



**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2017**

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**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**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		
	FY2017 S\$'000	FY2016 <sup>(*)</sup> S\$'000	Increase/ (Decrease) %
Revenue	41,574	36,063	15.3
Cost of sales	(34,670)	(29,346)	18.1
<b>Gross profit</b>	<b>6,904</b>	<b>6,717</b>	<b>2.8</b>
Other operating income	1,703	1,907	(10.7)
Distribution and selling expenses	(2,825)	(1,770)	59.6
Administrative expenses	(6,876)	(5,810)	18.3
Finance cost	(270)	(110)	145.5
Listing expenses	–	(339)	NM
Share of results of joint ventures and associates	370	273	35.5
Impairment of goodwill	(1,388)	–	NM
<b>(Loss)/profit before tax</b>	<b>(2,382)</b>	<b>868</b>	<b>NM</b>
Income tax credit/(expense)	453	(56)	NM
<b>(Loss)/profit for the year</b>	<b>(1,929)</b>	<b>812</b>	<b>NM</b>
<b>Other comprehensive income</b>			
<b>Items that may be classified subsequently to profit or loss</b>			
Foreign currency translation	(38)	38	NM
Share of foreign currency translation of joint venture and associate	(93)	12	NM
<b>Total comprehensive income for the year</b>	<b>(2,060)</b>	<b>862</b>	<b>NM</b>
<b>(Loss)/profit for the year attributable to:</b>			
Owner of the Company	(1,776)	846	NM
Non-controlling interests	(153)	(34)	NM
	<b>(1,929)</b>	<b>812</b>	<b>NM</b>
<b>Total comprehensive income attributable to:</b>			
Owner of the Company	(1,907)	895	NM
Non-controlling interests	(153)	(33)	NM
	<b>(2,060)</b>	<b>862</b>	<b>NM</b>

NM: Not meaningful

\* The results of FY2016 have been retrospectively adjusted to reflect the fair values of assets and liabilities of Red Sentry Pte. Ltd. ("RSPL") upon finalisation of the purchase price allocation ("PPA") exercise in Q2 FY2017.

**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:**

	<b>GROUP</b>		
	<b>FY2017</b> <b>S\$'000</b>	<b>FY2016</b> <b>S\$'000</b>	<b>Increase/ (Decrease)</b> <b>%</b>
Government grant income	821	1,075	(23.6)
Depreciation of property, plant and equipment	(2,040)	(1,414)	44.3
Amortisation and impairment of intangible assets	(433)	(261)	65.9
Impairment of goodwill	(1,388)	–	NM
Impairment of property, plant and equipment	(49)	–	NM
Gain on loss in control of a subsidiary	39	–	NM
Gain/(loss) on disposal of property, plant and equipment	12	(25)	NM
Interest income	62	216	(71.3)
Allowance for stock obsolescence	(557)	(18)	NM
(Allowance)/write back of doubtful debts	(110)	50	NM
Finance cost	(270)	(110)	145.5
Grant of equity-settled share options to employees	(98)	(183)	(46.4)
Foreign exchange losses, net	(17)	(58)	(70.7)
Over provision of tax in respect of prior years	(8)	(53)	(84.9)

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 31/12/2017 S\$'000	As at * 31/12/2016 S\$'000	As at 31/12/2017 S\$'000	As at 31/12/2016 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	32,924	31,940	15,437	14,874
Investment property	–	–	2,864	2,954
Intangible assets	1,650	3,498	–	–
Investment in subsidiaries	–	–	21,434	36,706
Investment in joint ventures	857	819	–	–
Investment in associates	7,014 **	598	6,221	–
Trade and other receivables	9	65	–	60
	42,454	36,920	45,956	54,594
<b>Current assets</b>				
Inventories	1,302	2,458	–	–
Trade and other receivables	9,318	8,741	13	50
Tax recoverable	–	178	–	–
Prepaid operating expenses	558	354	20	139
Amounts due from subsidiaries	–	–	5,170	6,716
Amount due from a joint venture	56	45	–	–
Cash and cash equivalents	9,842	19,829	5,652	15,048
	21,076	31,605	10,855	21,953
<b>Current liabilities</b>				
Trade and other payables	4,056	5,382	368	603
Deferred revenue	911	864	–	–
Accrued operating expenses	1,617	1,296	394	235
Finance lease	100	30	–	30
Bank loan	833	833	833	833
Amount due to a joint venture	60	57	–	–
Amount due to a non-controlling interest	–	26	–	–
Income tax payable	67	294	–	–
	7,644	8,782	1,595	1,701
<b>Net current assets</b>	13,432	22,823	9,260	20,252
<b>Non-current liabilities</b>				
Finance lease	248	15	–	15
Bank loan	10,636	11,364	10,635	11,364
Deferred tax liabilities	790	1,038	–	–
	11,674	12,417	10,635	11,379
<b>Net assets</b>	44,212	47,326	44,581	63,467
<b>Equity</b>				
Share capital	61,644	61,644	61,644	61,644
Merger reserve	(16,291)	(16,291)	–	–
Foreign currency translation reserve	(82)	49	–	–
Employee share option reserve	281	183	271	183
(Accumulated losses)/retained earnings	(1,459)	1,517	(17,334)	1,640
	44,093	47,102	44,581	63,467
Non-controlling interests	119	224	–	–
<b>Total equity</b>	44,212	47,326	44,581	63,467

\* Retrospectively adjusted to reflect finalisation of PPA of RSPL in Q2 FY2017

\*\* This Includes investment in Custodio Technology Pte. Ltd. of S\$6.22 million, pending finalisation of PPA exercise

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

As at 31/12/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
933	–	863	26

**Amount repayable after one year**

As at 31/12/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
10,884	–	11,379	–

**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**

	<b>GROUP</b>	
	<b>FY2017</b>	<b>FY2016</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities:</b>		
(Loss)/profit before tax	(2,382)	868
Adjustments for:		
Share issuance expense charged to income statement	–	339
Depreciation of property, plant and equipment	2,040	1,414
Amortisation and impairment of intangible assets	433	261
Impairment of goodwill	1,388	–
Impairment of property, plant and equipment	49	–
(Gain)/loss on disposal of property, plant and equipment	(12)	25
Gain on loss in control of a subsidiary	(39)	–
Interest income	(62)	(216)
Allowance for stock obsolescence	557	18
Allowance/(write back) of doubtful debts	110	(50)
Receipt and recognition of deferred revenue, net	46	175
Share of results of joint ventures and associate	(370)	(273)
Unrealised exchange (gains)/ losses, net	(52)	54
Finance cost	270	110
Grant of equity-settled share options to employees	98	183
<b>Operating cash flows before working capital changes</b>	<b>2,074</b>	<b>2,908</b>
Decrease/(increase) in inventories	600	(1,262)
(Increase)/decrease in trade and other receivables	(988)	1,025
Increase in prepaid operating expenses	(205)	(71)
Increase in amount due from a joint venture	(8)	(11)
(Decrease)/increase in trade and other payables	(1,271)	1,112
Increase in accrued operating expenses	325	43
<b>Cash flows generated from operations</b>	<b>527</b>	<b>3,744</b>
Interest received	70	203
Interest paid	(270)	(110)
Tax refund/(paid)	157	(258)
<b>Net cash flows generated from operating activities</b>	<b>484</b>	<b>3,579</b>
<b>Cash flows from investing activities:</b>		
Proceeds from disposal of property, plant and equipment	35	248
Purchase of property, plant and equipment	(2,715)	(18,984)
Dividend income from a joint venture	43	45
Net cash inflow from acquisition of subsidiaries	26	2,936
Net cash outflow from acquisition of an associate	(6,221)	–
Net cash outflow from loss in control of a subsidiary	(79)	–
<b>Net cash flows used in investing activities</b>	<b>(8,911)</b>	<b>(15,755)</b>
<b>Cash flows from financing activities:</b>		
Decrease in fixed deposits pledged	451	172
Loan from non-controlling interest in subsidiaries	46	257
Proceeds from issuance of shares	–	28,000
Share issuance expense capitalised against share capital	–	(939)
Share issuance expense charged to income statement	–	(339)
Dividend paid on ordinary shares	(1,200)	(1,200)
Dividend paid on ordinary shares to then existing shareholders of SSPL	–	(4,949)
Repayment of finance lease	(106)	(130)
Repayment of amount due to non-controlling interest	(26)	–
Proceeds from bank loan	–	13,655
Repayment of bank loan	(729)	(1,458)
Repayment of shareholder loan	–	(3,000)
<b>Net cash flows (used in)/ generated from financing activities</b>	<b>(1,564)</b>	<b>30,069</b>

<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(9,991)</b>	<b>17,893</b>
Effect of exchange rate changes on cash and cash equivalents	4	–
Cash and cash equivalents at beginning of year	19,829	1,936
	<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	<b>9,842</b>	<b>19,829</b>

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)	Retained earnings (S\$'000)	Non-controlling interest (S\$'000)	Total equity (S\$'000)
<b>At 1 January 2017</b>	61,644	(16,291)	49	183	1,517	224	47,326
Loss for the year	–	–	–	–	(1,776)	(153)	(1,929)
<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)	–	(1,776)	(153)	(2,060)
<u>Contributions by and distributions to owners</u>							
Grant of equity-settled share options to employees	–	–	–	98	–	–	98
Disposal of interest in subsidiary	–	–	–	–	–	48	48
Dividends on ordinary shares	–	–	–	–	(1,200)	–	(1,200)
<b>At 31 December 2017</b>	61,644	(16,291)	(82)	281	(1,459)	119	44,212



Group	Share capital (S\$'000)	Merger reserve (S\$'000)	Foreign currency translation reserve (S\$'000)	Employee share option reserve (S\$'000)	Retained earnings (S\$'000)	Non-controlling interest (S\$'000)	Total equity (S\$'000)
<b>At 1 January 2016</b>	– *	1,000	–	–	1,871	–	2,871
Profit for the year (as previously stated)	–	–	–	–	954	(34)	920
Effect of PPA adjustment **	–	–	–	–	(108)	–	(108)
Profit for the year (as restated)	–	–	–	–	846	(34)	812
<u>Other comprehensive income</u>							
Foreign currency translation	–	–	37	–	–	1	38
Share of foreign currency translation of joint venture and associate	–	–	12	–	–	–	12
Other comprehensive income for the year, net of tax	–	–	49	–	–	1	50
Total comprehensive income for the year	–	–	49	–	846	(33)	862
<u>Contributions by and distributions to owners</u>							
Issuance of shares pursuant to the IPO	28,000	–	–	–	–	–	28,000
Share issuance expense	(939)	–	–	–	–	–	(939)
Issuance of shares pursuant to the Restructuring Exercise	34,583	(17,291)	–	–	–	–	17,292
Grant of equity-settled share options to employees	–	–	–	183	–	–	183
Capital contribution from non-controlling interest in subsidiaries	–	–	–	–	–	257	257
Dividends on ordinary shares	–	–	–	–	(1,200)	–	(1,200)
<b>At 31 December 2016</b>	61,644	(16,291)	49	183	1,517	224	47,326

\* Denotes less than S\$1,000

\*\* Retrospective adjustment to reflect finalisation of PPA of RSPL in Q2 FY2017

Company	Share capital S\$'000	Employee share option reserve S\$'000	(Accumulated losses)/ retained earnings S\$'000	Total equity S\$'000
<b>At 1 January 2017</b>	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)
<b>At 31 December 2017</b>	61,644	271	(17,334)	44,581

  

Company	Share capital S\$'000	Employee share option reserve S\$'000	(Accumulated losses)/ retained earnings S\$'000	Total equity S\$'000
<b>At 1 January 2016</b>	–	–	(726)	(726)
Profit for the year, representing total comprehensive income for the year	–	–	3,566	3,566
<u>Contributions by and distributions to owners</u>				
Issuance of shares pursuant to the IPO	28,000	–	–	28,000
Share issuance expense	(939)	–	–	(939)
Issuance of shares pursuant to the Restructuring Exercise	34,583	–	–	34,583
Grant of equity-settled share options to employees	–	183	–	183
Dividends on ordinary shares	–	–	(1,200)	(1,200)
	61,644	183	(1,200)	60,627
<b>At 31 December 2016</b>	61,644	183	1,640	63,467

**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 2017 and 30 September 2017	400,000,000	61,644,000

There were 224,000,000 warrants outstanding as at 31 December 2017 and 31 December 2016, each warrant carrying the right to subscribe for one share at the exercise price of S\$0.35 per share and 10,400,000 share options outstanding under the Secura Employee Share Option Scheme as at 31 December 2017 (31 December 2016: 18,400,000 share options).

As at 31 December 2017 and 31 December 2016, 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 31/12/17	As at 31/12/16
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 applied the same accounting policies and methods of computation in the Group's financial statements for FY2017 as its most recently audited financial statements for FY2016.

**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.**

There are no changes in the Group's accounting policies and methods of computation including any required by an accounting standard. The adoption of the new and revised Financial Reporting Standards (including their consequential amendments) and interpretations is assessed to have no material impact on the results of the Group and of the Company for FY2017.

**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	
	FY2017	FY2016
(Loss)/profit attributable to owners of the Company (S\$'000)	(1,776)	846
Weighted average number of shares ('000)	400,000	386,536
Basic and diluted EPS based on weighted average number of shares (cents)	(0.44)	0.22

**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 31/12/17	As at 31/12/16	As at 31/12/17	As at 31/12/16
Net asset value (S\$'000)	44,093	47,102	44,581	63,467
Number of shares ('000)	400,000	400,000	400,000	400,000
Net asset value per share (cents)	11.02	11.78	11.15	15.87

**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 increased by 15.3% or S\$5.51 million, from S\$36.06 million in FY2016 to S\$41.57 million in FY2017 due mainly to the following:

- (1) increase in sales turnover from the security guarding segment of S\$3.49 million (16.4%) as a result of securing more contracts and increase in average selling price;
- (2) increase in revenue from the systems integration segment of S\$1.31 million (149.6%) contributed by our subsidiary, Soverus Kingdom Systems Pte. Ltd. ("SKSPL"), which was newly incorporated in October 2016;
- (3) increase in revenue from the cyber security segment of S\$0.72 million (43.4%), after the acquisition of 100% equity interest in RSPL on 30 June 2016;
- (4) increase in revenue from the mobile forensics segment of S\$1.09 million (100%), following our entry into this market in September 2016; and
- (5) increase in revenue from other business segments of S\$0.07 million.

These were partially offset by a decrease in revenue from the security printing segment of S\$1.17 million (10.1%) mainly due to a decrease in demand for commercial printing products.

Cost of sales

Cost of sales increased by 18.1% or S\$5.32 million, from S\$29.35 million in FY2016 to S\$34.67 million in FY2017, in line with the increase in revenue.

Gross profit

In line with the increase in revenue, gross profit increased by 2.8% or S\$0.19 million, from S\$6.72 million in FY2016 to S\$6.90 million in FY2017. Gross profit margin decreased from 18.6% in FY2016 to 16.6% in FY2017, due mainly to the allowance for stock obsolescence of S\$0.56 million as a result of slow moving inventories. Excluding the impact of the allowance for stock obsolescence, the gross profit margin would otherwise have remained fairly consistent at 17.9%, a decline of 0.7 percentage points.

Other operating income

Other operating income decreased by 10.7% or S\$0.20 million, from S\$1.91 million in FY2016 to S\$1.70 million in FY2017 due mainly to a decrease in government grants under the Wage Credit Scheme.

Distribution and selling expenses

Distribution and selling expenses increased by 59.6% or S\$1.06 million, from S\$1.77 million in FY2016 to S\$2.83 million in FY2017 due mainly to the incremental cost of new subsidiaries and the amortisation of customer relationship arising from the fair valuation of Secura Singapore Pte. Ltd. and its subsidiaries and RSPL amounting to S\$0.43 million in FY2017 (FY2016: S\$0.26 million).

Administrative expenses

Administrative expenses increased by 18.3% or S\$1.07 million, from S\$5.81 million in FY2016 to S\$6.88 million in FY2017 due mainly to the increase in corporate staff cost to augment our corporate functions to support the Group's expansion plans and incremental costs incurred by the new subsidiaries, as well as doubtful debt provision of S\$0.17 million. The increases were incurred mainly in the first three quarters before our corporate reorganising efforts.

Finance cost

Finance cost related to bank borrowings incurred for the financing of the Alexandra Property. Finance cost increased by 145.5% or S\$0.16 million, from S\$0.11 million in FY2016 to S\$0.27 million in FY2017 as the bank borrowing was secured in July 2016.

Listing expenses

Listing expenses mainly related to one-off professional fees incurred for the Restructuring Exercise and the IPO and amounted to S\$0.34 million in FY2016.

Share of results of joint ventures and associates

Share of results of joint ventures and associates increased by 35.5% or S\$0.10 million, from S\$0.27 million in FY2016 to S\$0.37 million in FY2017. This was primarily due to results contributed by Custodio Technology Pte. Ltd. ("CTPL") amounting to S\$0.18 million in FY2017 (FY2016: NIL), following the Group's investment in CTPL in June 2017.

Impairment of goodwill

Impairment of goodwill relates to goodwill on consolidation arising from the acquisition of RSPL. The goodwill impairment was deemed necessary as the acquired subsidiary was loss making in the current year and the business outlook and projection resulted in estimated recoverable amount being less than the carrying value of the assets.

(Loss)/profit attributable to owners of the Company

The Group incurred a loss attributable to owners of the Company of S\$1.78 million in FY2017 (FY2016: profit of S\$0.85 million) mainly due to:

- (1) impairment of goodwill and other intangible assets of RSPL amounting to S\$1.50 million;
- (2) provision for stock obsolescence of S\$0.56 million;
- (3) increase in finance cost and reduction of interest income of S\$0.31 million; and
- (4) provision for doubtful debts of S\$0.17 million.

**REVIEW OF THE GROUP'S FINANCIAL POSITION**Non-current assets

The Group's non-current assets increased by 15.0% or S\$5.53 million, from S\$36.92 million as at 31 December 2016 to S\$42.45 million as at 31 December 2017 mainly due to the acquisition of 20% of the issued and paid-up share capital of CTPL and the addition of property, plant and equipment; these were offset by the goodwill impairment, amortisation of intangible assets and depreciation charged.

Current assets

The Group's current assets decreased by 33.3% or S\$10.53 million, from S\$31.61 million as at 31 December 2016 to S\$21.08 million as at 31 December 2017 mainly due to a S\$9.99 million decrease in cash and cash equivalents mainly as a result of cash used for the acquisition of CTPL, payment of dividends, acquisition of property, plant and equipment, and the repayment of bank loans, as well as a S\$1.16 million decrease in inventory as a result of increased inventory turnover and a provision of S\$0.56 million made in respect of slow moving inventories. The above was partially offset by an increase in trade and other receivables of S\$0.58 million and an increase in prepaid operating expenses of S\$0.20 million.

Current liabilities

The Group's current liabilities decreased by 13.0% or S\$1.14 million, from S\$8.78 million as at 31 December 2016 to S\$7.64 million as at 31 December 2017 mainly due to a decrease in trade and other payables of S\$1.33 million in relation to trade settlement and payment made for office renovation cost of our Alexandra Property, and a decrease in income tax payable of S\$0.23 million, partially offset by an increase in accrued operating expenses and finance lease of S\$0.32 million and S\$0.07 million respectively.

Non-current liabilities

The Group's non-current liabilities decreased by 6.0% or S\$0.74 million, from S\$12.42 million as at 31 December 2016 to S\$11.67 million as at 31 December 2017 mainly due to repayment of bank loan of S\$0.73 million, decrease in deferred tax liabilities of S\$0.25 million and partially offset by an increase in finance lease of S\$0.23 million.

**REVIEW OF THE GROUP'S CASH FLOWS STATEMENT**

We generated operating cash flows before working capital changes of S\$2.07 million for FY2017. Net cash used in working capital amounted to S\$1.55 million mainly due to increase in trade and other receivables of S\$0.99 million, increase in prepaid operating expenses of S\$0.21 million, decrease in trade and other payables of S\$1.27 million and partially offset by decrease in inventories of S\$0.60 million and increase in accrued operating expenses of S\$0.33 million. Net cash generated from operating activities for FY2017 amounted to S\$0.48 million.

Net cash used in investing activities for FY2017 amounted to S\$8.91 million. This was primarily due to the addition of property, plant and equipment of S\$2.72 million and the acquisition of 20% interest in CTPL of S\$6.22 million.

Net cash used in financing activities for FY2017 amounted to S\$1.56 million. This was due to dividend payment of S\$1.2 million, repayment of bank loan of S\$0.73 million and repayment of finance lease of S\$0.11 million, partially offset by refund of fixed deposits pledged of S\$0.45 million and S\$0.05 million loan contribution from non-controlling interest in a subsidiary.

As at 31 December 2017, the Group's cash and cash equivalents amounted to S\$9.84 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.**

It has been a challenging past year for the Group as it took measures to curtail losses and streamline its businesses. Our focus is to strengthen our core businesses and eliminate the non-profitable ones. Our corporate reorganising efforts which commenced in the last quarter of FY2017 had returned most of our businesses to profitable positions.

As one of the market leaders in our mainstream business segments of security guarding and security printing, we will embrace technology and innovation to transform our businesses to stay relevant with the nation's Industry Transformation Map (ITM) and Industry Digital Plan (IDP). Indeed we are well-positioned to tap on our robust infrastructure, manpower base and technical know-how, and together with our surveillance systems integration unit and skills training arm are able to deliver security outcome driven solutions in line with ITM objectives.

The Group will continue to focus on business growth and cost rationalisation to ensure better returns moving forward.

**11. Dividend****(a) Any dividend declared for the current financial period reported on?**

Nil

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

Name of dividend	Final
Dividend type	Cash
Dividend amount per share (cents)	0.3
Tax rate	Tax exempt (one-tier)

**(c) Date payable**

Not Applicable

**(d) Books closure date**

Not Applicable

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

No dividend has been declared or recommended by the board of directors (“**Directors**” or “**Board**”) of the Company in respect of FY2017.

**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 obtained a general mandate from shareholders of the Company for interested person transactions at the Company’s annual general meeting held on 28 April 2016. During FY2017, 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 Catalist Rules)	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
Mr. Peter Lim	–	S\$285,000

**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 Catalist.

**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, System Integration and Security Consultancy S\$'000	Elimination S\$'000	Total Group S\$'000
<b>FY2017</b>							
External customers	–	10,400	24,787	2,362	4,025	–	41,574
Inter-segment	2,960	–	–	42	896	(3,898)	–
<b>Results:</b>							
Interest income	88	–	–	–	–	(26)	62
Depreciation of property, plant and equipment	400	1,381	60	42	157	–	2,040
Amortisation and impairment of intangible assets	–	218	–	215	–	–	433
Share of results of joint ventures and associates	180	190	–	–	–	–	370
Segment (loss)/profit	(458)	1,161	688	(1,959)	(1,361)	–	(1,929)
<b>Assets:</b>							
Segment assets	35,595	14,390	8,339	748	3,580	878	63,530
<b>Liabilities:</b>							
Segment liabilities	13,628	2,674	4,684	785	4,119	(6,572)	19,318
<b>FY2016</b>							
External customers	–	11,571	21,300	1,647	1,545	–	36,063
Inter-segment	2,310	–	–	7	356	(2,673)	–
<b>Results:</b>							
Interest income	219	–	–	–	–	(3)	216
Depreciation of property, plant and equipment	94	1,257	35	19	9	–	1,414
Amortisation of intangible assets	–	218	–	43	–	–	261
Share of results of joint ventures and associate	–	273	–	–	–	–	273
Segment (loss)/profit	(993)	1,286	1,000	(170)	(311)	–	812
<b>Assets:</b>							
Segment assets	40,918	14,882	7,668	1,524	3,683	(150)	68,525
<b>Liabilities:</b>							
Segment liabilities	14,828	4,646	5,201	1,228	3,270	(7,974)	21,199



Geographical information

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

	FY2017 S\$'000	FY2016 S\$'000
<b>Revenue</b>		
Singapore	41,496	36,063
Thailand	78	–
	41,574	36,063
<b>Non-current assets</b>		
Singapore	38,839	33,225
Malaysia	2,412	2,463
Taiwan	581	520
Bangladesh	613	598
Thailand	–	49
	42,445	36,855

Non-current assets information presented above consist of property, plant and equipment, goodwill on consolidation, customer relationship, investment in joint ventures and investment in associates.

**18. In view 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 FY2017 S\$'000	FY2016 S\$'000	Increase/ (Decrease) %
Sales reported for:			
(a) First half of the financial year	20,265	17,398	16.5
(b) Second half of the financial year	21,309	18,665	14.2
	41,574	36,063	15.3
Profit net of tax:			
(c) First half of the financial year	(393)	203	NM
(d) Second half of the financial year	(1,536)	609	NM
	(1,929)	812	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:**

	FY2017 S\$'000	FY2016 S\$'000
Final dividend	NIL	1,200

**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.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tan Wee Han	50	Nephew of substantial shareholder, Mr. Peter Lim	Appointed as non-executive director on 2 October 2017 and a member of nominating committee	Re-designated from executive director to non-executive, non-independent director on 2 October 2017

**BY ORDER OF THE BOARD**

**Dr Ho Tat Kin**  
**Chairman and Independent Director**

**Lim Siok Leng**  
**Chief Financial Officer**

22 February 2018