of tax		**—**	5,218
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operation		**—***	—*
Total comprehensive income for the year		**13,159**	13,947
Basic and diluted earnings per share (cents)	27	**5.88**	4.36

* This represents amount less than $1,000.

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2014

	Share Capital $'000	Asset revaluation reserve $'000	Currency translation reserve $'000	Merger reserve $'000	Retained earnings $'000	Total $'000
Group						
Balance at January 1, 2013	450	—	—	—	13,104	13,554
Total transactions with owners, recognised directly in equity						
Dividend (Note 26)	—	—	—	—	(1,620)	(1,620)
Total comprehensive income for the year:						
Profit for the year	—	—	—	—	8,729	8,729
Other comprehensive income	—	5,218	—*	—	—	5,218
Total	—	5,218	—*	—	8,729	13,947
Balance at December 31, 2013	450	5,218	—*	—	20,213	25,881
Transactions with owners, recognised directly in equity						
Movement in reserve resulting from restructuring exercise (Note 18)	**(450)**	**—**	**—**	**(25,438)**	**—**	**(25,888)**
Dividend (Note 26)	**—**	**—**	**—**	**—**	**(2,250)**	**(2,250)**
Issue of shares (Note 17)	**41,388**	**—**	**—**	**—**	**—**	**41,388**
Share issue expense (Note 17)	**(818)**	**—**	**—**	**—**	**—**	**(818)**
	40,120	**—**	**—**	**(25,438)**	**(2,250)**	**12,432**
Total comprehensive income for the year:						
Profit for the year	**—**	**—**	**—**	**—**	**13,159**	**13,159**
Other comprehensive income	**—**	**—**	**—***	**—**	**—**	**—***
	—	**—**	**—***	**—**	**13,159**	**13,159**
Balance at December 31, 2014	**40,570**	**5,218**	**—***	**(25,438)**	**31,122**	**51,472**

* This represents amount less than $1,000.

STATEMENTS OF CHANGES IN EQUITY

Year ended December 31, 2014

	Share Capital $'000	Retained earnings $'000	Total $'000
Company			
Balance at the date of incorporation, October 28, 2013	—*	—	—*
Loss for the year, representing total comprehensive loss for the year	—	(—*)	(—*)
Balance at December 31, 2013	—*	(—*)	(—*)
Transactions with owners, recognised directly in equity			
Issue of shares (Note 17)	**41,388**	**—**	**41,388**
Shares issue expense (Note 17)	**(818)**	**—**	**(818)**
Total	**40,570**	**—**	**40,570**
Profit for the year, representing total comprehensive income for the year	**—**	**3,254**	**3,254**
Balance at December 31, 2014	**40,570**	**3,254**	**43,824**

* This represents amount less than $1,000.

COMBINED STATEMENT OF CASH FLOWS

Year ended December 31, 2014

	Group	
	2014	2013
	$'000	$'000
Operating activities		
Profit before income tax	**15,762**	10,107
Adjustments for:		
(Writeback of) Increase in allowance for inventories	**(6)**	72
Bad debts written off	**—**	1
Writeback of allowance of doubtful trade receivables	**(10)**	(1,145)
Depreciation expense	**593**	422
Interest expense	**260**	82
Interest income	**(42)**	(14)
Write-off of property, plant and equipment	**4**	—
Amortisation of prepaid insurance	**45**	15
Gain on disposal of property, plant and equipment	**(93)**	—
Operating cash flows before working capital changes	**16,513**	9,540
Trade and other receivables	**(2,881)**	(7,785)
Inventories	**700**	(1,873)
Contract work-in-progress	**(5,669)**	(8,040)
Trade and other payables	**2,049**	2,592
Cash generated from (used in) operations	**10,712**	(5,566)
Income tax paid	**(1,435)**	(1,065)
Interest paid	**(260)**	(82)
Interest received	**12**	14
Net cash from (used in) operating activities	**9,029**	(6,699)
Investing activities		
Increase in fixed deposits (Note 7)	**(5,003)**	(2,160)
Purchase of property, plant and equipment	**(799)**	(472)
Proceeds from disposal of property, plant and equipment	**93**	—
Net cash used in investing activities	**(5,709)**	(2,632)

COMBINED STATEMENT OF CASH FLOWS

Year ended December 31, 2014

	Group	
	2014	2013
	$'000	$'000
Financing activities		
Proceeds from issuance of ordinary shares, net of transaction costs	**14,682**	—
Repayment of finance lease	**(86)**	(86)
Trust receipts	**(1,290)**	1,290
Proceeds from bank loans	**—**	3,000
Repayment of bank loans	**(2,924)**	(459)
Dividend paid	**(2,250)**	(1,620)
Net cash from financing activities	**8,132**	2,125
Net increase (decrease) in cash and cash equivalents	**11,452**	(7,206)
Cash and cash equivalents at beginning of year	**(756)**	(6,450)
Effect of foreign exchange rate charges on the balance of cash held in foreign currencies	**—***	—*
Cash and cash equivalents at end of year (Note A)	**10,696**	(756)

* This represents amount less than $1,000.

NOTE A: CASH AND CASH EQUIVALENTS

	2014	2013
	$'000	$'000
Cash on hand and at bank (Note 7)	**5,688**	478
Fixed deposits (Note 7)	**15,525**	5,514
Bank overdraft (Note 13)	**—**	(1,234)
	21,213	4,758
Fixed deposits with maturity date more than 3 months from the end of the reporting period (Note 7)	**(7,000)**	—
Fixed deposits pledged (Note 7)	**(3,517)**	(5,514)
	10,696	(756)

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

1 GENERAL

The Company (Registration Number 201329079E) was incorporated in Singapore on October 28, 2013 with its principal place of business and registered office at 6 Tuas West Street, Singapore 637442. The Company was listed on the Catalist Board of Singapore Exchange Securities Trading Limited on July 10, 2014. The combined 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 described below.

Pursuant to the group restructuring to rationalise the structure of the Company and its subsidiaries (hereinafter collectively referred to as the "Group") in preparation for the proposed listing of the Company, the Company underwent a restructuring exercise ("Restructuring Exercise") involving the following:

Restructuring Exercise

On May 23, 2014, the Company entered into a sale and purchase agreement to acquire 100.0% of the shares of Starburst Engineering Pte Ltd for a consideration of $25,887,739, based on the net tangible assets of Starburst Engineering Pte Ltd as at December 31, 2013, paid in full with the allotment and issue of 199,999,998 new shares of the Company, and became the sole shareholder of Starburst Engineering Pte Ltd with effect from May 27, 2014.

On May 23, 2014, the Company entered into a sale and purchase agreement with Starburst Engineering Pte Ltd to acquire 100.0% of the shares of Starburst Engineering (M) Sdn. Bhd. for a consideration of $40, based on the original cost of investment of Starburst Engineering Pte Ltd in Starburst Engineering (M) Sdn. Bhd., and became the sole shareholder of Starburst Engineering (M) Sdn. Bhd. with effect from June 2, 2014.

1 GENERAL *(CONTINUED)*

Restructuring Exercise *(Continued)*

Upon the completion of the Restructuring Exercise and up to the date of this report, the Company has the following subsidiaries:

Name of subsidiaries	Country of incorporation and operations	Effective proportion of ownership interests and voting power held %	Principal activities
Starburst Engineering Pte Ltd	Singapore	100	Manufacture of ordinary accessories, training, protection and containment system; and building construction including major upgrading works
Starburst Engineering (M) Sdn. Bhd.	Malaysia	100	Dormant

Basis of preparation of the combined financial statements

The Group resulting from the Restructuring Exercise as disclosed above is regarded as a continuing entity throughout the year ended December 31, 2013 as the Group is ultimately controlled by the common shareholders both before and after the Restructuring Exercise. Accordingly, although the Company is only incorporated on October 28, 2013, the combined financial statements of the Group for the years ended December 31, 2014 and 2013 have been prepared using the principles of merger accounting on the basis that the Restructuring Exercise transfers the equity interests in the combining entities under the common control to the Company has been effected as at those dates as if the current group structure had been in existence at these dates. The statements of financial position of the Group as at December 31, 2014 and 2013 had been prepared to present the assets and liabilities of the Group as at those dates as if the current group structure had been in existence at these dates.

The combined 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, 2014 were authorised for issue by the Board of Directors on March 2, 2015.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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 ("FRS").

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 combined financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payments*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets*.

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.

ADOPTION OF NEW AND REVISED STANDARDS - On January 1, 2014, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years except as disclosed below:

FRS 112 Disclosure of Interests in Other Entities

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries and associates.

Other than the additional disclosures, the application of FRS 112 has not had any material impact on the amounts recognised in the combined financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

FRS 112 Disclosure of Interests in Other Entities (Continued)

At the date of authorisation of these financial statements, the following new and revised FRSs that are relevant to the Group were issued but not effective:

- *Amendments to FRS 19 (2011) Defined Benefit Plans: Employee Contributions*
- *Improvements to Financial Reporting Standards (January 2014)*
- *Improvements to Financial Reporting Standards (February 2014)*
- *Amendments to FRS 16 and FRS 38 Clarification of Acceptable Methods of Depreciation and Amortisation*
- *FRS 109 Financial Instruments*
- *FRS 115 Revenue from Contracts with Customers*
- *Improvements to FRSs (November 2014)*

Consequential amendments were also made to various standards as a result of these new/revised standards.

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. FRS 115 will supersede the current revenue recognition guidance including FRS 18 *Revenue*, FRS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of FRS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contracts with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under FRS 115, an entity recognises revenue when a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. In addition, extensive disclosures are required by FRS 115.

FRS 115 will take effect from financial year beginning on or after 1 January 2017, with retrospective application required.

The Group is currently assessing the effects of FRS 115 in the period of initial adoption.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

FRS 115 Revenue from Contracts with Customers (Continued)

Other than FRS 115, management has considered and is of the view that the adoption of the amendments and improvements to FRSs that are issued as at date of authorisation of these combined financial statements but effective only in future periods will not have a material impact on the financial statements in the period of their initial adoption.

BASIS OF COMBINATION - The combined financial statements incorporate the financial statements of the Company and its subsidiaries and had been prepared using the principles of merger accounting and on the assumption that the re-organisation of entities controlled by the same shareholders has been effected as at the beginning of the earliest periods presented in these combined financial statements.

All significant intercompany transactions and balances between Group enterprises are eliminated on combination.

The acquisition of subsidiaries, other than those involving entities under common control, is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under FRS 103 *Business Combinations* are recognised at their fair values at the acquisition date. Acquisition-related costs are recognised in profit or loss as incurred.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on 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 instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments.

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, and are initially measured at fair value, plus transaction costs.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial assets *(Continued)*

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

Financial liabilities and equity instruments *(Continued)*

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 are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Interest-bearing trust receipts, bank loans and overdrafts are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire.

CONTRACT WORK-IN-PROGRESS - Where the outcome of a contract work-in-progress can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a contract work cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

LEASES - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

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 first in, first out method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PROPERTY, PLANT AND EQUIPMENT - Leasehold 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. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the end of the reporting period.

Any revaluation increase arising on the revaluation of such leasehold building is recognised in other comprehensive income and accumulated in asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. A decrease in carrying amount arising on the revaluation of such leasehold building is charged to profit or loss to the extent that it exceeds the balance, if any, held in the asset revaluation reserve relating to a previous revaluation of that asset.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

PROPERTY, PLANT AND EQUIPMENT *(Continued)*

Property, plant and equipment (except for revalued leasehold building as disclosed above) 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
Leasehold building	—	over the remaining lease period of 36 years

Depreciation on revalued leasehold building is charged to profit or loss. On subsequent sale or retirement of a revalued leasehold building, the attributable revaluation surplus remaining in the asset revaluation reserve is transferred directly to retained earnings.

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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

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 ASSETS - At the end of each reporting period, the Group reviews the carrying amounts of its tangible 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

IMPAIRMENT OF TANGIBLE ASSETS *(Continued)*

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.

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.

REVENUE RECOGNITION - Revenue is measured at the fair value of the consideration received or receivable.

Contract revenue

Contract revenue is recognised by reference to the stage of completion of the contract which is stated in Note 2 to the combined financial statements.

Maintenance service revenue

Revenue from maintenance services is recognised upon the completion of the services rendered.

Interest income

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the effective interest rate applicable.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

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.

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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(CONTINUED)*

INCOME TAX *(Continued)*

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.

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 combined financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Company, and the presentation currency for the combined 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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

(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.

(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.

Allowances for inventories

Allowance for inventories of the Group is based on management's judgement on the realisable value of the inventories. The carrying amount of the Group's inventories is disclosed in Note 10 to the combined financial statements.

Allowances for trade receivables

Allowance for doubtful debts of the Group and the Company is based on management's evaluation of collectability and age analysis of accounts, taking into consideration credit standing and the past collection history of each customer. The carrying amounts of the Group's and the Company's trade and other receivables are disclosed in Note 8 to the combined financial statements.

Carrying amount of contract work-in-progress

The recognition of profits or losses and the carrying amount of work-in-progress on a percentage completion basis involves management's estimates which include but are not limited to the projected total costs to completion, including post completion warranty cost and the likely amounts at which additional claims from subcontractors or additional claims to customer would eventually be settled. The carrying amounts of contract work-in-progress stated in Note 9 to the combined financial statements have been determined by management after considering the latest available information relating to individual contracts.

Leasehold building carried at revalued amounts

Management estimates the carrying amount of leasehold building on a regular basis based on valuation performed by independent professional valuer where appropriate.

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

(ii) Key sources of estimation uncertainties *(Continued)*

Leasehold building carried at revalued amounts *(Continued)*

In deriving the fair value, the independent professional valuer used market evidence of recent transactions for broadly similar properties and estimated the fair value after taking into consideration differences including the different remaining lease terms for these comparable properties.

The carrying amount, information about the valuation techniques and inputs used in determining the fair value of the leasehold building are disclosed in Note 12 to the combined financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

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

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Financial assets				
Loans and receivables (including cash and bank balances)	**34,118**	15,402	**18,054**	10
Financial liabilities				
Amortised cost	**7,863**	11,348	**125**	10

(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.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

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

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

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, Malaysian ringgit, United Arab Emirates Dirhams, Qatari Riyal, and Kuwait Dinar 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	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
United States dollar	**2,535**	54	**(2,584)**	(12)
Malaysian ringgit	**—**	—	**—**	(194)
United Arab Emirates Dirham	**101**	261	**—**	—
Qatari Riyal	**6,969**	6,594	**—**	—
Kuwait Dinar	**455**	—	**—**	—

The Company is not exposed to any significant foreign exchange risk.

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% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and 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 RISKS 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 or loss will increase (decrease) by approximately:

	Group	
	2014	2013
	$'000	$'000
United States dollar	**(2)**	2
Malaysian ringgit	**—**	(10)
United Arab Emirates Dirham	**5**	13
Qatari Riyal	**348**	330
Kuwait Dinar	**23**	—

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 overdrafts, bank loans and trust receipts are disclosed in Note 13 to the combined 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, bank loans and trust receipts 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 is used when reporting interest rate risk internally to key management personnel and 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 for the year would have been lower/higher by approximately $16,000 (2013 : $70,000) respectively as a result of higher/lower interest expense on floating rate bank borrowings.

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4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS 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. The Group's credit risk is primarily attributable to its cash and cash equivalents, trade and other receivables.

Cash and cash equivalents are placed with reputable financial institutions.

The carrying amount of financial assets recorded in the combined financial statements, which are net of any allowances for losses, represents the Group's maximum exposure to credit risk.

Further details of credit risks on trade and other receivables are disclosed in Note 8 to the combined financial statements.

At the end of the reporting period, the Group has a certain concentration of credit risk as about 88% (2013 : 77%) of the total trade and other receivables were due from the Group's 2 (2013 : 3) 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 also utilises overdrafts and loans from financial institutions for working capital purposes.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS 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 statement of financial position.

	Weighted average effective interest rate	On demand or within 1 year	Within 2 to 5 years	After 5 years	Adjustment	Total
	%	$'000	$'000	$'000	$'000	$'000
Group						
2014						
Non-interest bearing	**—**	**5,886**	**—**	**—**	**—**	**5,886**
Variable interest rate instruments	**2.99**	**159**	**635**	**1,104**	**(342)**	**1,556**
Fixed interest rate instruments	**3.72**	**97**	**380**	**—**	**(56)**	**421**
		6,142	**1,015**	**1,104**	**(398)**	**7,863**
2013						
Non-interest bearing	—	3,837	—	—	—	3,837
Variable interest rate instruments	3.74	3,320	2,959	1,130	(410)	6,999
Fixed interest rate instruments	3.57	102	388	89	(67)	512
		7,259	3,347	1,219	(477)	11,348
Company						
2014						
Non-interest bearing	**—**	**125**	**—**	**—**	**—**	**125**
2013						
Non-interest bearing	—	10	—	—	—	10

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

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

(iv) Liquidity risk management *(Continued)*

Non-derivative financial assets

All financial assets of the Group are on demand or due within one year except for retention trade receivables of $2,212,000 (2013 : $347,000) and the pledged fixed deposits of $3,517,000 (2013 : $5,514,000) which are due within 2 to 5 years.

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

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

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

(d) Capital risk 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 debts, which includes the borrowings disclosed in Notes 13 and 15, issued capital and retained earnings. The Group is required to maintain specified gearing ratio in order to comply with covenants in loan agreements with banks.

The Group is in compliance with externally imposed capital requirements. The Group's overall strategy remains unchanged from 2013.

5 RELATED COMPANY TRANSACTIONS

Related companies in these combined 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 combined 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 combined financial statements. Balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Certain directors of the Company have provided joint and several personal guarantees for the bank loan of the Group (Note 13).

Compensation of directors and key management personnel

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

	Group	
	2014	2013
	$'000	$'000
Short-term benefits	**3,095**	1,405
Post-employment benefits	**62**	36
	3,157	1,441

Subsequent to the listing of Starburst Holdings Limited, 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 CASH EQUIVALENTS

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Fixed deposits	**15,525**	5,514	**12,008**	—
Cash on hand and at bank	**5,688**	478	**2,280**	10
	21,213	5,992	**14,288**	10
Less: Fixed deposits with maturity date that is more than 3 months from the end of the reporting period	**(7,000)**	—	**(7,000)**	—
Less: Fixed deposits pledged (non-current)^	**(3,517)**	(5,514)	**—**	—
	10,696	478	**7,288**	10
Less: Bank overdrafts	**—**	(1,234)	**—**	—
Cash and cash equivalents in the combined statement of cash flows	**10,696**	(756)	**7,288**	10

Fixed deposits bear interest at an average effective interest rate of 0.51% (2013 : 0.28%) per annum and for a weighted average tenure of approximately 240 days (2013 : 325 days).

^ The fixed deposits are pledged to a bank to secure banking facilities for the Group (Note 13).

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Unbilled revenue	**299**	913	**—**	—
Retention sum receivable	**2,212**	1,280	**—**	—
Trade receivables from outside parties	**10,225**	7,189	**—**	—
Allowance for doubtful debts	**(6)**	(16)	**—**	—
Amount owing by subsidiaries	**—**	—	**3,744**	—
	12,730	9,366	**3,744**	—
Prepayment^	**1,604**	2,223	**7**	—
Other receivables	**138**	7	**22**	—
Deposits	**37**	37	**—**	—
	14,509	11,633	**3,773**	—
Less: Prepayment (non-current)	**(1,111)**	(1,155)	**—**	—
Trade and other receivables (current)	**13,398**	10,478	**3,773**	—

^ An amount of $1,156,000 (2013 : $1,203,000) relates to life insurance policy premium for certain directors which are pledged to secure bank facilities (Note 13).

Included in trade receivables from outside parties are amount of $6,412,000 (2013 : $6,594,000) which are backed by letters of credit from banks.

The credit period on trade receivables ranges from 30 to 150 days (2013 : 30 to 150 days). No interest is charged on the overdue trade receivables. Allowance for doubtful debts are recognised against trade receivables based on irrecoverable amounts, determined by reference to past default experience.

As at December 31, 2014, the Group has retention monies held by customers for contract work totalling $2,212,000 (2013 : $347,000) that is due for settlement after more than 12 months. These amounts have been classified as current because they are expected to be realised in the normal operating cycle.

8 TRADE AND OTHER RECEIVABLES *(CONTINUED)*

The table below is an analysis of trade receivables as at December 31:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Not past due and not impaired	**12,342**	9,183	**3,744**	—
Past due but not impaired [i]	**388**	183	**—**	—
	12,730	9,366	**3,744**	—
Impaired receivables - individually assessed [ii]				
– Past due more than 12 months and no response to repayment demands	**6**	16	**—**	—
Less: Allowance for impairment	**(6)**	(16)	**—**	—
	—	—	**—**	—
Total trade receivables, net	**12,730**	9,366	**3,744**	—

(i) Aging of receivables that are past due but not impaired

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
< 3 months	**388**	146	**—**	—
3 months to 6 months	**—**	28	**—**	—
> 6 months	**—**	9	**—**	—
Total	**388**	183	**—**	—

(ii) These amounts are stated before any deduction for impairment losses.

In determining the recoverability of a receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period.

Included in the Group's trade and other receivables balance are debtors with a carrying amount of $388,000 (2013 : $183,000) which are past due at the end of the reporting period for which the Group has not made any allowance as there has not been a significant change in credit quality and these amounts, including those not past due and not impaired, are considered recoverable.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

8 TRADE AND OTHER RECEIVABLES *(CONTINUED)*

Movements in allowances for doubtful trade receivables were as follows:

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Balance at beginning of year	**16**	1,398	**—**	—
Writeback of allowance through recovery	**(10)**	(1,145)	**—**	—
Amount written off	**—**	(237)	**—**	—
Balance at end of year	**6**	16	**—**	—

9 CONTRACT WORK-IN-PROGRESS

Contracts in progress at end of the reporting period:

	Group	
	2014	2013
	$'000	$'000
Amounts due from contract customers	**15,982**	10,595
Amounts due to contract customers	**—**	(282)
	15,982	10,313

	Group	
	2014	2013
	$'000	$'000
Contract costs incurred plus recognised profits	**84,378**	17,254
Less: Progress billings	**(68,396)**	(6,941)
	15,982	10,313

10 INVENTORIES

	Group	
	2014	2013
	$'000	$'000
Materials	**2,445**	3,139

The cost of inventories recognised as an expense is disclosed in Note 25 to the combined financial statements includes a writeback of allowance amounting to $6,000 (2013 : charge to allowance (net) of $72,000) to reverse inventories previously provided for but utilised in production during the year.

Management has assessed that no additional provision for inventories is required during the year.

Movements in allowance for inventories:

	Group	
	2014	2013
	$'000	$'000
Balance at beginning of year	**242**	170
Reversal to profit or loss	**(6)**	(6)
Increase in allowance recognised in profit or loss	**—**	78
Balance at end of year	**236**	242

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

11 INVESTMENT IN SUBSIDIARIES

	Company	
	2014	2013
	$'000	$'000
Unquoted equity shares, at cost	25,888	—

Name of subsidiaries	Country of incorporation/ operation	Proportion of ownership interest and voting power held		Principal activity
		2014	2013	
		%	%	
Starburst Engineering Pte Ltd (1)	Singapore	100	—	Manufacturing of ordinary accessories, training, protection and containment system; and building construction including major upgrading works
Starburst Engineering (M) Sdn. Bhd. (2)	Malaysia	100	—	Dormant

(1) Audited by Deloitte & Touche LLP Singapore.

(2) Audited by Teh & Associates (JB) Chartered Accountants.

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

12 PROPERTY, PLANT AND EQUIPMENT

	Office equipment $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fittings $'000	Computers $'000	Leasehold building $'000	Total $'000
Group							
Cost or valuation:							
At January 1, 2013	11	504	1,031	5	99	1,924	3,574
Revaluation increase	—	—	—	—	—	5,976	5,976
Additions	13	316	—	12	131	—	472
Write-off	—	—	—	—	(5)	—	(5)
At December 31, 2013	24	820	1,031	17	225	7,900	10,017
Additions	**5**	**374**	**392**	**3**	**25**	**—**	**799**
Disposals	**—**	**—**	**(83)**	**—**	**—**	**—**	**(83)**
Write-off	**(1)**	**—**	**(17)**	**—**	**(10)**	**—**	**(28)**
At December 31, 2014	**28**	**1,194**	**1,323**	**20**	**240**	**7,900**	**10,705**
Comprising:							
At December 31, 2013							
At cost	24	820	1,031	17	225	—	2,117
At valuation	—	—	—	—	—	7,900	7,900
	24	820	1,031	17	225	7,900	10,017
At December 31, 2014							
At cost	**28**	**1,194**	**1,323**	**20**	**240**	**—**	**2,805**
At valuation	**—**	**—**	**—**	**—**	**—**	**7,900**	**7,900**
	28	**1,194**	**1,323**	**20**	**240**	**7,900**	**10,705**

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

12 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

	Office equipment $'000	Plant and machinery $'000	Motor vehicles $'000	Furniture and fittings $'000	Computers $'000	Leasehold building $'000	Total $'000
Group							
Accumulated depreciation:							
At January 1, 2013	4	416	277	2	63	296	1,058
Depreciation	3	54	164	4	40	157	422
Write-off	—	—	—	—	(5)	—	(5)
Reversal on revaluation of property	—	—	—	—	—	(311)	(311)
At December 31, 2013	7	470	441	6	98	142	1,164
Depreciation	**5**	**116**	**194**	**6**	**59**	**213**	**593**
Disposal	**—**	**—**	**(83)**	**—**	**—**	**—**	**(83)**
Write-off	**(1)**	**—**	**(13)**	**—**	**(10)**	**—**	**(24)**
At December 31, 2014	**11**	**586**	**539**	**12**	**147**	**355**	**1,650**
Carrying amount:							
At December 31, 2014	**17**	**608**	**784**	**8**	**93**	**7,545**	**9,055**
At December 31, 2013	17	350	590	11	127	7,758	8,853

Group

Carrying amount of assets that would have been included in the combined financial statements had the assets been carried at cost less depreciation:

At December 31, 2014	**17**	**608**	**784**	**8**	**93**	**1,542**	**3,052**
At December 31, 2013	17	350	590	11	127	1,585	2,680

Leasehold building is located at 6 Tuas West Street, Singapore 637442 with an unexpired leasehold tenure of approximately 36 years (2013 : 37 years). The fair value of the leasehold building is $7,900,000 (2013 : $7,900,000) based on a valuation provided by an independent valuer who has an appropriate professional qualification. The valuation was based on the open market value, by reference to market evidence of recent transactions for broadly similar properties after taking into consideration differences including the different remaining lease terms for these comparable properties.

Management has not adjusted the leasehold building to its fair value as the difference between the fair value and the carrying amount as at December 31, 2014 is not significant.

12 PROPERTY, PLANT AND EQUIPMENT *(CONTINUED)*

Management considers that certain unobservable inputs used in the fair value measurement of the Group's leasehold building are sensitive to the fair value measurement. A change in these inputs will have a corresponding increase/decrease in the fair valuation as follows:

1) An increase in the transacted price of broadly similar properties will lead to an increase in the fair value of the leasehold building.

2) A decrease in the lease term of the land will lead to a decrease in the fair value of the leasehold building.

Details of valuation techniques and significant unobservable inputs used in the fair value measurement as at December 31, 2014 and 2013:

Description	**Fair value**	**Valuation technique(s)**	**Significant unobservable input(s)**	**Range**
	$'000			$
Leasehold building	7,900	Direct comparison method	price per square meter	1,387 to 2,049

Management has assessed and classified the Group's leasehold building as Level 3 of the fair value hierarchy.

The Group has motor vehicles with carrying amounts of $407,000 (2013 : $550,000) under finance leases (Note 15).

The leasehold building is mortgaged to a bank to secure a bank loan (Note 13).

13 TRUST RECEIPTS, BANK OVERDRAFTS AND LOANS

	Group	
	2014	2013
	$'000	$'000
Secured - at amortised cost		
Bank overdrafts	**—**	1,234
Bank loans	**1,556**	4,480
Trust receipts	**—**	1,290
	1,556	7,004
Less: Amount due for settlement within 12 months (shown under current liabilities)	**(107)**	(3,208)
Amount due for settlement after 12 months	**1,449**	3,796

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

13 TRUST RECEIPTS, BANK OVERDRAFTS AND LOANS *(CONTINUED)*

The Group has three principal bank loans:

a) A loan of $1,556,000 (2013 : $1,660,000) that bears floating interest ranging from 1.65% to 3.41% (2013 : 1.26% to 1.65%) per annum. It is repayable in 216 monthly instalments from June 2008.

b) A loan $5,000 in 2013 that bore interest at fixed rate of 5.00% per annum. The loan was repaid during the year.

c) A loan of $2,815,000 in 2013 that bore interest ranging from 3.37% to 3.39% per annum. The loan was repaid during the year.

The average effective interest rates were as follows:

	Group	
	2014	2013
	%	%
Trust receipts	**—**	5.50
Bank overdrafts	**—**	5.90
Bank loans	**2.99**	2.67

The bank loans are secured on the Group's:

(1) First legal mortgage of the leasehold building (Note 12);

(2) Fixed and floating charge on all assets and undertakings, both present and future, including goodwill and uncalled capital;

(3) Fixed deposits of not less than $1,200,000 (Note 7);

(4) Joint and several personal guarantees from certain directors of the Company; and

(5) 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).

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

14 TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Retention payables	**52**	—	**—**	—
Trade payables due to outside parties	**2,041**	1,629	**12**	—
Other payables due to a subsidiary (Note 6)	**—**	—	**—**	10
	2,093	1,629	**12**	10
Other payables	**75**	188	**27**	—
Accrued expenses	**3,718**	2,020	**86**	—
	5,886	3,837	**125**	10

The credit period on trade payables ranges from 30 to 60 days (2013 : 30 to 60 days).

Trade payables principally comprise amounts outstanding for trade purchases and ongoing project costs.

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15 FINANCE LEASES

	Group			
	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Amounts payable under finance leases:				
Within one year	**97**	97	**86**	86
In the second to fifth years inclusive	**379**	388	**335**	343
After fifth year	**—**	89	**—**	78
	476	574	**421**	507
Less: Future finance charges	**(55)**	(67)	**—**	—
Present value of lease obligations	**421**	507	**421**	507
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(86)**	(86)
Amount due for settlement after 12 months			**335**	421

It is the Group's policy to lease motor vehicles under finance leases. The average lease term is 6 years (2013 : 7 years). For the year ended December 31, 2014, the average effective borrowing rate was 3.72% (2013 : 3.57%). Interest rates are fixed at the contract date. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessors' title to the leased assets.

16 DEFERRED TAX LIABILITIES

The movements for the year in deferred tax liability position were as follows:

	Group	
	2014	2013
	$'000	$'000
Balance at beginning of year	**1,161**	—
Charged (credited) to profit or loss for the year (Note 23)	**15**	92
Adjustment on revaluation of property charged to other comprehensive income	**—**	1,069
Balance at end of year	**1,176**	1,161

The balance comprises mainly the tax effect of revaluation gains on property and excess of depreciation for tax purposes over book depreciation of property, plant and equipment.

17 SHARE CAPITAL

	Group			
	2014	2013	**2014**	2013
	Number of shares ('000)	Number of shares ('000)	**$'000**	$'000
Issued and fully paid:				
At beginning of year[1]	**450**	450	**450**	450
Issue of share at incorporation of the Company	**—**	—^	**—**	—*
Adjustment pursuant to the Restructuring Exercise (Note 1)	**(450)**	—	**(450)**	—
Issue of shares as payment of purchase consideration (Note 1)	**200,000**	—	**25,888**	—
Issue of shares pursuant to IPO[2]	**50,000**	—	**15,500**	—
Share issue expense[3]	**—**	—	**(818)**	—
At end of year	**250,000**	450	**40,570**	450

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December 31, 2014

17 SHARE CAPITAL *(CONTINUED)*

	Company			
	2014 Number of shares ('000)	2013 Number of shares ('000)	**2014 $'000**	2013 $'000
Issued and fully paid:				
At beginning of year/Issue of share at incorporation of the Company	**—^**	—^	**—***	—*
Issue of shares as payment of purchase consideration (Note 1)	**200,000**	—	**25,888**	—
Issue of shares pursuant to IPO[(2)]	**50,000**	—	**15,500**	—
Share issue expense[(3)]	**—**	—	**(818)**	—
At end of year	**250,000**	—^	**40,570**	—*

^ This represents number of shares less than 1,000.

* This represents amount less than $1,000.

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

(1) The Company was incorporated on October 28, 2013. Accordingly, the share capital as at December 31, 2013 represents the Group's share of the paid up capital of the subsidiaries.

(2) During the financial year, a total of 50,000,000 shares were issued to the public at $0.31 per share.

(3) Out of the share issue expense of $817,944, $20,600 arose from non-audit fees to the auditors of the Company.

18 RESERVES

Asset revaluation reserve

The property revaluation reserve arises on the revaluation of building. Where revalued building is sold, the portion of the property revaluation reserve that relates to that asset, and is effectively realised, is transferred directly to retained earnings.

The revaluation reserve is not available for distribution to the Company's shareholders.

Movement in asset revaluation reserve:

	Group	
	2014	2013
	$'000	$'000
Balance at beginning of year	**5,218**	—
Revaluation changes during the year recognised in other comprehensive income	**—**	6,287
Related income tax	**—**	(1,069)
Balance at end of year	**5,218**	5,218

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.

19 REVENUE

	Group	
	2014	2013
	$'000	$'000
Contract revenue	**36,842**	18,099
Maintenance services and others	**2,514**	2,946
	39,356	21,045

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

20 OTHER OPERATING INCOME

	Group	
	2014	2013
	$'000	$'000
Net foreign exchange gain	**391**	—
Interest income	**42**	14
Gain on disposal of property, plant and equipment	**93**	—
Writeback of allowance of doubtful trade receivables	**10**	1,145
Others	**40**	52
	576	1,211

21 PROJECT AND PRODUCTION COSTS

	Group	
	2014	2013
	$'000	$'000
Materials costs	**4,225**	3,284
Fabrication costs	**2,870**	2,093
Sub-contracting costs	**7,657**	1,022
Other costs	**2,416**	2,013
	17,168	8,412

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

22 OTHER OPERATING EXPENSES

	Group	
	2014	2013
	$'000	$'000
Professional fees	**1,422**	221
Rental expense	**317**	275
Sales and marketing expenses	**518**	313
Others	**551**	366
	2,808	1,175

23 FINANCE COSTS

	Group	
	2014	2013
	$'000	$'000
Interest on bank overdrafts and loans	**194**	60
Letter of credit and trust receipts interests	**55**	10
Interest on finance leases	**11**	12
	260	82

24 INCOME TAX EXPENSE

	Group	
	2014	2013
	$'000	$'000
Current tax	**2,519**	1,408
Adjustments recognised in the current year in relation to the current tax of prior years	**69**	(122)
Deferred tax	**15**	92
	2,603	1,378

The income tax is calculated at 17% (2013 : 17%) of the estimated assessable profit for the year. The total charge for the year can be reconciled to the accounting profit as follows:

	Group	
	2014	2013
	$'000	$'000
Profit before income tax	**15,762**	10,107
Income tax charge at statutory rate of 17%	**2,680**	1,718
Effect of non-deductible expenses (non-taxable income)	**299**	65
Exempt income	**(26)**	(26)
Tax concession	**(424)**	(279)
Under (Over) provision in prior years	**69**	(122)
Others	**5**	22
Total income tax expense for the year	**2,603**	1,378

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

25 PROFIT FOR THE YEAR

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

	Group	
	2014	2013
	$'000	$'000
Costs of inventories recognised as expense	**4,224**	3,283
Directors' remuneration	**1,558**	870
Employee benefits expense (inclusive of directors' remuneration)	**3,341**	2,058
Cost of defined contribution plans included in employee benefit expense	**149**	134
Audit fees:		
– paid to auditors of the Company	**85**	36
– paid to other auditors	**—***	—*
Non-audit fees paid to auditors of the Company	**79#**	—
(Writeback of)/Allowance for inventories	**(6)**	72
Bad debts written off	**—**	1
Writeback of allowance of doubtful trade receivables	**(10)**	(1,145)
Depreciation expense	**593**	422
Amortisation of prepaid insurance	**45**	15

* This represents amount less than $1,000.

\# This represents amount paid for the listing of the Company on Catalist Board during the year.

26 DIVIDEND

In the financial year 2013, Starburst Engineering Pte Ltd declared and paid a final one-tier tax exempt dividend of $3.60 per ordinary share amounting to $1,620,000 in respect of the financial year ended December 31, 2012.

During the financial year, Starburst Engineering Pte Ltd declared and paid a final one-tier tax exempt dividend of $5.00 per ordinary share amounting to $2,250,000 in respect of the financial year ended December 31, 2013.

Subsequent to the financial year, the Company proposed a final one-tier tax exempt dividend of $0.012 per ordinary share amounting to $3,000,000 in respect of the financial year ended December 31, 2014. 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 FRS 10 – *Events After The Reporting Period*.

27 EARNINGS PER ORDINARY SHARE

The calculation of the earnings per ordinary share attributable to ordinary equity holders of the Company is based on the following data:

	2014 $'000	2013 $'000
Earnings for the purpose of basic earnings per share (profit for the year attributable to owners of the company)	**13,159**	8,729

	2014 '000	2013 '000
Number of shares	**223,836**	200,000

The number of ordinary shares used for the calculation of earnings per share for the year ended December 31, 2014 is based on the pre-invitation shares of 200,000,000 and weighted average of 50,000,000 new shares issued during the year as part of the listing of the Company.

For comparative purposes, the number of ordinary shares used for the calculation of earnings per share for the year ended December 31, 2013 is based on the pre-invitation shares of 200,000,000 (See also Note 1).

There were no dilutive equity instruments for both 2014 and 2013.

28 OPERATING LEASE ARRANGEMENTS

	Group	
	2014 $'000	2013 $'000
Minimum lease payments under operating lease included in the profit or loss	**316**	275

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

28 OPERATING LEASE ARRANGEMENTS *(CONTINUED)*

At the end of the reporting period, the outstanding commitments in respect of operating leases for the rental of office premises and residential premises were as follows:

	Group	
	2014	2013
	$'000	$'000
Within 1 year	**223**	202
In the second to fifth years inclusive	**318**	277
After five years	**2,139**	2,092
	2,680	2,571

Leases are negotiated for a term ranging from 1 to 36 years and rentals are fixed for a period ranging from 1 to 2 years.

29 SEGMENT 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-firearm 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.

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 design, construct and install ballistic protection and security systems for various facilities, including high-security detention facilities.

29 SEGMENT INFORMATION *(CONTINUED)*

(a) Analysis by Segments

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administration costs and directors' salaries and finance costs, and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

	Revenue		Net profit	
	2014	2013	**2014**	2013
	$'000	$'000	**$'000**	$'000
Firearm shooting range	**30,122**	14,639	**17,070**	9,038
Tactical training mock-ups	**6,720**	3,460	**3,147**	1,947
Maintenance services and others	**2,514**	2,946	**1,971**	1,648
Total	**39,356**	21,045	**22,188**	12,633
Other operating income			**576**	1,211
Other operating expenses			**(6,742)**	(3,655)
Profit from operations			**16,022**	10,189
Finance costs			**(260)**	(82)
Profit before income tax			**15,762**	10,107
Income tax expenses			**(2,603)**	(1,378)
Total			**13,159**	8,729

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2013 : Nil).

NOTES TO FINANCIAL STATEMENTS

December 31, 2014

29 SEGMENT 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	
	2014	2013
	$'000	$'000
Southeast Asia	**24,069**	14,386
Middle East	**15,287**	6,659
	39,356	21,045

	Non-current assets	
	2014	2013
	$'000	$'000
Southeast Asia	**13,608**	15,495
Middle East	**75**	27
	13,683	15,522

Information about major customers

Included in revenues arising from the firearm shooting range segment of $30,122,000 (2013 : $14,639,000) were revenues of $29,580,000 (2013 : $14,639,000) which arose from services rendered to the Group's two largest customers (2013 : Group's two largest customers).

30 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the financial year, the Group has entered into a conditional sale and purchase agreement to acquire a property at 6 Tuas View Circuit Singapore 637599 for a purchase consideration of approximately $22.4 million.

Statistics Of Shareholdings

As at 16 March 2015

Issued and fully paid-up capital	:	S$40,569,797
Number of issued shares	:	250,000,000
Class of shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

As at 16 March 2015

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	—	—	—	—
100 – 1,000	28	2.85	25,500	0.01
1,001 – 10,000	522	53.16	3,205,100	1.28
10,001 – 1,000,000	422	42.97	31,335,900	12.54
1,000,001 and above	10	1.02	215,433,500	86.17
TOTAL	982	100.00	250,000,000	100.00

Based on information available to the Company as at 16 March 2015, 19.99% 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.

STATISTICS OF SHAREHOLDINGS

As at 16 March 2015

TWENTY LARGEST SHAREHOLDERS

As at 16 March 2015

	NAME OF SHAREHOLDERS	NO. OF SHARES	%
1	EDWARD LIM CHIN WAH	100,000,000	40.00
2	YAP TIN FOO	100,000,000	40.00
3	HSBC (SINGAPORE) NOMINEES PTE LTD	2,934,500	1.17
4	RAFFLES NOMINEES (PTE) LIMITED	2,698,100	1.08
5	OCBC SECURITIES PRIVATE LIMITED	2,482,000	0.99
6	DBS NOMINEES (PRIVATE) LIMITED	1,921,000	0.77
7	UOB KAY HIAN PRIVATE LIMITED	1,877,900	0.75
8	TANG CHONG SIM	1,300,000	0.52
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,120,000	0.45
10	LIM FOONG LIAT MICHAEL	1,100,000	0.44
11	SNG SIEW LIN	1,000,000	0.40
12	PHILLIP SECURITIES PTE LTD	976,200	0.39
13	MAYBANK KIM ENG SECURITIES PTE. LTD.	906,000	0.36
14	CHUA CHOON KIAT (CAI JUNJIE)	820,000	0.33
15	CITIBANK NOMINEES SINGAPORE PTE LTD	761,100	0.30
16	CHOW MUN YIN	650,000	0.26
17	TEOU KEM ENG @TEOU KIM ENG	650,000	0.26
18	TAN PANG KOK	615,900	0.25
19	WANG JIANJUN	600,000	0.24
20	CIMB SECURITIES (SINGAPORE) PTE. LTD.	570,900	0.23
TOTAL		222,983,600	89.19

SUBSTANTIAL SHAREHOLDERS

As at 16 March 2015

NAME OF SHAREHOLDERS	DIRECT INTEREST	%
EDWARD LIM CHIN WAH	100,000,000	40%
YAP TIN FOO	100,000,000	40%

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **STARBURST HOLDINGS LIMITED** will be held at Raffles City Convention Centre, Bras Basah Room, Level 4, 80 Bras Basah Road, Singapore 189560 on Thursday, 23 April 2015 at 10 a.m. for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Financial Statements of the Company for the financial year ended 31 December 2014 together with the Independent Auditors' Report thereon.

   (Resolution 1)

2. To declare a final tax exempt (one-tier) dividend of S$0.012 per ordinary share for the financial year ended 31 December 2014.

   (Resolution 2)

3. To re-elect the following Directors retiring pursuant to Articles 93 and 99 of the Articles of Association of the Company, and who have, being eligible, offered themselves for re-election as Directors:

Mr. Edward Lim Chin Wah	(Retiring under Article 93)	**(Resolution 3)**
Mr. Gan Lai Chiang	(Retiring under Article 99)	**(Resolution 4)**
Mr. Gopal Perumal	(Retiring under Article 99)	**(Resolution 5)**
Mr. Tan Teng Wee	(Retiring under Article 99)	**(Resolution 6)**

   The detailed information of the above mentioned directors as recommended under Guideline 4.7 of the Code of Corporate Governance 2012 can be found under the section entitled 'Board of Directors' and the "Corporate Governance Report" in the Annual Report.

   [See Explanatory Note (i)]

4. To approve the payment of Directors' fees of S$95,054 for the financial year ended 31 December 2014.

   (Resolution 7)

5. To approve the payment of Directors' fees of S$160,000 for the financial year ending 31 December 2015, payable quarterly in arrears.

   [See Explanatory Note (ii)] **(Resolution 8)**

NOTICE OF ANNUAL GENERAL MEETING

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

(Resolution 9)

7. 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:

8. Authority to allot and issue shares

That pursuant to Section 161 of the Singapore Companies Act, Cap. 50 and Rule 806 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) 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 the existing shareholders of the Company (including shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

(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 total number of issued shares (excluding treasury shares) is based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of this Resolution is passed, after adjusting for:

(a) new shares arising from the conversion or exercise of any 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 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 Articles of Association 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 10)**

9. Authority to allot and issue shares under the Starburst Employee Share Option Scheme (the "Share Option Scheme")

That pursuant to Section 161 of the Singapore 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 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) 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 11)**

NOTICE OF ANNUAL GENERAL MEETING

10. Authority to allot and issue shares under the Starburst Performance Share Plan

That pursuant to Section 161 of the Singapore 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 aggregate 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 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) in the capital of the Company on the day preceding the relevant date of the award.

[See Explanatory Note (v)] **(Resolution 12)**

By Order of the Board

Wu Guangyi
Yoo Loo Ping
Joint Company Secretaries

Singapore
8 April 2015

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(i) Mr. Edward Lim Chin Wah, upon re-election as a Director of the Company, will remain as an executive Director and Chairman of the Board.

Mr. Gan Lai Chiang, 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. Gan Lai Chiang) considers him independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST. Mr. Gan will also remain as the Lead Independent Director of the Company.

Mr. Gopal Perumal, upon re-election as a Director of the Company, will remain as the Chairman of the Remuneration Committee, and a member of the Nominating and Audit Committees, and the Board of Directors (save for Mr. Gopal Perumal) considers him independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

Mr. Tan Teng Wee, upon re-election as a Director of the Company, will remain as the Chairman of the Nominating Committee, and a member of the Remuneration and Audit Committees, and the Board of Directors (save for Mr. Tan Teng Wee) considers him independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

(ii) Ordinary Resolution 8 should be read in conjunction with the proposed remuneration for non-executive directors for the financial year ended 31 December 2014 as presented on page 29 of the Corporate Governance Report in the Annual Report. Ordinary Resolution 8, if passed, will facilitate the payment of Directors' fees during the financial year ending 31 December 2015 in which the fees are incurred which is payable quarterly in arrears.

(iii) The Ordinary Resolution 10 in item 8 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) 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) will be calculated based on the total number of issued shares (excluding treasury shares) 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.

NOTICE OF ANNUAL GENERAL MEETING

(iv) The Ordinary Resolution 11 in item 9 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 28 May 2014. This authority is in addition to the general authority to issue shares sought under Ordinary Resolution No. 10.

(v) The Ordinary Resolution 12 in item 10 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. 10.

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 5 May 2015 for the purpose of determining Members' entitlements to the proposed final 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 5 May 2015 will be registered to determine shareholders' entitlements to the proposed final dividend. Members whose securities accounts with The Central Depository (Pte) Limited are credited with the Company's shares at 5.00 p.m. on 5 May 2015 will be entitled to the proposed final dividend.

The proposed final dividend, if approved by members at the Annual General Meeting to be held on 23 April 2015, will be paid on 18 May 2015.

NOTICE OF ANNUAL GENERAL MEETING

NOTES:

1. A Member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) proxies to attend and vote instead of the member. A proxy need not be a Member of the Company.

2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless the member specifies the proportion of his/her shareholding to be represented by each proxy in the instrument appointing the proxies.

3. If the Member is a corporation, the instrument appointing the proxy must be given under its common seal or signed on its behalf by an attorney or a duly authorized officer of the corporation.

4. The instrument appointing a proxy, duly executed, must be deposited at the Registered Office of the Company at 6 Tuas West Street Singapore 637442 not less than forty-eight (48) hours before the time appointed for holding the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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STARBURST
MODERN FIREARMS-TRAINING FACILITIES

STARBURST HOLDINGS LIMITED
(Company Registration No: 201329079E)
(Incorporated in the Republic of Singapore)

IMPORTANT
1. For investors who have used their CPF monies to buy STARBURST HOLDINGS LIMITED's shares, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

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:

Name	Address	NRIC/ Passport No.	Proportion of shareholdings	
			No. of Shares	%

*and/or (delete as appropriate)

as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Annual General Meeting of the Company (the "Meeting"), to be held at Raffles City Convention Centre, Bras Basah Room, Level 4, 80 Bras Basah Road, Singapore 189560 on Thursday, 23 April 2015 at 10 a.m. and at any adjournment thereof. *I/we direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specified direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/their discretion, as *he/they will on any other matter arising at the Meeting.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1	To adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2014 together with the Independent Auditors' Report thereon.		
2	To approve a final tax exempt (one-tier) dividend of S$0.012 per ordinary share for the financial year ended 31 December 2014.		
3	To re-election of Mr. Edward Lim Chin Wah as a Director.		
4	To re-election of Mr. Gan Lai Chiang as a Director.		
5	To re-election of Mr. Gopal Perumal as a Director.		
6	To re-election of Mr. Tan Teng Wee as a Director.		
7	To approve of Directors' fees of S$95,054 for the financial year ended 31 December 2014.		
8	To approve of Directors' fees of S$160,000 for the financial year ending 31 December 2015.		
9	To re-appoint Deloitte & Touche LLP as Independent Auditors of the Company.		
10	To authorise Directors to allot and issue new shares.		
11	To authorise Directors to allot and issue shares pursuant to the Starburst Employee Share Option Scheme.		
12	To authorise Directors to allot and issue shares pursuant to the Starburst Performance Share Plan.		

Dated this ________________day of ________________2015

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 130A of the Companies Act, Chapter 50 of Singapore), 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 the 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. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the member must specify the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each such proxy.

4. The instrument appointing a proxy or proxies 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 common seal or under the hand of an officer of the corporation or attorney duly authorised.

5. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with instrument of proxy, failing which the instrument may be treated as invalid.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 6 Tuas West Street Singapore 637442 not less than 48 hours before the time appointed for the Annual General Meeting.

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 Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies 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 names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member(s) accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 8 April 2015.

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STARBURST

MODERN FIREARMS-TRAINING FACILITIES

Address: 6 Tuas West Street Singapore 637442

Website: http://www.starburst.net.sg/