**Securities Investors Association (Singapore)**
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UEN No: S99SS0111B
GST Reg No: M90367530Y

**Issuer:** Starburst Holdings Limited

**Stock code:** 40D

**Meeting details:**
Date: 29 April 2021
Time: 10.00 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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**Q1**. On 15 November 2020, the company made an announcement with the title "General Announcement: Announcement pursuant to Rule 703(1) of the Catalist Rules" in which it stated that certain directors and executives of the group, namely Mr. Edward Lim Chin Wah, Mr. Yap Tin Foo and Mr. Wu Guangyi and Mr. Ng Eng Long Josiah Lawrence, were interviewed by the Corrupt Practices Investigation Bureau on 12 November 2020 in connection with Starburst Engineering Pte Ltd ("SEPL").

It was later announced that, each of Mr. Edward Lim Chin Wah (executive chairman) and Mr. Yap Tin Foo (managing director) were being investigated for offences under Section 6(b) of the Prevention of Corruption Act (Chapter 241) of Singapore ("PCA") whilst Mr. Ng Eng Long Josiah Lawrence (senior project manager) was being investigated for abetting the commission of an offence under the PCA.

The board (with Mr. Lim and Mr. Yap recusing themselves) are of the view that Mr. Lim, Mr. Yap and Mr. Ng should continue with their respective responsibilities and duties in the operation of the group's businesses to ensure business continuity and the board will reassess its position where appropriate in due course.

(i) **Can the board help shareholders understand if the investigations have affected the group in its day-to-day running or when bidding for projects?**

(ii) **What is the depth of the management and technical bench strength of the group?**

(iii) **What is the board's assessment of the group's key-men risks? What are the measures taken by the board to improve on the group's business continuity?**

(iv) Since December 2020, the group has announced contract wins in the Middle East and in Southeast Asia. **Can management confirm the value of the new contract in the Middle East? Does the group have sufficient human resources, management expertise and focus to successfully execute on these three contract wins that were secured in quick succession?**

**Q2.** In addition, in December 2020, the audit committee appointed Messrs. BDO Advisory Pte Ltd ("BDO") to conduct an internal review on the group's relevant internal controls for anti-corruption and anti-bribery. The internal review was completed in March 2021 with the findings reported to the AC.

Findings from the internal review were not of a high-risk nature and all recommended practices by BDO have been accepted and in the midst of implementation.

(i) **What were the key findings from the internal review?**

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The group reiterated that all employees of the group have been informed on the relevant policies relating to anti-corruption and anti-bribery and the group's zero tolerance towards any unethical behavior.

(ii) **How does the board/senior management set the tone at the top with regard to the group's zero tolerance policy?**

(iii) **In addition, what were the key recommendations by BDO?**

(iv) **What is the board's level of oversight in the implementation of the recommended practices?**

**Q3.** As noted in the message from the chairman, the group welcomed ICH Capital Pte. Ltd. and Eternal Glade Investment Pte. Ltd. as strategic investors in FY2020.

In the company's announcement dated 13 August 2020, it was disclosed that the founders of the group sold a total of 6.4 million shares (representing approximately 2.6% of the total issued share capital) to the strategic investors. The investors acquired 3.2 million vendor shares each from the executive chairman and the managing director at a consideration of S$0.39 per share. The consideration amounted to $2.496 million.

The company stated that the sale will mark the first step in diversifying and institutionalising its shareholder base.

(i) **Can the company help shareholders understand its working capital needs and does the group have the resources to fund its growth?**

(ii) **At this stage of the company's growth, has the board identified institutionalising its shareholder base as a priority for the company?**

(iii) **If so, does the board/company think that it should take the pro-active approach of identifying strategic investors for any possible (and direct) strategic investment in the company, instead of the directors selling their vendor shares?** Although the company welcomed the two strategic investors, the company would receive no proceeds from the strategic investors. All the proceeds of $2.496 million was paid to the executive directors, and not the company, since it was a sale of vendor shares.

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^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

**Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.**

**Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website**

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)