

## **THE STRATECH GROUP LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No: 201430212R)

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### **UPDATE PURSUANT TO LISTING RULE 1313(2) FOR THE QUARTER ENDED 31 MARCH 2015 (“4Q2015”)**

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The Company was included in the watch-list pursuant to Rule 1311 of the Listing Manual with effect from 5 June 2013.

In accordance with Listing Rule 1313(2) of the Listing Manual of the Singapore Exchange Limited (“SGX-ST”), the Board of Directors of the Company wishes to provide the following updates.

#### **1. Financial Update**

For 4Q2015, the Group recorded revenue of S\$6.01 million and net profit of S\$2.42 million, against revenue of S\$1.32 million and net loss of S\$1.82 million for the quarter ended 31 December 2014 (“3Q2015”). The increase in revenue was in line with the delivery milestones of existing contracts and newly secured contracts during the period.

The administrative expenses of S\$2.06 million were incurred for 4Q2015 as compared with S\$1.27 million recorded for 3Q2015, mainly due to non-recurring professional fees in relation to the recently concluded Group Restructuring exercise, and staff costs in line with higher level of business activities during the period.

The other operating expenses of S\$0.53 million recorded for 4Q2015 continued to show a reducing trend, compared with FY2014 on a pro-rated basis (other operating expenses were S\$2.87 million for FY2014). This was mainly due to reduction of amortisation expenses.

The Group's net assets stood at S\$6.57 million as at 31 March 2015.

On 19 May 2015, the Group announced that pursuant to the Company's application made on 13 April 2015 to SGX-ST for an extension of 12 month from 4 June 2015 for removal from the Watch-list, it received a notification from the SGX-ST that it has no objection to granting the Company an extension of time of up to 12 months to 4 June 2016 to meet the requirements for removal from the Watch-list, subject to conditions described in the said announcement.

The directors confirm that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial results to be false or misleading, in any material aspect.

## 2. Business Update

The Group succeeded in securing several new contracts in FY2015, which included the contract to deploy its iFerret™ system at Hong Kong International Airport, and the contract to upgrade the existing iFerret™ system at Singapore Changi Airport.

The recently concluded restructuring and relisting of the Group as The Stratech Group Limited will enable it to, inter alia:

- (i) streamline the existing group structure and operations to provide leverage for it to expand its business globally across the numerous products and capabilities;
- (ii) achieve ease and flexibility for it to acquire new businesses, as well as expand and/or divest existing business segments as and when opportunities arise; and
- (iii) ring-fence the listed entity from its operating entities and direct operating risks (including any possible claims and litigation arising in connection with the operations and business).

Going forward, the Group will continue to engage potential customers such as airports of various countries, where discussions are on-going to grow its market reach globally for all of the Group's products and capabilities. The Group is currently in negotiations to, among others, install the iFerret™ at a major international airport and securing orders for its other products and capabilities, such as its intelligent vehicle access control system, iVACS™, and its advanced weapons scoring system, Super BullsEye™ II.

The update above was previously announced on 27 May 2015.

By Order of the Board  
Leong Sook Ching  
Company Secretary  
9 July 2015