



**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2018**

This announcement has been prepared by Secura Group Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (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 and the SGX-ST 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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SECURA GROUP LIMITED
 Incorporated in the Republic of Singapore
 Registration No. 201531866K

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS

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.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	GROUP		
	FY2018	FY2017	Increase/
	S\$'000	S\$'000	(Decrease)
			%
Revenue	41,231	41,574	(0.8)
Cost of sales	(33,624)	(34,670)	(3.0)
Gross profit	7,607	6,904	10.2
Other operating income	1,632	1,876	(13.0)
Distribution and selling expenses	(1,785)	(2,825)	(36.8)
Administrative expenses	(5,008)	(6,876)	(27.2)
Finance cost	(295)	(270)	9.3
Share of results of joint ventures and associates	(203)	370	NM
Impairment of goodwill	—	(1,388)	NM
Profit/(loss) before tax	1,948	(2,209)	NM
Income tax (expense)/credit	(86)	274	NM
Profit/(loss) for the year	1,862	(1,935)	NM
Other comprehensive income			
Items that may be classified subsequently to profit or loss			
Foreign currency translation	—	(38)	NM
Share of foreign currency translation of joint venture and associate	(5)	(93)	(94.6)
Total comprehensive income for the year	1,857	(2,066)	NM
Profit/(loss) for the year attributable to:			
Owner of the Company	1,866	(1,782)	NM
Non-controlling interests	(4)	(153)	(97.4)
	1,862	(1,935)	NM
Total comprehensive income attributable to:			
Owner of the Company	1,861	(1,913)	NM
Non-controlling interests	(4)	(153)	(97.4)
	1,857	(2,066)	NM

NM: Not meaningful

1(a)(ii) Notes to combined statements of profit or loss and other comprehensive income. The Group's profit before tax was arrived at after crediting / (charging) the following:

	GROUP		
	FY2018	FY2017	Increase/ (Decrease)
	S\$'000	S\$'000	%
Government grant income	985	994	(0.9)
Depreciation of property, plant and equipment	(2,083)	(2,040)	2.1
Amortisation and impairment of intangible assets	(218)	(460)	(52.6)
Impairment of goodwill	–	(1,388)	NM
Impairment of property, plant and equipment	–	(49)	NM
Gain on loss in control of a subsidiary	–	39	NM
(Loss)/gain on disposal of property, plant and equipment	(211)	12	NM
Interest income	100	62	61.3
Write back/(allowance) for stock obsolescence	335	(557)	NM
Write back/(allowance) of doubtful debts	43	(110)	NM
Finance cost	(294)	(270)	8.9
Grant of equity-settled share options to employees	(66)	(98)	(32.7)
Foreign exchange gain/(losses), net	35	(17)	NM
Over provision of tax in respect of prior years	–	(8)	NM

NM: 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.

STATEMENT OF FINANCIAL POSITION

	Group		Company	
	As at 31/12/2018 S\$'000	As at 31/12/2017 S\$'000	As at 31/12/2018 S\$'000	As at 31/12/2017 S\$'000
Non-current assets				
Property, plant and equipment	27,951	32,924	15,120	15,437
Investment property	555	—	2,774	2,864
Intangible assets	1,432	1,650	—	—
Investment in subsidiaries	—	—	23,934	21,434
Investment in joint ventures	909	857	—	—
Investment in associates	6,752	7,014	6,221	6,221
Deferred tax asset	—	—	240	—
Trade and other receivables	2	9	—	—
	<u>37,601</u>	<u>42,454</u>	<u>48,289</u>	<u>45,956</u>
Current assets				
Inventories	3,312	1,302	—	—
Trade and other receivables	9,169	9,491	160	13
Prepaid operating expenses	265	558	15	20
Amounts due from subsidiaries	—	—	1,702	5,170
Amount due from a joint venture	72	56	—	—
Cash and cash equivalents	13,853	9,842	7,752	5,652
	<u>26,671</u>	<u>21,249</u>	<u>9,629</u>	<u>10,855</u>
Current liabilities				
Trade and other payables	4,302	4,056	270	368
Deferred revenue	356	911	—	—
Accrued operating expenses	1,400	1,617	280	393
Finance lease	100	100	—	—
Bank loan	833	833	833	833
Amount due to a joint venture	27	60	—	—
Amount due to subsidiaries	—	—	502	—
Amount due to a non-controlling interest	—	—	50	—
Income tax payable	466	67	—	—
	<u>7,484</u>	<u>7,644</u>	<u>1,935</u>	<u>1,594</u>
Net current assets	<u>19,187</u>	<u>13,605</u>	<u>7,694</u>	<u>9,261</u>
Non-current liabilities				
Finance lease	148	248	—	—
Bank loan	9,920	10,636	9,920	10,636
Deferred tax liabilities	640	969	—	—
	<u>10,708</u>	<u>11,853</u>	<u>9,920</u>	<u>10,636</u>
Net assets	<u>46,080</u>	<u>44,206</u>	<u>46,063</u>	<u>44,581</u>
Equity				
Share capital	61,644	61,644	61,644	61,644
Merger reserve	(16,291)	(16,291)	—	—
Foreign currency translation reserve	(87)	(82)	—	—
Employee share option reserve	347	281	337	271
Retained earnings/(accumulated losses)	352	(1,465)	(15,918)	(17,334)
	<u>45,965</u>	<u>44,087</u>	<u>46,063</u>	<u>44,581</u>
Non-controlling interests	115	119	—	—
Total equity	<u>46,080</u>	<u>44,206</u>	<u>46,063</u>	<u>44,581</u>

There is no impact on our opening balance sheet on the date of adoption of SFRS(I). Accordingly, a third balance sheet as at 1 January 2017 has not been reflected for the purpose of this announcement.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.**Amount repayable in one year or less, or on demand**

As at 31/12/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
933	–	933	–

Amount repayable after one year

As at 31/12/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
10,068	–	10,884	–

Details of any collateral

As at the balance sheet date, the Group's finance lease liabilities and loans and borrowings are secured by motor vehicles and machineries and the property at 38 Alexandra Terrace ("**Alexandra Property**") respectively.

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.

CONSOLIDATED STATEMENT OF CASH FLOWS

	GROUP	
	FY2018 S\$'000	FY2017 S\$'000
Cash flows from operating activities:		
Profit/(loss) before tax	1,948	(2,209)
Adjustments for:		
Depreciation of property, plant and equipment	2,083	2,040
Amortisation and impairment of intangible assets	218	460
Impairment of goodwill	—	1,388
Impairment of property, plant and equipment	—	49
Loss/(gain) on disposal of property, plant and equipment	211	(12)
Gain on loss in control of a subsidiary	—	(39)
Interest income	(100)	(62)
(Write back)/allowance for stock obsolescence	(335)	557
(Write back)/allowance of doubtful debts	(43)	110
Receipt and recognition of deferred revenue, net	(555)	46
Share of results of joint ventures and associate	203	(370)
Unrealised exchange gains, net	—	(53)
Finance cost	294	270
Grant of equity-settled share options to employees	66	98
Operating cash flows before working capital changes	3,990	2,273
(Increase)/decrease in inventories	(1,676)	600
Increase in trade and other receivables	(11)	(1,057)
Decrease/(increase) in prepaid operating expenses	293	(205)
Increase in amount due from a joint venture	(49)	(8)
Increase/(decrease) in trade and other payables	246	(1,271)
(Decrease)/increase in accrued operating expenses	(215)	325
Cash flows generated from operations	2,578	657
Interest received	100	70
Interest paid	(294)	(270)
Tax (paid)/refund	(17)	157
Net cash flows generated from operating activities	2,367	614
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	2,451	35
Purchase of property, plant and equipment	(327)	(2,715)
Dividend income from a joint venture	—	43
Net cash outflow from acquisition of an associate	—	(6,221)
Net cash outflow from loss in control of a subsidiary	—	(79)
Net cash flows generated from/(used in) investing activities	2,124	(8,937)
Cash flows from financing activities:		
Decrease in fixed deposits pledged	334	347
Loan from non-controlling interest in subsidiaries	—	46
Dividend paid on ordinary shares	—	(1,200)
Repayment of finance lease	(100)	(105)
Repayment of amount due to non-controlling interest	—	(26)
Repayment of bank loan	(715)	(728)
Net cash flows used in financing activities	(481)	(1,666)
Net increase/(decrease) in cash and cash equivalents	4,010	(9,989)
Effect of exchange rate changes on cash and cash equivalents	1	2
Cash and cash equivalents at beginning of year	9,842	19,829
Cash and cash equivalents at end of year	13,853	9,842

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 (S\$'000)	Merger reserve (S\$'000)	Foreign currency translation reserve (S\$'000)	Employee share option reserve (S\$'000)	(Accumulated losses)/ retained earnings (S\$'000)	Non-controlling interests (S\$'000)	Total equity (S\$'000)
At 31 December 2017 (as previously stated)	61,644	(16,291)	(82)	281	(1,465)	119	44,206
Effect of SFRS(I) 9 Adjustment *	–	–	–	–	(49)	–	(49)
At 1 January 2018 (as restated)	61,644	(16,291)	(82)	281	(1,514)	119	44,157
Profit for the year	–	–	–	–	1,866	(4)	1,862
<u>Other comprehensive income</u>							
Share of foreign currency translation of joint venture and associate	–	–	(5)	–	–	–	(5)
Other comprehensive income for the year, net of tax	–	–	(5)	–	–	–	(5)
Total comprehensive income for the year	–	–	(5)	–	1,866	(4)	1,857
<u>Contributions by and distributions to owners</u>							
Grant of equity-settled share options to employees	–	–	–	66	–	–	66
At 31 December 2018	61,644	(16,291)	(87)	347	352	115	46,080

* The Group has adopted SFRS(I) 9 *Financial Instruments* and has adjusted its financial statements beginning 1 January 2018 to reflect expected credit losses on trade receivables amounting to S\$49,000.

Group	Share capital (S\$'000)	Merger reserve (S\$'000)	Foreign currency translation reserve (S\$'000)	Employee share option reserve (S\$'000)	Retained earnings/ (Accumulated losses) (S\$'000)	Non-controlling interest (S\$'000)	Total equity (S\$'000)
At 1 January 2017 (as previously stated)	61,644	(16,291)	49	183	1,625	224	47,434
Effect of Purchase Price Allocation ("PPA") adjustments *	–	–	–	–	(108)	–	(108)
At 1 January 2017 (as restated)	61,644	(16,291)	49	183	1,517	224	47,326
Loss for the year	–	–	–	–	(1,782)	(153)	(1,935)
<u>Other comprehensive income</u>							
Foreign currency translation	–	–	(38)	–	–	–	(38)
Share of foreign currency translation of joint venture and associate	–	–	(93)	–	–	–	(93)
Other comprehensive income for the year, net of tax	–	–	(131)	–	–	–	(131)
Total comprehensive income for the year	–	–	(131)	–	(1,782)	(153)	(2,066)
<u>Contributions by and distributions to owners</u>							
Grant of equity-settled share options to employees	–	–	–	98	–	–	98
Loss of control in subsidiary	–	–	–	–	–	48	48
Dividends on ordinary shares	–	–	–	–	(1,200)	–	(1,200)
At 31 December 2017	61,644	(16,291)	(82)	281	(1,465)	119	44,206

* Retrospective adjustments to reflect finalisation of PPA exercise of Red Sentry Pte Ltd in Q2 FY2017.

Company	Share capital S\$'000	Employee share option reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2018	61,644	271	(17,334)	44,581
Profit for the year, representing total comprehensive income for the year	—	—	1,416	1,416
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share options to employees	—	66	—	66
At 31 December 2018	61,644	337	(15,918)	46,063
At 1 January 2017	61,644	183	1,640	63,467
Loss for the year, representing total comprehensive income for the year	—	—	(17,774)	(17,774)
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share options to employees	—	88	—	88
Dividends on ordinary shares	—	—	(1,200)	(1,200)
At 31 December 2017	61,644	271	(17,334)	44,581

- 1(d)(ii) Details of any changes in the company's share capital arising from rights 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 the number of shares that may be issued on conversion of all the outstanding convertibles, 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.**

	Number of shares	Issued and paid-up share capital S\$
As at 31 December 2018 and 30 September 2018	400,000,000	61,644,000

There were 224,000,000 warrants outstanding as at 31 December 2018 and 31 December 2017, each warrant carrying the right to subscribe for one share at the exercise price of S\$0.35 per share and 9,600,000 share options outstanding under the Secura Employee Share Option Scheme as at 31 December 2018 (31 December 2017: 10,400,000 share options).

On 17 January 2019, the Company announced the allotment and issuance of 2,000 new ordinary shares pursuant to the exercise of 2,000 warrants at the exercise price of S\$0.35 for each warrant, following which the number of ordinary shares of the Company has increased from 400,000,000 ordinary shares to 400,002,000 ordinary shares. The warrants expired on 25 January 2019 and there are no outstanding warrants as at the date of this announcement.

As at 31 December 2018 and 31 December 2017, there were no treasury shares held by the Company and there were no subsidiary holdings.

- 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.**

	As at 31/12/18	As at 31/12/17
Total number of issued shares excluding treasury shares	400,000,000	400,000,000

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

There are no treasury shares held by the Company.

- 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.**

There were no subsidiary holdings.

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

The figures have not been audited or reviewed by the auditors of the Company.

- 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 Group has adopted Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework identical to International Financial Reporting Standards on 1 January 2018.

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.**

Other than the impact of the adoption of SFRS(I) 9 as described on page 6 of this announcement, the adoptions of SFRS(I) has no material impact on the financial statements of the Group.

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

	Group	
	FY2018	FY2017
Profit/(loss) attributable to owners of the Company (S\$'000)	1,866	(1,782)
Weighted average number of shares ('000)	400,000	400,000
Basic and diluted EPS based on weighted average number of shares (cents)	0.47	(0.45)

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

	Group		Company	
	As at 31/12/18	As at 31/12/17	As at 31/12/18	As at 31/12/17
Net asset value (S\$'000)	45,965	44,087	46,063	44,581
Number of shares ('000)	400,000	400,000	400,000	400,000
Net asset value per share (cents)	11.49	11.02	11.52	11.15

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.

REVIEW OF THE GROUP'S PERFORMANCE

Revenue

Revenue decreased by 0.8% or S\$0.34 million, from S\$41.57 million in FY2017 to S\$41.23 million in FY2018 due mainly to the following:

- (1) decrease in revenue of S\$1.78 million or 17.1% from the security printing segment due to decrease in demand for printing products with nation-wide initiatives to go paperless;
- (2) decrease in revenue of S\$1.34 million or 56.8% from the cyber security segment due to the streamlining of represented products and services;
- (3) decrease in revenue of S\$1.25 million or 57.3% from the system integration segment; and
- (4) decrease in revenue of S\$0.06 million from consultancy services.

These were partially offset by the following:

- (1) increase in revenue of S\$3.04 million or 12.3% from the security guarding segment as a result of securing more contracts and increase in average selling price;
- (2) increase in revenue of S\$0.72 million or 55.0% from the increase in sales of homeland security and digital forensic equipment; and
- (3) increase in revenue of S\$0.33 million from provision of training services.

Cost of sales

Cost of sales decreased by 3.0% or S\$1.05 million, from S\$34.67 million in FY2017 to S\$33.62 million in FY2018.

Gross profit

Gross profit increased by 10.2% or S\$0.70 million, from S\$6.90 million in FY2017 to S\$7.61 million in FY2018. Gross profit margin increased from 16.6% in FY2017 to 18.4% in FY2018, due mainly to movements in allowance for stock obsolescence; the gross profit margins would otherwise have been relatively consistent at 17.9% and 17.6% in FY2017 and FY2018 respectively.

Other operating income

Other operating income decreased by 13.0% or S\$0.24 million, from S\$1.88 million in FY2017 to S\$1.63 million in FY2018 largely due to decrease in government grants and reduction of handling fees charged to bank customers, partially offset by increase in interest income from placement of fixed deposit.

Distribution and selling expenses

Distribution and selling expenses decreased by 36.8% or S\$1.04 million, from S\$2.83 million in FY2017 to S\$1.79 million in FY2018 mainly due to reduced staff cost resulting from the Group's corporate reorganisation efforts.

Administrative expenses

Administrative expenses decreased by 27.2% or S\$1.87 million, from S\$6.88 million in FY2017 to S\$5.01 million in FY2018, mainly due to the Group's efforts on cost control measures and streamlining of its business operations, partially offset by the loss on disposal of land and buildings in Malaysia of S\$0.22 million.

Finance cost

Finance cost largely relates to bank borrowings incurred for the financing of the Alexandra Property. Finance cost increased by 9.3% or S\$0.03 million, from S\$0.27 million in FY2017 to S\$0.30 million in FY2018 due to an increase in borrowing rates.

Share of results of joint ventures and associates

Share of losses of joint ventures and associates amounted to \$0.20 million in FY2018. This was largely due to losses contributed by Custodio Technology Pte Ltd amounting to S\$0.43 million, partially offset by share of results in Secura Bangladesh Ltd and Foremost Secura Corporation of S\$0.16 million and S\$0.06 million respectively.

Profit/(loss) attributable to owners of the Company

Profit attributable to owners of the Company amounted to S\$1.87 million in FY2018, mainly due to an improvement in gross profit and cost savings from the Group's corporate reorganisation efforts.

REVIEW OF THE GROUP'S FINANCIAL POSITIONNon-current assets

The Group's non-current assets decreased by 11.4% or S\$4.85 million, from S\$42.45 million as at 31 December 2017 to S\$37.60 million as at 31 December 2018 mainly due to the disposal of land and buildings in Malaysia, amortisation of intangible asset in relation to customer relationships, depreciation charged on property, plant and equipment and the share of losses of investments in associate. The increase in investment property of S\$0.56 million was due to the reclassification of part of the Alexandra Property from property, plant and equipment to investment property, as the Group leased part of the property out to a third party in Q2 FY2018.

Current assets

The Group's current assets increased by 25.5% or S\$5.42 million, from S\$21.25 million as at 31 December 2017 to S\$26.67 million as at 31 December 2018 mainly due to the following:

- (1) increase in inventories of S\$2.01 million for order fulfilment in the following year; and
- (2) increase in cash and cash equivalents of S\$4.01 million due mainly to proceeds from disposal of land and buildings in Malaysia and improved operational cash flow.

These were partially offset by the amortisation of prepaid operating expenses and reduced trade receivables.

Current liabilities

The Group's current liabilities decreased by 2.1% or S\$0.16 million, from S\$7.64 million as at 31 December 2017 to S\$7.48 million as at 31 December 2018 mainly due to decreases in deferred revenue of S\$0.55 million and accrued operating expenses of S\$0.22 million, partially offset by an increase in trade and other payables of S\$0.25 million and an increase in income tax payable of S\$0.40 million in line with the increase in the Group's profit.

Non-current liabilities

The Group's non-current liabilities decreased by 9.7% or S\$1.15 million, from S\$11.85 million as at 31 December 2017 to S\$10.71 million as at 31 December 2018 mainly due to repayment of bank loan and finance lease of S\$0.72 million and S\$0.10 million respectively and decrease in provision for deferred tax liabilities of S\$0.33 million.

REVIEW OF THE GROUP'S CASH FLOWS STATEMENT

We generated operating cash flows before working capital changes of S\$3.99 million for FY2018. Net cash used in working capital amounted to S\$1.41 million mainly due to increase in inventories of S\$1.68 million, increase in amount due from a joint venture of S\$0.05 million and decrease in accrued operating expenses of S\$0.22 million, partially offset by decrease in prepaid operating expenses of S\$0.29 million and increase in trade and other payables of S\$0.25 million. Net cash generated from operating activities for FY2018 amounted to S\$2.37 million.

Net cash generated from investing activities for FY2018 amounted to S\$2.12 million. This was primarily contributed by the proceeds from disposal of land and buildings in Malaysia of S\$2.45 million, partially offset by the addition of property, plant and equipment of S\$0.33 million.

Net cash used in financing activities for FY2018 amounted to S\$0.48 million. This was due to repayment of bank loan and finance lease of S\$0.72 million and S\$0.10 million respectively, partially offset by refund of fixed deposits pledged of S\$0.33 million pursuant to our security guarding contracts.

As at 31 December 2018, the Group's cash and cash equivalents amounted to S\$13.85 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. No forecast or prospect statement has been previously disclosed.

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.

Our capabilities to provide building and premise protection through man-guarding complemented by remote surveillance using technology and innovation will count us as market leaders in the security guarding industry. We expect to continue to grow this business and enhance the quality of services and deepen the skill sets through our training regime and continuous development of training courses to stay ahead.

While our security printing business continues to be impacted by the national drive for digital transformation, barring unforeseen circumstances, we expect the performance of cybersecurity, homeland security, system integration, security consultancy and others to remain stable or improve. In particular, our cybersecurity business continues to be driven by demand for secured privilege access management systems as more organisations recognise the need to defend themselves from cyber-attacks, prevent data breaches and misused privileges. We also expect demand for digital forensic equipment, real-time surveillance systems and data information gadgets as more law-enforcing agencies deploy these as essential tools to increase their productivity and effectiveness.

11. Dividend

(a) Any dividend declared for the current financial period reported on?

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	0.30 cents per ordinary share
Tax rate	Tax exempt (one-tier)

The final dividends are subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 25 April 2019 ("AGM")

(b) Corresponding Period of the Immediately Preceding Financial Year?

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

The dividend is not taxable in the hands of shareholders.

(d) Date payable

The proposed final dividends, if approved at the AGM, will be paid on 16 May 2019.

(e) Date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

7 May 2019.

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 IPTs, 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 of the Company for interested person transactions. During FY2018, the following interested person transactions were entered into by the Group:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalyst Rules)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalyst Rules (excluding transactions less than S\$100,000)
Mr. Peter Lim	S\$318,000	—

14. Use of IPO proceeds

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of approximately S\$26.1 million (the "**Net Proceeds**"). As at the date of this announcement, the Net Proceeds have been utilised as follows:

Purpose	Allocation of Net Proceeds (as announced on 24 July 2017) (S\$'000)	Net Proceeds utilised as at the date of this announcement (S\$'000)	Balance of Net Proceeds as at the date of this announcement (S\$'000)
Expand cyber security, technology and systems integration business	14,800	(9,498)	5,302
Enhance and upgrade security printing equipment	1,000	(1,000)	–
Corporate infrastructure improvements	4,000	(4,000)	–
General working capital purposes	6,300	(6,005)	295
	26,100	(20,503)	5,597

15. Confirmation by the issuer pursuant to Rule 720(1)

The Company has procured the undertakings from all its Directors and executive officers as required under Rule 720(1) of the SGX-ST Listing Manual Section B: Rules of Catalyst.

16. Negative confirmation by the board pursuant to Rule 705(5)

Not required for full year result announcement.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

17. Segmented revenue and results 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.

The following table provides an analysis of the Group's revenue from external customers based on the products and services where revenue is generated:

Sales revenue by products and services

	Corporate S\$'000	Security Printing S\$'000	Security Guarding S\$'000	Cyber Security S\$'000	Homeland security and digital forensic S\$'000	System Integration, Security Consultancy and Others S\$'000	Elimination S\$'000	Total Group S\$'000
FY2018								
External customers	–	8,618	27,830	1,021	2,014	1,748	–	41,231
Inter-segment	1,430	1	57	4	–	1,064	(2,556)	–
Results:								
Interest income	111	20	4	–	–	–	(35)	100
Depreciation of property, plant and equipment	499	1,258	130	27	17	152	–	2,083
Amortisation and impairment of intangible assets	–	218	–	–	–	–	–	218
Share of results of joint ventures and associates	(426)	223	–	–	–	–	–	(203)
Segment (loss)/profit	(859)	372	1,970	202	352	(175)	–	1,862
Assets:								
Segment assets	34,588	16,043	7,972	430	2,885	1,860	494	64,272
Liabilities:								
Segment liabilities	12,454	1,733	4,470	324	3,298	1,912	(5,999)	18,192
FY2017								
External customers	–	10,400	24,787	2,362	1,300	2,725	–	41,574
Inter-segment	2,960	–	–	42	–	896	(3,898)	–
Results:								
Interest income	88	–	–	–	–	–	(26)	62
Depreciation of property, plant and equipment	400	1,381	60	42	22	135	–	2,040
Amortisation and impairment of intangible assets	–	218	–	242	–	–	–	460
Share of results of joint ventures and associates	180	190	–	–	–	–	–	370
Impairment of goodwill	–	–	–	1,388	–	–	–	1,388
Segment (loss)/profit	(458)	1,161	814	(2,011)	(1,020)	(421)	–	(1,935)
Assets:								
Segment assets	35,595	14,390	8,491	755	873	2,721	878	63,703
Liabilities:								
Segment liabilities	13,628	2,674	4,710	844	1,645	2,568	(6,572)	19,497

Geographical information

Revenue and non-current assets information based on the geographical location of the Group's operations are as follows:

	FY2018 S\$'000	FY2017 S\$'000
Revenue		
Singapore	41,231	41,496
Thailand	–	78
	41,231	41,574
Non-current assets		
Singapore	36,185	38,839
Malaysia	–	2,412
Taiwan	636	581
Bangladesh	778	613
	37,599	42,445

Non-current assets information presented above consist of property, plant and equipment, investment property, intangible assets in relation to customer relationships, investment in joint ventures and investment in associates.

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

Please refer to paragraph 8.

19. A breakdown of sales.

	Group FY2018 S\$'000	FY2017 S\$'000	Increase/ (Decrease) %
Sales reported for:			
(a) First half of the financial year	21,681	20,265	7.0
(b) Second half of the financial year	19,550	21,309	(8.3)
	41,231	41,574	(0.8)
Profit net of tax:			
(c) First half of the financial year	1,148	(393)	NM
(d) Second half of the financial year	714	(1,542)	NM
	1,862	(1,935)	NM

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

	FY2018 S\$'000	FY2017 S\$'000
Final dividend	1,200	NIL

Note: The proposed final dividend for FY2018 is subject to shareholders' approval at the forthcoming AGM.

21. 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(1) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There are no such persons occupying a managerial position in the Group who is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Kan Kheong Ng
Chief Executive Officer

21 February 2019

Lim Siok Leng
Chief Financial Officer