



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 2020

This announcement has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this 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.

	The Group			
	12 months ended			
	31 Dec 2020	31 Dec 2019	Variance	
	S\$'000	S\$'000	S\$'000	%
Revenue	21,772	9,244	12,528	135.5
Other operating income	151	78	73	93.6
Project and production costs	(9,795)	(4,942)	4,853	98.2
Employee benefits expenses	(2,479)	(3,168)	(689)	(21.7)
Depreciation expense	(1,065)	(1,309)	(244)	(18.6)
Other operating expenses	(1,519)	(1,875)	(356)	(19.0)
Finance costs	(331)	(390)	(59)	(15.1)
Profit (Loss) before income tax	6,734	(2,362)	n.m.	n.m.
Income tax benefit (expense)	2,399	(22)	n.m.	n.m.
Profit (Loss) for the year	9,133	(2,384)	n.m.	n.m.
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Exchange differences on translation of foreign operation	*	1	*	n.m.
Total comprehensive income (loss) for the year	9,133	(2,383)	n.m.	n.m.
Profit (Loss) attributable to owners of the Company	9,133	(2,384)	n.m.	n.m.
Total comprehensive income (loss) attributable to owners of the Company	9,133	(2,383)	n.m.	n.m.
Basic earnings (loss) per share (cents)	3.73	(0.98)	n.m.	n.m.
Diluted earnings (loss) per share (cents)	3.48	(0.90)	n.m.	n.m.

n.m. denotes not meaningful.

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

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

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

	The Group			
	12 months ended			
	31 Dec 2020	31 Dec 2019	Variance	
	S\$'000	S\$'000	S\$'000	%
Depreciation expenses	1,065	1,309	(244)	(18.6)
Amortisation of prepaid insurance	45	45	n.m.	n.m.
Interest expenses	331	390	(59)	(15.1)
Amortisation of intangible assets	-	150	n.m.	n.m.
Gain on disposal of property, plant and equipment	-	(3)	n.m.	n.m.
Allowance for doubtful debts	7	-	n.m.	n.m.
Foreign exchange losses - net	81	29	52	179.3
Interest income	(32)	(24)	8	33.3

n.m. denotes not meaningful.

1(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.

	The Group		The Company	
	As at 31 Dec 2020	As at 31 Dec 2019	As at 31 Dec 2020	As at 31 Dec 2019
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
Cash and cash equivalents	9,778	4,987	156	67
Trade and other receivables	7,258	3,080	5,619	2,142
Contract assets	6,419	975	-	-
Inventories	3,446	1,952	-	-
Total current assets	26,901	10,994	5,775	2,209
Non-current assets				
Fixed deposits pledged	2,861	2,829	-	-
Prepayments	842	887	-	-
Investment in subsidiaries	-	-	36,238	36,438
Property, plant and equipment	22,847	23,685	-	-
Deferred tax asset	2,426	-	-	-
Total non-current assets	28,976	27,401	36,238	36,438
Total assets	55,877	38,395	42,013	38,647
LIABILITIES AND EQUITY				
Current liabilities				
Bank loans	5,701	655	-	-
Trade and other payables	3,202	1,192	124	75
Current portion of lease liabilities	44	44	-	-
Contract liabilities	1,002	-	-	-
Income tax payable	28	22	28	22
Total current liabilities	9,977	1,913	152	97
Non-current liabilities				
Bank loans	11,060	11,446	-	-
Lease liabilities	2,705	2,807	-	-
Total non-current liabilities	13,765	14,253	-	-
Capital and reserves				
Share capital	42,936	41,055	42,936	41,055
Treasury shares	(4,244)	(3,745)	(4,244)	(3,745)
Warrant reserve	422	422	422	422
Currency translation reserve	1	2	-	-
Merger reserve	(25,438)	(25,438)	-	-
Retained earnings	18,458	9,933	2,747	818
Total equity	32,135	22,229	41,861	38,550
Total liabilities and equity	55,877	38,395	42,013	38,647

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.

	The Group			
	31 Dec 2020		31 Dec 2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	5,701	-	655	-
Amount repayable after one year	11,060	-	11,446	-

Details of any collateral:

The facilities of the Group are secured by the following:

- 1) First legal mortgage of the leasehold property at 6 Tuas View Circuit Singapore 637599;
- 2) Fixed deposits of not less than S\$2.1 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\$1.0 million each; and
- 4) A corporate guarantee from the Company.

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.

	The Group 12 months ended	
	31 Dec 2020	31 Dec 2019
	S\$'000	S\$'000
Operating activities		
Profit (Loss) before income tax	6,734	(2,362)
Adjustments for:		
- Depreciation expense	1,065	1,309
- Amortisation of intangible assets	-	150
- Interest expense	331	390
- Interest income	(32)	(24)
- Amortisation of prepaid insurance	45	45
- Allowance for doubtful debts	7	-
- Gain on disposal of property, plant and equipment	-	(3)
Operating cash flows before movements in working capital	8,150	(495)
Trade and other receivables	(4,185)	(492)
Inventories	(1,494)	158
Contract assets	(5,444)	(167)
Trade and other payables	2,010	7
Contract liabilities	1,002	-
Cash generated from (used in) operations	39	(989)
Income tax paid	(21)	(19)
Interest paid	(331)	(390)
Interest received	32	14
Net cash used in operating activities	(281)	(1,384)
Investing activities		
Increase in fixed deposits	(32)	(14)
Purchase of property, plant and equipment	(285)	(11)
Proceeds from disposal of property, plant and equipment	-	3
Net cash used in investing activities	(317)	(22)
Financing activities		
Repayment of lease liabilities	(44)	(126)
Purchase of treasury shares	(499)	(232)
Proceeds from exercise of warrants	1,881	27
Proceeds from bank loan	5,000	-
Repayment of bank loans	(340)	(637)
Dividend paid	(608)	(606)
Net cash from (used in) financing activities	5,390	(1,574)
Net increase (decrease) in cash and cash equivalents	4,792	(2,980)
Cash and cash equivalents at beginning of financial year	4,987	7,966
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	9,778	4,987

* 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.

The Group	Share capital	Treasury shares	Warrant reserve	Currency translation reserve	Merger reserve	Retained earnings	Total
	S\$'000	S\$'000	\$'000	\$'000	\$'000	S\$'000	S\$'000
Balance at 1 January 2020							
Transactions with owners, recognised directly in equity	41,055	(3,745)	422	2	(25,438)	9,933	22,229
Repurchase of shares	-	(499)	-	-	-	-	(499)
Exercise of warrants	1,881	-	-	-	-	-	1,881
Dividends	-	-	-	-	-	(608)	(608)
	42,936	(4,244)	422	2	(25,438)	9,325	23,003
Total comprehensive income for the year :							
Profit for the year	-	-	-	-	-	9,133	9,133
Other comprehensive income	-	-	-	(1)	-	-	(1)
Balance at 31 December 2020	42,936	(4,244)	422	1	(25,438)	18,458	32,135
Balance at 1 January 2019	41,028	(3,513)	422	1	(25,438)	12,923	25,423
Transactions with owners, recognised directly in equity							
Repurchase of shares	-	(232)	-	-	-	-	(232)
Exercise of warrants	27	-	-	-	-	-	27
Dividends	-	-	-	-	-	(606)	(606)
	41,055	(3,745)	422	1	(25,438)	12,317	24,612
Total comprehensive loss for the year :							
Loss for the year	-	-	-	-	-	(2,384)	(2,384)
Other comprehensive income	-	-	-	1	-	-	1
Balance at 31 December 2019	41,055	(3,745)	422	2	(25,438)	9,933	22,229

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).

The Company	Share capital	Treasury shares	Warrant reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2020					
Transactions with owners, recognised directly in equity	41,055	(3,745)	422	818	38,550
Repurchase of shares	-	(499)	-	-	(499)
Exercise of warrants	1,881	-	-	-	1,881
Dividend	-	-	-	(608)	(608)
	42,936	(4,244)	422	210	39,324
Total comprehensive income for the year	-	-	-	2,537	2,537
Balance at 31 December 2020	42,936	(4,244)	422	2,747	41,861
Balance at 1 January 2019	41,028	(3,513)	422	775	38,712
Transactions with owners, recognised directly in equity					
Repurchase of shares	-	(232)	-	-	(232)
Exercise of warrants	27	-	-	-	27
Dividend	-	-	-	(606)	(606)
	41,055	(3,745)	422	169	37,901
Total comprehensive income for the year	-	-	-	649	649
Balance at 31 December 2019	41,055	(3,745)	422	818	38,550

* 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, subdivision, consolidation, 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 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 and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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. 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.

Details of changes in the Company's share capital during the financial period:

	31 Dec 2020	31 Dec 2019
Balance as at 1 July	243,430,125	242,300,925
Issue of new shares upon exercising of warrants	5,715,600	99,200
Purchase of treasury shares	(871,200)	(381,600)
Balance at end of the financial year (excluding treasury shares)	248,274,525	242,018,525

Treasury shares:

	31 Dec 2020	31 Dec 2019
Total number of treasury shares	11,189,500	9,922,400
Total number of ordinary shares	259,464,025	251,940,925
Percentage of treasury shares over the total number of ordinary shares	4.31%	3.94%

As at 31 December 2020, there were 53,035,975 (as at 31 December 2019: 60,559,075) outstanding warrants for which ordinary shares may be issued.

Save for the above outstanding warrants, there were no outstanding convertibles and subsidiary holdings as at 31 December 2020 and 31 December 2019.

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 issued shares	
	As at 31 Dec 2020	As at 31 Dec 2019
Issued and fully paid ordinary shares		
Balance at beginning of the financial year	251,940,925	251,831,725
Issue of new shares upon exercising of warrants	7,523,100	109,200
Balance at end of the financial year	259,464,025	251,940,925
Treasury shares		
Balance at beginning of the financial year	(9,922,400)	(9,310,500)
Purchase of treasury shares	(1,267,100)	(611,900)
Balance at end of the financial year	(11,189,500)	(9,922,400)
Issued ordinary shares excluding treasury shares	248,274,525	242,018,525

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. There were no sales, transfers, cancellation and/or use of treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company has no subsidiary holdings.

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 2019, 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.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:- (a) Updates on the efforts taken to resolve each outstanding audit issue. (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed. This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable as the Company's latest audited financial statements of FY2019 has an unqualified audit opinion.

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 2019.

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 Singapore Financial Standards (International) (“**SFRS(I)**”) issued by the Accounting Standards Council that are relevant to the Group and effective for financial period beginning on 1 January 2020.

The adoption of the new SFRS(I)s, amendments and interpretations of SFRS(I)s 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).**

	The Group 12 Months Ended	
	31 Dec 2020	31 Dec 2019
Profit (Loss) attributable to owners of the Company (S\$’000)	9,133	(2,384)
Weighted average number of ordinary shares excluding treasury shares for computing basic EPS (‘000)	245,083	242,295
Weighted average number of ordinary shares excluding treasury shares for computing diluted EPS (‘000)	262,266	263,448
Basic earnings (loss) per ordinary share (cents)	3.73	(0.98)
Diluted earnings (loss) per ordinary share (cents)	3.48	(0.90)

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.

	The Group		The Company	
	31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
Net asset value ('000)	32,135	22,229	41,861	38,550
Number of ordinary shares excluding treasury shares ('000)	248,275	242,019	248,275	242,019
Net asset value per ordinary share (cents)	12.94	9.18	16.86	15.93

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.

Headquartered in Singapore, 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\$12.6 million or 135.5%, from S\$9.2 million in the year ended 31 December 2019 ("FY2019") to S\$21.8 million in the year ended 31 December 2020 ("FY2020"). The increase in revenue was mainly derived from two tactical training mock-up projects and a firearm shooting range project in Southeast Asia, and a firearm shooting range project in the Middle East.

Project and production costs

Our project and production costs increased by approximately S\$4.9 million or 98.2%, from S\$4.9 million in FY2019 to S\$9.8 million in FY2020. The increase in project and production costs was in line with the increase in revenue.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by approximately S\$7.7 million or 178.4%, from S\$4.3 million in FY2019 to S\$12.0 million in FY2020. Our gross profit margin increased from 46.5% in FY2019 to 55.0% in FY2020.

Other operating income

Our other operating income increased by approximately S\$73,000 or 93.6%, from S\$78,000 in FY2019 to S\$151,000 in FY2020. The increase in other operating income was mainly due to grants received for special employment credit from MOM and wage credit scheme from IRAS, and cash grant for non-residential property as announced in Fortitude Budget 2020.

Employee benefits expenses

Our employee benefits expenses decreased by approximately S\$0.7 million or 21.7% from S\$3.2 million in FY2019 to S\$2.5 million in FY2020. The decrease in employee benefits expenses was mainly due to the Jobs Support Scheme and rebates received from government amounting to approximately S\$0.7 million as announced under the Stabilisation and Support Package at Budget 2020.

Depreciation expenses

Our depreciation expense decreased by approximately S\$0.2 million or 18.6%, from S\$1.3 million in FY2019 to S\$1.1 million in FY2020. The decrease in depreciation expense was mainly due to the increase of fully depreciated assets compared to FY2019.

Other operating expenses

Our other operating expenses decreased by approximately S\$0.4 million or 19.0%, from S\$1.9 million in FY2019 to S\$1.5 million in FY2020. The decrease in other operating expenses was primarily due to the decrease in foreign workers' dormitory rental of approximately S\$0.1 million, sales and marketing expenses of approximately S\$0.1 million and the absence of amortisation of intangible assets in the current financial year as the intangible assets were fully amortised in FY2019.

Finance costs

Our finance costs decreased by approximately S\$59,000 or 15.1%, from S\$390,000 in FY2019 to S\$331,000 in FY2020. The decrease in finance costs was mainly due to the absence of hire purchase interest payment, which was fully repaid in 2019.

Income tax benefit

We recorded an income tax benefit of approximately S\$2.4 million in FY2020 in comparison with S\$22,000 income tax expense in FY2019. The increase in income tax benefit was mainly due to the recognition of deferred tax asset arising from unutilised tax losses of approximately S\$1.1 million, capital allowances of approximately S\$0.6 million and tax benefits of approximately S\$0.7 million entitled under the Productivity and Innovation Credit scheme carried forward from prior years.

Profit for the year

As a result of the foregoing, we recorded a net profit of approximately S\$9.1 million in FY2020.

Review of the Group's Financial Position

Current assets

Our current assets increased by approximately S\$15.9 million from S\$11.0 million as at 31 December 2019 to S\$26.9 million as at 31 December 2020. The increase in current assets was mainly due to the increase in contract assets of approximately S\$5.4 million, cash and cash equivalents of approximately S\$4.8 million, trade and other receivables of approximately S\$4.2 million and inventories of approximately S\$1.5 million, which are mainly attributable to the commencement of two tactical training mock-up projects and a firearm shooting range project in Southeast Asia, and a firearm shooting range project in the Middle East.

Non-current assets

Our non-current assets increased by approximately S\$1.6 million from S\$27.4 million as at 31 December 2019 to S\$29.0 million as at 31 December 2020. The increase in non-current assets was primarily due to the recognition of deferred tax asset of approximately S\$2.4 million for FY2020, and partially offset by a decrease in property, plant and equipment of approximately S\$0.8 million.

Current liabilities

Our current liabilities increased by approximately S\$8.1 million from S\$1.9 million as at 31 December 2019 to S\$10.0 million as at 31 December 2020. The increase in current liabilities was mainly due to the increase in trade and other payables of approximately S\$2.0 million, contract liabilities of approximately S\$1.0 million and a drawdown of a temporary bridging loan of S\$5.0 million for project financing from a bank.

Non-current liabilities

Our non-current liabilities decreased by approximately S\$0.5 million from S\$14.3 million as at 31 December 2019 to S\$13.8 million as at 31 December 2020. The decrease in non-current liabilities was primarily due to the repayment of bank loans and lease liabilities.

Review of the Group's Statement of Cash Flows

Net cash used in operating activities

Net cash used in operating activities was approximately S\$0.3 million in FY2020, which was a result of operating cash inflows before movements in working capital of approximately S\$8.1 million, an increase in working capital of approximately S\$8.1 million and interest payment of approximately S\$0.3 million. The increase in working capital was primarily due to the increase in trade and other receivables of approximately S\$4.2 million, contract assets of approximately S\$5.4 million, which mainly attributable to the works carried out for a tactical training mock-up project and a firearm shooting range project in Southeast Asia, and a firearm shooting range project in the Middle East, and inventories of approximately S\$1.5 million. This was partially offset by an increase in trade and other payables of approximately S\$2.0 million and contract liabilities of approximately S\$1.0 million.

Net cash used in investing activities

Net cash used in investing activities was approximately 0.3 million in FY2020, which was mainly due to the purchase of machinery, computer and equipment.

Net cash from financing activities

Net cash from financing activities was approximately S\$5.4 million in FY2020, which was primarily due to proceeds from the exercise of warrants of approximately S\$1.9 million and a drawdown of a temporary bridging loan of S\$5.0 million for project financing from a bank. This was partially offset by the purchase of treasury shares of approximately S\$0.5 million, payment of dividend of S\$0.6 million, and repayment of bank loans and lease liabilities 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 Group continues to pursue opportunities to design and engineer customised training solutions for existing and potential customers as law enforcement related customers respond to the threat of terrorism and extremism. The Group is also actively responding to enquiries and requests for tenders from authorities in Southeast Asia and the Middle East. Notwithstanding the competitive market conditions, the Group remains optimistic of its ongoing discussions and strive to secure more contracts in both Southeast Asia and the Middle East.

The Group is working to strengthen its partnerships with defence contractors, equipment suppliers and consultants to participate with them either in joint tenders, or collaboration for successful tenders. In addition, the Group is also working with the relevant authorities to expand its portfolio of maintenance service contracts and grow its recurrent revenue base.

Given that a major portion of the Group's business is project-based, the revenue contribution from projects may vary from quarter to quarter, depending on the size and scope of the projects on hand and their completion schedules. Nonetheless, the Group will continue to focus on ensuring effective cost management of its projects and production costs to achieve a sustainable operating performance.

As the COVID-19 situation is still evolving, there is a degree of uncertainty over the length and severity of this pandemic. As of this announcement, there have not been any cases of our staff being infected by COVID-19. The Group does not expect a material impact on its current operations and performance given the nature of the business as an essential service. We are closely monitoring the evolving situation and will continue to provide updates to our stakeholders.

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 cent 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	0.25 cents per ordinary share
Tax Rate	Tax exempt (one-tier)

(c) Date payable

Subject to shareholders' approval of the proposed final dividend at the forthcoming annual general meeting, the payment date for the 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 and the reason(s) for the decision.

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. 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).

15. **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

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

Geographical segments

	The Group			
	Revenue		Non-current assets	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
Southeast Asia	19,346	8,630	28,970	27,400
Middle East	2,426	614	6	1
Total	21,772	9,244	28,976	27,401

16. **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.

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

	The Group		
	2020	2019	% increase /
	S\$'000	S\$'000	(decrease)
(a) Sales reported for first half year	9,716	3,517	176.3
(b) Operating profit (loss) after taxation before deducting non-controlling interests reported for the first half year	2,102	(2,079)	n.m.
(c) Sales reported for second half year	12,056	5,727	110.5
(d) Operating profit (loss) after taxation before deducting non-controlling interests reported for the second half year	7,031	(305)	n.m.

n.m. denotes not meaningful.

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

	2020	2019
	S\$'000	S\$'000
Final dividend **	2,483	608

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

19. **Use of warrants exercise proceeds**

On 15 June 2016, the Company issued 62,500,000 warrants at an exercise price of S\$0.25 for each new share. Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company. These warrants expires on 14 June 2021.

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

20. **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

25 February 2021