



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 2016

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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- 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 2016	31 Dec 2015	Change
	S\$'000	S\$'000	%
Revenue	18,301	15,944	14.8
Other operating income	440	338	30.2
Project and production costs	(21,225)	(12,064)	75.9
Employee benefits expenses	(3,526)	(3,271)	7.8
Depreciation expenses	(1,696)	(1,155)	46.8
Other operating expenses	(2,680)	(2,408)	11.3
Finance costs	(328)	(195)	68.2
Loss before income tax	(10,714)	(2,811)	281.1
Income tax (expense)/benefit	(1,001)	1,151	187.0
Loss for the year	(11,715)	(1,660)	605.7
Other comprehensive income:			
<u>Items that will not be reclassified subsequently to profit or loss:</u>			
Loss on revaluation of property	(106)	-	n.m.
Deferred tax relating to the revaluation of property	930	-	n.m.
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Exchange difference on translation of foreign operation	1	1	0.0
Total comprehensive loss for the year	(10,890)	(1,659)	556.4
Loss attributable to owners of the Company	(11,715)	(1,660)	605.7
Total comprehensive loss attributable to owners of the Company	(10,890)	(1,659)	556.4

n.m. denotes not meaningful.

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

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

	Group 12 months ended		
	31 Dec 2016	31 Dec 2015	Change
	S\$'000	S\$'000	%
Depreciation expense	1,696	1,155	46.8
Amortisation of prepaid insurance	45	44	2.3
Interest expenses	328	195	68.2
Written off of property, plant and equipment	1	-	n.m.
Impairment loss on property, plant and equipment	162	-	n.m.
Allowance for/(writeback of) inventories	1,031	(6)	n.m.
Gain on disposal of property, plant and equipment	(35)	(9)	288.9
Foreign exchange gains - net	(295)	(218)	35.3
Interest income	(14)	(31)	(54.8)

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 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash on hand and at bank	787	8,376	68	470
Trade and other receivables	10,110	5,998	5,854	12,655
Contract work-in-progress	3,761	7,409	-	-
Inventories	2,226	4,245	-	-
Assets classified as held for sale	6,935	-	-	-
Total current assets	23,819	26,028	5,922	13,125
Non-current assets				
Fixed deposits pledged	2,077	4,236	-	-
Prepayment	1,022	1,067	-	-
Investment in subsidiaries	-	-	36,238	30,438
Property, plant and equipment	24,841	32,851	-	-
Deferred tax assets	-	67	-	-
Total non-current assets	27,940	38,221	36,238	30,438
Total assets	51,759	64,249	42,160	43,563
LIABILITIES AND EQUITY				
Current liabilities				
Bank overdrafts and loans	1,120	644	-	-
Trade and other payables	2,960	2,450	77	123
Current portion of finance leases	86	86	-	-
Contract work-in-progress	201	-	-	-
Income tax payable	5	7	5	7
Total current liabilities	4,372	3,187	82	130
Non-current liabilities				
Bank loans	13,378	13,999	-	-
Finance leases	164	250	-	-
Total non-current liabilities	13,542	14,249	-	-
Capital and reserves				
Share capital	40,570	40,570	40,570	40,570
Asset revaluation reserve	6,042	5,218	-	-
Currency translation reserve	2	1	-	-
Merger reserve	(25,438)	(25,438)	-	-
Warrant reserve	422	-	422	-
Retained earnings	12,247	26,462	1,086	2,863
Total equity	33,845	46,813	42,078	43,433
Total liabilities and equity	51,759	64,249	42,160	43,563

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 2016		31 Dec 2015	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	1,206	-	730	-
Amount repayable after one year	13,542	-	14,249	-

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\$250,000 (31 Dec 2015: S\$336,000) 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 2016	31 Dec 2015
	S\$'000	S\$'000
Operating activities		
Loss before income tax	(10,714)	(2,811)
Adjustments for:		
- Allowance for (writeback of) inventories	1,031	(6)
- Depreciation expense	1,696	1,155
- Interest expense	328	195
- Interest income	(14)	(31)
- Written off of property, plant and equipment	1	-
- Impairment loss on property, plant and equipment	162	-
- Amortisation of prepaid insurance	45	44
- Gain on disposal of property, plant and equipment	(35)	(9)
Operating cash flows before movements in working capital	(7,500)	(1,463)
Trade and other receivables	(4,115)	7,385
Inventories	988	(1,794)
Contract work-in-progress	3,849	8,573
Trade and other payables	603	(3,436)
Net cash (used in)/generated from operations	(6,175)	9,265
Income tax paid	(6)	(2,778)
Interest paid	(328)	(195)
Interest received	17	46
Net cash (used in)/from operating activities	(6,492)	6,338
Investing activities		
Decrease in fixed deposits	2,159	6,281
Purchase of property, plant and equipment	(983)	(24,951)
Proceeds from disposal of property, plant and equipment	35	9
Net cash from/(used in) investing activities	1,211	(18,661)
Financing activities		
Proceeds from rights issue of warrants, net of transactions costs	422	-
Repayment of finance lease	(86)	(85)
Proceeds from bank loans	-	15,000
Repayment of bank loans	(644)	(1,913)
Dividend paid	(2,500)	(3,000)
Net cash (used in)/from financing activities	(2,808)	10,002
Net decrease in cash and cash equivalents	(8,089)	(2,321)
Cash and cash equivalents at beginning of financial year	8,376	10,696
Effect of foreign exchange rate changes on the balance of cash held in foreign currencies	1	1
Cash and cash equivalents at end of financial year (Note A)	288	8,376

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 2016 S\$'000	31 Dec 2015 S\$'000
Cash on hand and at bank	787	8,376
Bank overdrafts	(499)	-
Fixed deposits	<u>2,077</u>	<u>4,236</u>
	2,365	12,612
Fixed deposits pledged	<u>(2,077)</u>	<u>(4,236)</u>
Cash and cash equivalents	<u>288</u>	<u>8,376</u>

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.

Group	Share capital	Asset revaluation reserve	Currency translation reserve	Merger reserve	Warrant reserve	Retained earnings	Total equity
	S\$'000	S\$'000	\$'000	\$'000	\$'000	S\$'000	S\$'000
Balance at 1 January 2016	40,570	5,218	1	(25,438)	-	26,462	46,813
Transactions with owners, recognised directly in equity							
Issue of warrants pursuant to the rights issue	-	-	-	-	625	-	625
Warrant issue expenses	-	-	-	-	(203)	-	(203)
Conversion to shares by warrant holders	*	-	-	-	-	-	*
Dividend	-	-	-	-	-	(2,500)	(2,500)
	40,570	5,218	1	(25,438)	422	23,962	44,735
Total comprehensive income for the year							
Loss for the year	-	-	-	-	-	(11,715)	(11,715)
Other comprehensive income	-	824	1	-	-	-	825
Balance at 31 December 2016	40,570	6,042	2	(25,438)	422	12,247	33,845
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

* 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>Warrant reserve</u>	<u>Retained earnings</u>	<u>Total equity</u>
	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2016	40,570	-	2,863	43,433
Transactions with owners, recognised directly in equity				
Issue of warrants pursuant to the rights issue	-	625	-	625
Warrant issue expenses	-	(203)	-	(203)
Conversion to shares by warrant holders	*	-	-	*
Dividend	-	-	(2,500)	(2,500)
	40,570	422	363	41,355
Total comprehensive income for the year	-	-	723	723
Balance at 31 December 2016	40,570	422	1,086	42,078
Balance at 1 January 2015	40,570	-	3,254	43,824
Transactions with owners, recognised directly in equity				
Dividend	-	-	(3,000)	(3,000)
	40,570	-	254	40,824
Total comprehensive income for the year	-	-	2,609	2,609
Balance at 31 December 2015	40,570	-	2,863	43,433

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

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.

On 15 June 2016, the Company issued 62,500,000 warrants at an issue price of S\$0.01 for each warrant. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.25 for each new share on the basis of one warrant for every four existing ordinary share in the capital of the Company. The exercise price and the number of warrants held by each warrant holder may be adjusted under certain terms and conditions being met. The warrants expire on 14 June 2021.

As at 31 December 2016, 2,000 warrants were converted to 2,000 new ordinary share of the Company, this bringing total of issued share capital to 250,002,000 ordinary shares (as at 31 December 2015: 250,000,000 ordinary shares).

As at 31 December 2016, there were 62,498,000 outstanding warrants for which ordinary shares may be issued.

Save for the above outstanding warrants, there were no outstanding convertibles or treasury shares held by the Company as at 31 December 2016 and 31 December 2015.

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 December 2015 and 1 January 2016	250,000,000
Issue of new shares upon exercising of warrants	2,000
As at 31 December 2016	<u><u>250,002,000</u></u>

There were no treasury shares held by the Company as at 31 December 2016 and 31 December 2015.

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 2015, 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 2015.

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 2016.

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 2016	31 Dec 2015
Loss attributable to owners of the Company (S\$'000)	(11,715)	(1,660)
Weighted average number of ordinary shares ('000)	250,001	250,000
Basic and diluted loss per ordinary share (cents)	(4.69)	(0.66)

Warrants do not carry a dilutive effect as the average market price of ordinary shares during the year below the exercise price of the warrant of S\$0.25 as at 31 December 2016.

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 2016	31 Dec 2015	31 Dec 2016	31 Dec 2015
Net asset value per ordinary share (cents)	13.54	18.73	16.83	17.37
Number of ordinary shares ('000)	250,002	250,000	250,002	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 increased by approximately S\$2.4 million or 14.8%, from S\$15.9 million in the year ended 31 December 2015 ("FY2015") to S\$18.3 million in the year ended 31 December 2016 ("FY2016"). This can be attributed to the different work phases that our projects were in, as revenue is recognised based on the percentage-of completion method. In FY2016, we were involved primarily in the fabrication and installation work phases of Marina One architectural steel project at Marina Way in Singapore, and design, fabrication and installation work phases for three firearm shooting range projects in the Middle East. In comparison, our projects in FY2015 were mostly in their final phase, which is the installation work phase of a firearm shooting range project and a tactical training mock-up project in Southeast Asia, and a firearm shooting range projects in the Middle East.

Project and production costs

Our project and production costs increased by approximately S\$9.1 million or 75.9%, from S\$12.1 million in FY2015 to S\$21.2 million in FY2016. The increase was primarily due to the rise in fabrication and installation costs and foreseeable losses provided for the Marina One architectural steel project due to project delay, and material and fabrication costs for firearm shooting range projects in the Middle East over the same period in FY2016.

Gross profit or loss

As a result of the foregoing, our gross profit decreased from S\$3.9 million in FY2015 to a loss of S\$2.9 million in FY2016. The gross loss was mainly due to the additional project costs incurred and foreseeable losses provided for the Marina One architectural steel project at Marina Way in Singapore.

Other operating income

Our other operating income increased by approximately S\$0.1 million or 30.2%, from S\$0.3 million in FY2015 to S\$0.4 million in FY2016. The increase was primarily due to the increase in foreign currency exchange gain from firearm shooting range projects in the Middle East.

Employee benefits expenses

Our employee benefits expenses increased by approximately S\$0.2 million or 7.8% from S\$3.3 million in FY2015 to S\$3.5 million in FY2016. The increase was primarily due to the increase in staff levy and company yearly salary adjustment.

Depreciation expenses

Our depreciation expenses increased by approximately S\$0.5 million or 46.8%, from S\$1.2 million in FY2015 to S\$1.7 million in FY2016, 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 increased by approximately S\$0.3 million or 11.3%, from S\$2.4 million in FY2015 to S\$2.7 million in FY2016, primarily due to the impairment loss on property and additional land rent and property tax incurred for the leasehold property at 6 Tuas View Circuit.

Finance costs

Our finance costs increased by approximately S\$0.1 million or 68.2%, from S\$0.2 million in FY2015 to S\$0.3 million in FY2016, primarily due to a new term loan drawdown in May 2015 for the leasehold property and increase in the utilisation of bank overdrafts in FY2016 as compared to FY2015.

Income tax expenses

Our income tax expense increased by approximately S\$2.2 million or 187.0%, from S\$1.2 million tax credit in FY2015 to S\$1.0 million tax expenses in FY2016. This was mainly due to the derecognition of a deferred tax asset in FY2016.

Net loss for the year

As a result of the foregoing, we recorded a net loss of approximately S\$11.7 million in FY2016.

Review of the Group's Financial Position

Current assets

Our current assets decreased by approximately S\$2.2 million from S\$26.0 million as at 31 December 2015 to S\$23.8 million as at 31 December 2016. The decrease in current assets was mainly due to the decrease in inventories of approximately S\$2.0 million, cash on hand and at bank of S\$7.6 million and contract work-in-progress of approximately S\$3.6 million which was partially offset by an increase in trade and other receivables of approximately S\$4.1 million and assets classified as held for sale of approximately S\$6.9 million.

Non-current assets

Our non-current assets decreased by approximately S\$10.3 million from S\$38.2 million as at 31 December 2015 to S\$27.9 million as at 31 December 2016, primarily due to the decrease in property, plant and equipment of approximately S\$8.0 million and fixed deposits pledged with a financial institution of approximately S\$2.2 million and deferred tax assets of approximately S\$0.1 million.

Current liabilities

Our current liabilities increased by approximately S\$1.2 million from S\$3.2 million as at 31 December 2015 to S\$4.4 million as at 31 December 2016. The increase in current liabilities was primarily due to the increase in bank overdrafts of approximately S\$0.5 million, trade and other payables of approximately S\$0.5 million and contract work-in-progress of approximately S\$0.2 million.

Non-current liabilities

Our non-current liabilities decreased by approximately S\$0.8 million from S\$14.3 million as at 31 December 2015 to S\$13.5 million as at 31 December 2016, primarily due to the repayment of term loan and finance leases.

Review of the Group's Statement of Cash Flows

Net cash used in operating activities

Net cash used in operating activities was approximately S\$6.5 million in FY2016, which was a result of operating cash outflows before movements in working capital of approximately S\$7.5 million, a decrease in working capital of approximately S\$1.3 million and interest payment of approximately S\$0.3 million. The decrease in working capital was primarily due to the decrease in contract work-in-progress of approximately S\$3.8 million, a decrease in inventories of approximately S\$1.0 million and an increase in trade and other payables of approximately S\$0.6 million, partially offset by an increase in trade and other receivables of approximately S\$4.1 million.

Net cash from investing activities

Net cash from investing activities was approximately S\$1.2 million in FY2016, which was primarily due to the withdrawal of fixed deposits of approximately S\$2.2 million and partially offset by the purchase of property, plant and equipment of approximately S\$1.0 million.

Net cash used in financing activities

Net cash used in financing activities was approximately S\$2.8 million in FY2016, which was primarily due to dividend payments of approximately S\$2.5 million, repayment of bank loans of approximately S\$0.6 million and repayment of finance lease of approximately S\$0.1 million and partially offset by net proceeds from rights issue of warrant of approximately S\$0.4 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 threat from extremism is one of the top concerns of citizens around the world. Law enforcement authorities in many countries have responded by providing better training for their security personnel on the use of live firearms. This trend has resulted in us receiving an encouraging level of enquiries for firearm shooting ranges and tactical training mock-ups from authorities in Southeast Asia and the Middle East. The Group is actively responding to these enquiries and requests for tenders, as well as engaging in post tender discussions with potential customers. Whilst the Group expects competition, it is in a position to seek to secure more contracts in both the Southeast Asian and Middle Eastern markets.

As sophisticated and complex firearm training facilities are subject to more vigorous trainings with higher calibre live firearms, such ranges require proper and timely maintenance by reputable service providers to prolong their operational efficiency. In this regard, the Group is working with the relevant authorities to expand its portfolio of maintenance service contracts and grow its recurrent revenue base.

With a major portion of the Group's business being 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. At the same time, the Group will continue to focus on managing our project and production costs more effectively to ensure sustainable operating performance.

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	0.25 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	1.0 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	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Firearm shooting ranges	8,730	5,434	3,068	(490)
Tactical training mock-ups	-	382	-	(189)
Maintenance services and others	9,571	10,128	(5,992)	4,559
Total	18,301	15,944	(2,924)	3,880
Other operating income			440	338
Other operating expenses			(7,902)	(6,834)
Loss from operations			(10,386)	(2,616)
Finance costs			(328)	(195)
Loss before income tax			(10,714)	(2,811)
Income tax (expense)/benefit			(1,001)	1,151
Loss for the year			(11,715)	(1,660)

Geographical segments

	Group			
	Revenue		Non-current assets	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Southeast Asia	9,911	11,408	27,908	38,169
Middle East	8,390	4,536	32	52
Total	18,301	15,944	27,940	38,221

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		
	2016 S\$'000	2015 S\$'000	% increase / (decrease)
(a) Sales reported for first half year	14,771	6,998	111.1
(b) Operating loss after taxation before deducting non-controlling interests reported for the first half year	(2,111)	(1,915)	10.2
(c) Sales reported for second half year	3,530	8,946	(60.5)
(d) Operating (loss)/profit after taxation before deducting non-controlling interests reported for the second half year	(9,604)	255	(3,866.3)

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

	2016	2015
	S\$'000	S\$'000
Final dividend **	625	2,500

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

18. **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.

19. **Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company confirms that undertakings have been procured from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

BY ORDER OF THE BOARD

Edward Lim Chin Wah
Executive Chairman

1 March 2017