



STARBURST HOLDINGS LIMITED

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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

For the Financial Year Ended 31 December 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, DBS Bank Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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Starburst Holdings Limited (the "**Company**") was incorporated in the Republic of Singapore on 28 October 2013 under the Companies Act as a limited exempt private company. The Company and its subsidiaries (the "**Group**") was formed pursuant to a restructuring exercise (the "**Restructuring Exercise**") undertaken to rationalise the corporate and shareholding structures of the Group prior to the Company's listing on Catalist of the SGX-ST on 10 July 2014.

For the purpose of this announcement, the results of the Group have been prepared on the assumption that the group structure following the completion of the Restructuring Exercise had been in existence since 1 January 2011 or from the date the entities are under common control, if later.

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 12 months ended		
	31 Dec 2015	31 Dec 2014	Change
	S\$'000	S\$'000	%
Revenue	15,944	39,356	(59.5)
Other operating income	338	576	(41.3)
Project and production costs	(12,072)	(17,168)	(29.7)
Employee benefits expenses	(3,271)	(3,341)	(2.1)
Depreciation expenses	(1,155)	(593)	94.8
Other operating expenses	(2,400)	(2,808)	(14.5)
Finance costs	(195)	(260)	(25.0)
(Loss)/Profit before income tax	(2,811)	15,762	(117.8)
Income tax credit/(expense)	1,151	(2,603)	(144.2)
(Loss)/Profit for the year	(1,660)	13,159	(112.6)
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Exchange difference on translation of foreign operation	1	*	n.m.
Total comprehensive (loss)/income for the year	(1,659)	13,159	(112.6)
(Loss)/Profit attributable to owners of the Company	(1,660)	13,159	(112.6)
Total comprehensive (loss)/income attributable to owners of the Company	(1,659)	13,159	(112.6)

n.m. denotes not meaningful.

*This represents amounts less than S\$1,000

1(a)(ii) Notes to the Statement of Comprehensive Income

(Loss)/Profit before income tax has been arrived at after charging (crediting) the following:

	Group 12 months ended		
	31 Dec 2015	31 Dec 2014	Change
	S\$'000	S\$'000	%
Depreciation of property, plant and equipment	1,155	593	94.8
Amortisation of prepaid insurance	44	45	(2.2)
Interest expenses	195	260	(25.0)
Written off of property, plant and equipment	-	4	n.m.
Writeback of allowance for doubtful receivables	-	(10)	n.m.
Writeback of allowance for inventories	(8)	(6)	33.3
Gain on disposal of property, plant and equipment	(9)	(93)	(90.3)
Foreign exchange gains - net	(218)	(391)	(44.2)
Interest income	(31)	(42)	(26.2)

n.m. denotes not meaningful.

(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at		As at	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash on hand and at bank	8,376	5,688	470	2,280
Fixed deposits	-	12,008	-	12,008
Trade and other receivables	5,998	13,398	12,655	3,773
Contract work-in-progress	7,409	15,982	-	-
Inventories	4,245	2,445	-	-
Total current assets	26,028	49,521	13,125	18,061
Non-current assets				
Fixed deposits pledged	4,236	3,517	-	-
Prepayment	1,067	1,111	-	-
Property, plant and equipment	32,851	9,055	-	-
Investment in subsidiaries	-	-	30,438	25,888
Deferred tax assets	67	-	-	-
Total non-current assets	38,221	13,683	30,438	25,888
Total assets	64,249	63,204	43,563	43,949
LIABILITIES AND EQUITY				
Current liabilities				
Current portion of bank loans	644	107	-	-
Trade and other payables	2,450	5,886	123	125
Current portion of finance leases	86	86	-	-
Income tax payable	7	2,693	7	-
Total current liabilities	3,187	8,772	130	125
Non-current liabilities				
Bank loans	13,999	1,449	-	-
Finance leases	250	335	-	-
Deferred tax liabilities	-	1,176	-	-
Total non-current liabilities	14,249	2,960	-	-
Capital and reserves				
Share capital	40,570	40,570	40,570	40,570
Merger reserve	(25,438)	(25,438)	-	-
Asset revaluation reserve	5,218	5,218	-	-
Currency translation reserve	1	*	-	-
Retained earnings	26,462	31,122	2,863	3,254
Total equity	46,813	51,472	43,433	43,824
Total liabilities and equity	64,249	63,204	43,563	43,949

* This represents amount less than S\$1,000.

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

	Group			
	31 Dec 2015		31 Dec 2014	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	730	-	193	-
Amount repayable after one year	14,249	-	1,784	-

Details of any collateral:

The facilities of the Group are secured by the following:

- 1) First legal mortgage of the leasehold properties;
- 2) Fixed deposits of not less than S\$1.2 million;
- 3) A first legal assignment of all the rights, title, interest and benefits under and arising out of the life insurance policy taken out on the life of the executive directors for a minimum sum insured of US\$1 million each; and
- 4) A corporate guarantee from the Company.

Finance leases of S\$336,000 (31 Dec 2014: S\$421,000) are secured by the lessor's title on the leased assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	12 months ended	
	31 Dec 2015	31 Dec 2014
	S\$'000	S\$'000
Operating activities		
(Loss)/Profit before income tax	(2,811)	15,762
Adjustments for:		
- Writeback of allowance for doubtful receivables	-	(10)
- Writeback of allowance for inventories	(8)	(6)
- Gain on disposal of property, plant and equipment	(9)	(93)
- Written off of property, plant and equipment	-	4
- Depreciation expense	1,155	593
- Interest expense	195	260
- Interest income	(31)	(42)
- Amortisation of prepaid insurance	44	45
Operating cash flows before movements in working capital	(1,465)	16,513
Trade and other receivables	7,385	(2,881)
Contract work-in-progress	8,573	(5,669)
Inventories	(1,792)	700
Trade and other payables	(3,436)	2,049
Net cash generated from operations	9,265	10,712
Income tax paid	(2,778)	(1,435)
Interest paid	(195)	(260)
Interest received	46	12
Net cash from operating activities	6,338	9,029
Investing activities		
Decrease/(Increase) in fixed deposits	6,281	(5,003)
Proceeds from disposal of property, plant and equipment	9	93
Purchase of property, plant and equipment	(24,951)	(799)
Net cash used in investing activities	(18,661)	(5,709)
Financing activities		
Proceeds from issuance of ordinary shares, net of transactions costs	-	14,682
Proceeds from bank loans	15,000	-
Repayment of finance lease	(85)	(86)
Trust receipts	-	(1,290)
Repayment of bank loans	(1,913)	(2,924)
Dividend paid	(3,000)	(2,250)
Net cash from financing activities	10,002	8,132
Net (decrease)/increase in cash and cash equivalents	(2,321)	11,452
Cash and cash equivalents at beginning of financial year	10,696	(756)
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	1	*
Cash and cash equivalents at end of financial year (Note A)	8,376	10,696

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (con'd).

Note A : Cash and cash equivalents

	31 Dec 2015 S\$'000	31 Dec 2014 S\$'000
Cash on hand and at bank	8,376	5,688
Fixed deposits	<u>4,236</u>	<u>15,525</u>
	12,612	21,213
Fixed deposits with maturity date is more than 3 months from the end of the reporting period	-	(7,000)
Fixed deposits pledged	(4,236)	(3,517)
Cash and cash equivalents	<u><u>8,376</u></u>	<u><u>10,696</u></u>

* This represents amount less than S\$1,000.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group</u>	<u>Share capital</u>	<u>Asset revaluation reserve</u>	<u>Currency translation reserve</u>	<u>Merger reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
	S\$'000	S\$'000	\$'000	\$'000	S\$'000	S\$'000
Balance at 1 January 2015	40,570	5,218	*	(25,438)	31,122	51,472
Transactions with owners, recognised directly in equity						
Dividend	-	-	-	-	(3,000)	(3,000)
	40,570	5,218	*	(25,438)	28,122	48,472
Total comprehensive income for the year						
Loss for the year	-	-	-	-	(1,660)	(1,660)
Other comprehensive income	-	-	1	-	-	1
Balance at 31 December 2015	40,570	5,218	1	(25,438)	26,462	46,813
Balance at 1 January 2014	450	5,218	*	-	20,213	25,881
Transactions with owners, recognised directly in equity						
Restructuring Exercise	(450)	-	-	(25,438)	-	(25,888)
Issue of shares pursuant to the Restructuring Exercise	25,888	-	-	-	-	25,888
Dividend	-	-	-	-	(2,250)	(2,250)
Issue of shares pursuant to the IPO	15,500	-	-	-	-	15,500
Share issue expenses	(818)	-	-	-	-	(818)
	40,570	5,218	*	(25,438)	17,963	38,313
Total comprehensive income for the year :	-	-	*	-	13,159	13,159
Balance at 31 December 2014	40,570	5,218	*	(25,438)	31,122	51,472

* This represents amount less than S\$1,000.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (con'd).

<u>Company</u>	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total equity</u>
	S\$	S\$	S\$
Balance at 1 January 2015	40,569,797	3,253,938	43,823,735
Transactions with owners, recognised directly in equity			
Dividend		(3,000,000)	(3,000,000)
	40,569,797	253,938	40,823,735
Total comprehensive income for the year	-	2,609,100	2,609,100
Balance at 31 December 2015	40,569,797	2,863,038	43,432,835
Balance at 1 January 2014	2	(389)	(387)
Transactions with owners, recognised directly in equity			
Issue of shares pursuant to the Restructuring Exercise	25,887,739	-	25,887,739
Issue of shares pursuant to the IPO	15,500,000	-	15,500,000
Share issue expenses	(817,944)	-	(817,944)
	40,569,797	(389)	40,569,408
Total comprehensive income for the year	-	3,254,327	3,254,327
Balance at 31 December 2014	40,569,797	3,253,938	43,823,735

1(d)(ii) Details of any changes in the company’s share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There were no changes in the Company’s share capital since the end of the previous period reported on and there were no outstanding convertibles or treasury shares held by the Company as at 31 December 2015 and 31 December 2014.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Number of ordinary shares	
	As at	
	31 Dec 2015	31 Dec 2014
Total number of issued shares excluding treasury shares	<u>250,000,000</u>	<u>250,000,000</u>

There were no treasury shares held by the Company as at 31 December 2015 and 31 December 2014.

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

Except for the comparative financial statements as at 31 December 2014, the financial statements have not been audited or reviewed by the Company’s auditors.

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

The financial information for the current financial year reported on have been prepared using the same accounting policies and methods of computation adopted in the most recently audited financial statements for the financial year ended 31 December 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted all new and revised Financial Reporting Standards (“**FRS**”) and Interpretations of FRS (“**INT FRS**”) that are relevant to the Group and effective for financial period beginning on 1 January 2015.

The adoption of these new/revised FRS and INT FRS does not result in any substantial change to the Group’s accounting policies and has no material impact on the financial statements of the Group for the current reporting period or the prior year’s reporting period.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:

- (a) Based on the weighted average number of ordinary shares on issue; and
(b) On a fully diluted basis (detailing any adjustments made to the earnings).**

	Group 12 months ended	
	31 Dec 2015	31 Dec 2014
(Loss)/Profit attributable to owners of the Company (S\$’000)	(1,660)	13,159
Number of ordinary shares (‘000) ⁽¹⁾	250,000	250,000
Basic and diluted (loss)/earnings per ordinary share (cents)	(0.66)	5.26

(Loss)/Earnings per ordinary share is calculated based on profit attributable to owners of the Company and issued ordinary shares of 250,000,000 as at 31 December 2015.

Note :

- (1) For illustrative purpose, the issued and paid up share capital of the Company of 250,000,000 ordinary shares is assumed to have been in issue throughout the entire twelve months ended 31 December 2014.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) current period reported on; and
 (b) immediately preceding financial year.

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
Net asset value per ordinary share (cents)	18.73	20.59	17.37	17.53
Number of ordinary shares ('000)	250,000	250,000	250,000	250,000

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group specialises in the design, fabrication, installation and maintenance of anti-ricochet ballistic protection systems for firearm shooting ranges and tactical training mock-ups used by military and law enforcement authorities in Southeast Asia and the Middle East.

Review of the Group's Performance

Revenue

Our revenue decreased by approximately S\$23.4 million or 59.5%, from S\$39.3 million in the year ended 31 December 2014 ("FY2014") to S\$15.9 million in the year ended 31 December 2015 ("FY2015"). The decrease was primarily due to the completion of a firearm shooting range project and a tactical training mock-up project both in Southeast Asia, and a firearm shooting range project in the Middle East. Lesser revenue was recognised from these projects as they were mostly in the installation work phase in FY2015 as compared to the higher value added fabrication work phase in FY2014. Our firearm shooting ranges contracts from the Middle East secured in FY2015 are currently at the beginning of fabrication work phase and the timing difference of the commencement of new projects also contributed to the decline in revenue contribution in FY2015.

Project and production costs

Our project and production costs decreased by approximately S\$5.1 million or 29.7%, from S\$17.2 million in FY2014 to S\$12.1 million in FY2015. The decrease was primarily due to the decrease in material and fabrication costs in FY2015, when projects secured prior to FY2015 were completed in the second quarter of FY2015 and there were relatively less fabrication works as compared to FY2014.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit decreased by approximately S\$18.3 million or 82.4%, from S\$22.2 million in FY2014 to S\$3.9 million in FY2015. Due to the lower scale of operation, our gross profit margin decreased from 56.4% in FY2014 to 24.2% in FY2015. In addition to the lower revenue, our gross profit and gross profit margin in FY2015 was also impacted by a delay as well as changes in the specifications, both of which resulted in higher than expected costs incurred for the project.

Other operating income

Our other operating income decreased by approximately S\$0.3 million or 50.0%, from S\$0.6 million in FY2014 to S\$0.3 million in FY2015. The decrease was primarily due to the decrease in foreign currency exchange gain from firearm shooting range projects in the Middle East and decrease in gain on disposal of property, plant and equipment in FY2015.

Employee benefits expenses

Our employee benefits expenses decreased by approximately S\$0.1 million or 2.9%, from S\$3.4 million in FY2014 to S\$3.3 million in FY2015. The decrease in employee benefit expenses was primarily due to decrease in provision of staff bonuses.

Depreciation expenses

Our depreciation expenses increased by approximately S\$0.6 million or 100.0%, from S\$0.6 million in FY2014 to S\$1.2 million in FY2015, primarily due to the purchase of new machines, motor vehicles, equipments and new leasehold property at 6 Tuas View Circuit.

Other operating expenses

Our other operating expenses decreased by approximately S\$0.4 million or 14.3%, from S\$2.8 million in FY2014 to S\$2.4 million in FY2015, primarily due to the one-off IPO expenses incurred in FY2014 as compared to FY2015.

Finance costs

Our finance costs decreased by approximately S\$65,000 or 25.0%, from S\$260,000 in FY2014 to S\$195,000 in FY2015, primarily due to a decrease in the utilisation of term loan, bank overdrafts, letters of credit and trust receipts in FY2015 as compared to FY2014.

Income tax expenses

Our income tax expense decreased by approximately S\$3.8 million or 146.2%, from S\$2.6 million tax expense in FY2014 to S\$1.2 million tax credit in FY2015. The decrease in income tax expense was in line with the loss incurred for the year and recognition of deferred tax asset arising from unutilised tax losses, capital allowances and tax benefits entitled under the Productivity and Innovation Credit scheme.

Net loss for the year

As a result of the foregoing, we recorded a net loss of approximately S\$1.7 million in FY2015.

Review of the Group's Financial Position

Current assets

Our current assets decreased by approximately S\$23.5 million from S\$49.5 million as at 31 December 2014 to S\$26.0 million as at 31 December 2015. The decrease in current assets was mainly due to the decrease in fixed deposits of approximately S\$12.0 million, contract work-in-progress of approximately S\$8.6 million and trade and other receivables of approximately S\$7.4 million which was partially offset by an increase in inventories of approximately S\$1.8 million, cash on hand and at bank of S\$2.7 million.

Non-current assets

Our non-current assets increased by approximately S\$24.6 million from S\$13.7 million as at 31 December 2014 to S\$38.3 million as at 31 December 2015, primarily due to the increase in property, plant and equipment of approximately S\$23.8 million and fixed deposits pledged with a financial institution of approximately S\$0.7 million and deferred tax assets of approximately S\$0.1 million.

Current liabilities

Our current liabilities decreased by approximately S\$5.6 million from S\$8.8 million as at 31 December 2014 to S\$3.2 million as at 31 December 2015. The decrease in current liabilities was primarily due to the decrease in income tax payable of approximately S\$2.7 million and trade and other payables of approximately S\$3.4 million and which were partially offset by an increase in the current portion of bank loans of approximately S\$0.5 million.

Non-current liabilities

Our non-current liabilities increased by approximately S\$11.3 million from S\$3.0 million as at 31 December 2014 to S\$14.3 million as at 31 December 2015, primarily due to the increase of bank loans of approximately S\$12.6 million to finance the purchase of the new factory and which were partially offset with a decrease in deferred tax liabilities of approximately S\$1.2 million and repayment of finance lease of approximately S\$0.1 million.

Review of the Group's Statement of Cash Flows

Net cash from operating activities

Net cash from operating activities was approximately S\$6.3 million in FY2015, which was a result of working capital inflow of approximately S\$10.7 million, offset by operating cash outflow before movements in working capital of approximately S\$1.5 million, income tax payments of approximately S\$2.8 million and interest paid of approximately S\$0.1 million. The decrease in working capital was primarily due to the decrease in trade and other receivables of approximately S\$7.3 million and decrease in contract work-in-progress of approximately S\$8.6 million, partially offset by an increase in inventories of approximately S\$1.8 million and decrease in trade and other payables of approximately S\$3.4 million.

Net cash used in investing activities

Net cash used in investing activities was approximately S\$18.7 million in FY2015, which was primarily due to the purchase of property, plant and equipment of approximately S\$25.0 million and partially offset by the withdrawal of fixed deposits of approximately S\$6.3 million.

Net cash from financing activities

Net cash from financing activities was approximately S\$10.0 million in FY2015, which was primarily due to drawdown of a new mortgage loan of approximately S\$15.0 million and partially offset by dividend payments of approximately S\$3.0 million, repayment of bank loans of approximately S\$1.9 million and repayment of finance lease of approximately S\$0.1 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable as there was no forecast or any prospect statement previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group is expected to benefit from the global trend of rising terrorism threats. Military and law enforcement authorities are responding to these threats by better equipping their security personnel with effective and more intense training on the use of live firearms. The Group has plans to continue to offer its services to the relevant authorities in Southeast Asia and the Middle East in their efforts to counter such threats and expects to secure more contracts for firearm shooting ranges and tactical training mock-ups to add to its orderbook in FY2016.

The Group is also working closely with the relevant authorities who are increasingly using sophisticated and complex firearm training facilities to prolong the operational efficiency of their shooting ranges through proper and timely maintenance. As firearm training ranges are subject to more vigorous trainings with higher calibre firearms these relevant authorities are mindful of working with reputable maintenance service providers. Such opportunities are enabling the Group to expand its portfolio of maintenance services contracts and grow its recurrent revenue base.

As a major portion of the Group's business is project based, the revenue contribution from the Group's project based business may vary from quarter to quarter, depending on the size and scope of the projects on hand and their completion schedules.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Final dividend
Type of Dividend	Cash
Dividend Amount	1.0 cents per ordinary share
Tax Rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

Name of Dividend	Final dividend
Type of Dividend	Cash
Dividend Amount	1.2 cents per ordinary share
Tax Rate	Tax exempt (one-tier)

(c) Date payable

The date payable for the proposed final dividend will be announced at a later date.

(d) Books closure date

The notice on the closure date of the Transfer Books and the Register of Members of the Company for the proposed final dividend will be announced at a later date.

12. If no dividend has been declared/recommended, a statement to that effect

Not applicable.

13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for interested person transactions.

14. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Business segments

	Group			
	Revenue		Net profit	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Firearm shooting ranges	5,434	30,122	(490)	17,070
Tactical training mock-ups	382	6,720	(189)	3,147
Maintenance services and others	10,128	2,514	4,551	1,971
Total	15,944	39,356	3,872	22,188
Other operating income			338	576
Other operating expenses			(6,826)	(6,742)
(Loss)/Profit from operations			(2,616)	16,022
Finance costs			(195)	(260)
(Loss)/Profit before income tax			(2,811)	15,762
Income tax credit/(expense)			1,151	(2,603)
(Loss)/Profit for the year			(1,660)	13,159

Geographical segments

	Group			
	Revenue		Non-current assets	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Southeast Asia	11,408	24,069	38,169	13,608
Middle East	4,536	15,287	52	75
Total	15,944	39,356	38,221	13,683

15. **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Please refer to paragraph 8 above.

16. **A breakdown of sales as follows:**

	Group		
	2015 S\$'000	2014 S\$'000	% increase / (decrease)
(a) Sales reported for first half year	6,998	21,456	(67.4)
(b) Operating (loss)/profit after taxation before deducting non-controlling interests reported for the first half year	(1,915)	9,046	(121.2)
(c) Sales reported for second half year	8,946	17,900	(50.0)
(d) Operating profit after taxation before deducting non-controlling interests reported for the second half year	255	4,113	(93.8)

17. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous year as follows:**

	2015	2014
	S\$'000	S\$'000
Final dividend **	2,500	3,000

** The proposed final dividend to be approved at the Company's forthcoming annual general meeting by the shareholders.

18. **Use of IPO proceeds**

The Company refers to the gross proceeds of S\$15.5 million raised from the IPO on the Catalist Board of the SGX-ST on 10 July 2014. As at the date of this announcement, the status on the use of IPO proceeds is as follows:

Use of the gross proceeds

	Amount allocated (S\$'000)	Amount utilised (S\$'000)	Balance (S\$'000)
Acquisition of leasehold land and buildings	7,000	(7,000)	-
Acquisition of plant and machinery	800	(800)	-
General working capital purposes	5,687	(2,526)	3,161
IPO expenses	2,013	(2,013)	-
Total	15,500	(12,339)	3,161

The Company will make periodic announcements on the use of the proceeds as and when the funds are materially disbursed.

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that none of the persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Edward Lim Chin Wah
Executive Chairman
26 February 2016