



UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 December 2015

Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as ascribed to them in the Offer Document of the Secura Group Limited dated 20 January 2016 (the "**Offer Document**").

Secura Group Limited (the "**Company**") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 28 January 2016. The Sponsor and Issue Manager for the initial public offering (the "**IPO**") of the Company was United Overseas Bank (the "**Sponsor**").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor, for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of the announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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INTRODUCTION

Incorporation of Secura Group Limited (the "Company" or "SGL")

The Company was incorporated in the Republic of Singapore on 14 August 2015 under the Companies Act (Chapter 50) of Singapore as a private limited company under the name Secura Group Pte. Ltd. On 14 January 2016, the Company changed its name to "Secura Group Limited" in conjunction with its conversion to a public company limited by shares.

Restructuring exercise

Pursuant to the Restructuring Exercise executed in connection with the IPO, the Company acquired 100% of the equity interests in Secura Singapore Pte. Ltd. and its subsidiaries ("**SSPL Group**") and Soverus Group Pte. Ltd. and its subsidiaries ("**SGPL Group**").

BASIS OF PREPARATION

The Group is only formed subsequent to 31 December 2015. Accordingly, there is no Group financial information for the financial year ended 31 December 2015 ("FY2015"). For purposes of this announcement, unaudited Proforma Group financial information has been presented, as if the enlarged Group is in place from 1 January 2012 and on the basis of preparation as described in our Offer Document dated 20 January 2016 and summarized below.

Proforma Group

The unaudited pro forma financial information of the Proforma Group included in this announcement is compiled from the unaudited financial information of the Company as well as the companies in SSPL Group and SGPL Group for FY2015. The unaudited pro forma financial information of the Proforma Group for FY2014 is extracted from our Offer Document dated 20 January 2016.

Both the Company and SGPL were under common control and the pooling of interest method has been applied in accounting for SGPL Group in the unaudited Proforma Group financial information. For SSPL Group, the acquisition method was applied and management has made the significant assumptions that SSPL Group and SGPL Group existed as an enlarged group from 1 January 2012 and that the carrying amounts of assets, liabilities, revenue and expenses of SSPL Group as at that date are assumed to be their fair values.

Pursuant to this,

- Assets, liabilities, reserves, revenue and expenses of SSPL Group are consolidated at their existing carrying amounts;
- No amount is recognised for goodwill; and

- The equity account of SSPL Group and SGPL Group including the share capital have been included in the pro forma combined balance sheet. Accordingly, the equity of the Proforma Group is derived from the summation of the equity account of SSPL and SGPL.

The Proforma Group will apply acquisition method for the acquisition of SSPL Group in its statutory financial statements for the financial year ending 31 December 2016.

The fair value of assets and liabilities of SSPL Group as at the date of completion of the Restructuring Exercise in January 2016 may differ from their carrying amounts as at the balance sheet dates as presented in this announcement. No fair value adjustments have been made to the carrying amounts of assets, liabilities, reserves, revenue and expenses of SSPL Group as at and for the financial year ended 31 December 2015 (“FY2015”) and for the financial year ended 31 December 2014 (“FY2014”), as included in the Unaudited Pro Forma Combined Financial Statements.

The Company

The financial statements of the Company comprise the balance sheet as at 31 December 2015 and the statement of changes in equity from 14 August 2015 (date of incorporation) to 31 December 2015 for the period ended 31 December 2015. There are no comparative figures as at the end of the immediately preceding financial year as the Company was incorporated during the current financial period.

FULL YEAR FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015
PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

- 1(a) **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 COMPREHENSIVE INCOME

	PROFORMA GROUP		
	FY2015 \$'000	FY2014 \$'000	Increase/ (Decrease) %
Revenue	32,924	30,410	8.3
Cost of sales	(26,611)	(23,584)	12.8
Gross profit	6,313	6,826	(7.5)
Other operating income	4,195	6,742 ⁽²⁾	(37.8)
Distribution and selling expenses	(955)	(1,055)	(9.5)
Administrative expenses	(4,935)	(4,372)	12.9
Listing expenses	(653)	–	NM ⁽¹⁾
Share of results of joint ventures and associate	137	123	11.4
Profit before tax	4,102	8,264	(50.4)
Income tax expense	(568)	(93)	510.8
Profit net of tax	3,534	8,171	(56.7)
Other comprehensive income			
Items that may be classified subsequently to profit or loss			
Foreign currency translation	116	31	274.2
Share of foreign currency translation of joint venture	4	–	NM
Share of foreign currency translation of associate	29	–	NM
Total comprehensive income for the year	3,683	8,202	(55.1)
Profit attributable to:			
Equity holders of the Company	3,534	8,171	(56.7)
Total comprehensive income attributable to:			
Equity holders of the Company	3,683	8,202	(55.1)

Notes:

(1) Not meaningful.

(2) Other operating income included a one-off net gain on disposal of the Lok Yang Property of S\$5.0 million.

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:

	PROFORMA GROUP		
	FY2015 \$'000	FY2014 \$'000	Increase/ (Decrease) %
Government grants	3,577	714	401.0
Depreciation expense	(1,149)	(1,217)	(5.6)
Gain on disposal of property, plant and equipment and asset held for sale	12	5,474	(99.8)
Interest income	12	16	(25.0)
Allowance for stock obsolescence	(63)	(3)	2,000.0
Allowance for amount due from associate	(215)	–	NM
Write back of allowance for stock obsolescence	–	1	(100.0)
Write back of allowance for doubtful debts	62	17	264.7
Foreign exchange loss	(274)	(47)	483.0
(Over)/ under provision of tax in respect of prior years			
- Current tax	(96)	2	NM
- Deferred tax	(36)	(67)	(46.3)

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

	PROFORMA GROUP		COMPANY ⁽¹⁾
	As at 31 Dec 2015 \$'000	As at 31 Dec 2014 \$'000	As at 31 Dec 2015 \$'000
Non-current assets			
Property, plant and equipment	9,350	10,034	–
Goodwill on consolidation	18	18	–
Investments in joint ventures	456	470	–
Investments in associate	445	366	–
Deferred tax asset	142	171	–
Trade and other receivables	416	758	–
	<u>10,827</u>	<u>11,817</u>	<u>–</u>
Current assets			
Inventories	1,085	1,294	–
Trade and other receivables	8,560	6,426	–
Tax recoverable	203	231	–
Prepaid operating expenses	270	161	42
Amount due from an associate	–	233	–
Amount due from a joint venture company	28	35	–
Cash and cash equivalents	6,119	6,188	–
	<u>16,265</u>	<u>14,568</u>	<u>42</u>
Current liabilities			
Trade and other payables	2,931	1,280	657
Deferred revenue	523	334	–
Accrued operating expenses	1,161	1,663	111
Finance lease	47	–	–
Bank loan	–	1	–
Amount due to a joint venture company	51	45	–
Amount due to shareholder	3,000	3,000	–
Income tax payable	418	265	–
Dividend payable	4,949	9,898	–
	<u>13,080</u>	<u>16,486</u>	<u>768</u>
Net current assets/(liabilities)	<u>3,185</u>	<u>(1,918)</u>	<u>(726)</u>
Non-current liabilities			
Finance lease	75	–	–
Deferred tax liabilities	359	4	–
Net assets/(liabilities)	<u>13,578</u>	<u>9,895</u>	<u>(726)</u>
Equity attributable to equity holders of the Company			
Share capital	8,365	8,365	– ^(*)
Retained earnings	5,073	1,539	(726)
Foreign currency translation reserve	140	(9)	–
Total equity/(deficit)	<u>13,578</u>	<u>9,895</u>	<u>(726)</u>

Note:

(1) There are no comparative figures for the Company as the Company was incorporated on 14 August 2015.

(*) Denotes less than S\$1,000.

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

As at 31/12/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
47	3,000	–	3,000

Amount repayable after one year

As at 31/12/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
75	–	–	–

Details of any collateral

As at the balance sheet date, the finance lease liabilities of the Group are secured by way of a motor vehicle.

- 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

	PROFORMA GROUP	
	FY2015	FY2014
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit before tax	4,102	8,264
Adjustments for:		
Depreciation expense	1,149	1,217
Gain on disposal of property, plant and equipment and asset held for sale	(12)	(5,474)
Interest income	(12)	(16)
Allowance for stock obsolescence	63	3
Allowance for amount due from associate	215	–
Write back of allowance for stock obsolescence	–	(1)
Write back of allowance for doubtful debts	(62)	(17)
Receipt and recognition of deferred revenue, net	189	72
Share of results of joint ventures and associate	(137)	(123)
Unrealised exchange loss	252	48
Operating cash flows before working capital changes	5,747	3,973
Decrease/(increase) in inventories	147	(266)
Increase in trade and other receivables	(1,692)	(1,390)
(Increase)/decrease in prepaid operating expenses	(110)	16
Decrease in amount due from an associate	18	29
Decrease in amount due from a joint venture company	7	3
Increase in trade and other payables	1,658	28
Increase/(decrease) in amount due to a joint venture company	6	(7)
(Decrease)/increase in accrued operating expenses	(500)	231
Cash flows generated from operations	5,281	2,617
Interest received	11	16
Tax paid	(34)	(245)
Net cash flows generated from operating activities	5,258	2,388
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	88	6,186
Purchase of property, plant and equipment	(501)	(2,108)
Dividend income from a joint venture company	105	30
Net cash flows (used in)/generated from investing activities	(308)	4,108
Cash flows from financing activities:		
Increase in fixed deposits pledged	(241)	(457)
Dividends paid on ordinary shares of the subsidiaries	(4,949)	(4,949)
Loans from shareholders	–	500
Amount due from director	200	(200)
Repayment of finance lease	(17)	–
Proceeds from bank loan	–	10
Repayment of bank loan	(1)	(9)
Net cash flows used in financing activities	(5,008)	(5,105)
Net (decrease)/increase in cash and cash equivalents	(58)	1,391
Effect of exchange rate changes on cash and cash equivalents	(11)	–
Cash and cash equivalents at beginning of year	6,188	4,797
Cash and cash equivalents at end of year	6,119	6,188

- 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.

Proforma Group	Attributable to equity holders of the parent			
	Share capital \$'000	Foreign currency translation reserve \$'000	Retained earnings \$'000	Total equity \$'000
As at 1 January 2015	8,365	(9)	1,539	9,895
Profit net of tax	–	–	3,534	3,534
Share of foreign currency translation of joint venture	–	4	–	4
Share of foreign currency translation of associate	–	29	–	29
Foreign currency translation	–	116	–	116
Other comprehensive income for the year, net of tax	–	149	–	149
Total comprehensive income for the year	–	149	3,534	3,683
As at 31 December 2015⁽²⁾	8,365	140	5,073	13,578
As at 1 January 2014	8,365	(40)	8,215	16,540
Profit net of tax	–	–	8,171	8,171
Foreign currency translation, representing other comprehensive income for the year, net of tax	–	31	–	31
Total comprehensive income for the year	–	31	8,171	8,202
Dividends on ordinary shares				
- paid during the year	–	–	(4,949)	(4,949)
- declared subsequent to 31 December 2014 ⁽²⁾	–	–	(9,898)	(9,898)
As at 31 December 2014	8,365	(9)	1,539	9,895
Company	Share capital \$'000	Retained earnings \$'000	Total equity \$'000	
As at 14 August 2015 (date of incorporation) ⁽¹⁾	–	–	–	
Total comprehensive income for the year				
Loss for the year	–	(726)	(726)	
As at 31 December 2015	–	(726)	(726)	

Notes:

- (1) As at the date of incorporation, 100 shares of S\$1 each were issued and paid up upon the incorporation of the Company.

Proforma adjustments relating to dividends

- (2) Dividends subsequent to 31 December 2014 relating to FY2015

Subsequent to 31 December 2014, in April 2015, Secura Singapore Pte. Ltd. declared FY2015 interim dividends totalling 70 cents per share and amounting to S\$4.9 million to its then existing shareholders.

In October 2015, Secura Singapore Pte. Ltd. declared FY2015 interim dividends totalling 70 cents per share and amounting to S\$4.9 million to its then existing shareholders. This dividend was subsequently paid in FY2016.

On a proforma basis, these were adjusted against FY2014 shareholders' equity, to be consistent with the basis of preparation in our Offer Document dated 20 January 2016 in connection with our IPO.

- 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL

There was no change in the share capital of the Company in FY2015 except for the issued and paid up capital of 100 shares of S\$1 each upon the incorporation of the Company.

Details of the changes in the issued and paid-up share capital of the Company since incorporation and the resultant issued and paid-up share capital immediately after the IPO is as follows:

	Number of shares	Issued and paid-up share capital S\$
Issued and fully paid Shares as of incorporation of our Company, representing the share capital as at 31 December 2015	100	100
Issue of new Shares pursuant to the Restructuring Exercise	287,999,900	11,762,000
Post Restructuring Exercise issued and paid-up share capital	288,000,000	11,762,100
New Shares issued pursuant to the IPO	112,000,000	28,000,000
Share issue expenses	–	(918,000)
Post-IPO issued and paid-up share capital	400,000,000	38,844,100

- 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.**

There are no comparative figures as at the end of the immediately preceding financial year, as the Company was incorporated on 14 August 2015. An additional 112,000,000 new Shares were issued and allotted on 27 January 2016 in connection with the IPO. As such, as at the date of this announcement, the enlarged issued share capital of the Company is \$38.8 million comprising 400,000,000 ordinary shares, after taking into account the capitalisation of IPO related expenses of approximately S\$0.92 million.

- 1(d)(iv) A statement showing all sales, transfers, disposal, 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.

- 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 financial results for the financial year under review have been prepared using the same accounting policies and methods of computation as presented in the most recently audited financial statements for the financial year ended 31 December 2014 of Soverus Group Pte. Ltd. and Secura Group Pte. Ltd, being the two groups included in the Proforma Group for purpose of this announcement.

Please refer to the "Basis of Preparation" for further details.

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 Proforma Group and the Company adopted the new and revised Financial Reporting Standards ("FRS") which are effective for FY2015. The adoption of the new and revised FRS did not result in any material impact on the Proforma Group's and Company's financial statements.

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	
	FY2015 S\$	FY2014 S\$
Profit attributable to owners of the Company (S\$'000)	3,534	8,171
Number of ordinary shares post IPO ('000)	400,000	400,000
	0.88	2.04
Basic and diluted EPS based on actual number of ordinary shares post IPO (cents)	0.88	2.04

The earnings per share for the both financial years have been computed based on net profit and the Company's enlarged share capital of 400,000,000 Shares, assuming that the Restructuring Exercise and the issuance of 112,000,000 new Shares pursuant to the IPO had been completed as at the end of the respective financial years.

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	
	FY2015	FY2014	FY2015	FY2014
Net asset value (S\$'000)	13,578	9,895	(726)	N.A. ⁽²⁾
Number of ordinary shares ('000)	400,000	400,000	400,000	N.A.
Net asset value per ordinary shares (cents) ⁽¹⁾	3.39	2.47	(0.18)	N.A.
	3.39	2.47	(0.18)	N.A.

Notes:

(1) For comparison and illustrative purposes, the calculation for the NAV per share for the respective financial years is based on the post-IPO share capital of 400,000,000 Shares in issue.

(2) Not Applicable. There are no comparative figures for the Company as at the end of the immediately preceding financial year, as the Company was incorporated on 14 August 2015.

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 PERFORMANCE OF THE PROFORMA GROUP

Revenue

Revenue increased by 8.3% or S\$2.51 million, from S\$30.41 million in FY2014 to S\$32.92 million in FY2015 due mainly to increase in revenue contributions from Security Guarding with an increase in the number of contracts awarded; this was partially offset by the decrease in revenue from Security Printing.

Cost of sales

Cost of sales increased by 12.8% or S\$3.03 million, from S\$23.58 million in FY2014 to S\$26.61 million in FY2015, in line with our increase in revenue. The increase was primarily due to increase in the number of security officers we employed to support the growth in the Security Guarding business as well as the increase in average salaries and foreign workers' levies; this was partially offset by the reduction in material purchases of Security Printing with the decrease in revenue.

Other operating income

Other operating income decreased by 37.8% or S\$2.54 million, from S\$6.74 million in FY2014 to S\$4.20 million in FY2015. Other operating income was higher in FY2014 primarily due to a one-off net gain of S\$5.0 million from the sales of property. Other operating income in FY2015 comprised mainly Government Grants under the Wage Credit Scheme, Special Employment Credit and Temporary Employment Credit.

Distribution and selling expenses

Distribution and selling expenses decreased by 9.5% or S\$0.1 million, from S\$1.06 million in FY2014 to S\$0.96 million in FY2015. This was primarily due to a decrease in commissions paid to third parties in relation to an export sale for Security Printing business.

Administrative expenses

Administrative expenses increased by 12.9% or S\$0.57 million, from S\$4.37 million in FY2014 to S\$4.94 million in FY2015. This was primarily due to provision for impairment of receivables due from associate, foreign exchange loss for Secura Malaysia and severance compensation paid to employees of Secura Malaysia partially offset by a decrease in administrative expenses incurred in relation to Malaysia operations, due to the winding down of Malaysia operations, as well as the absence of administrative costs which were incurred in FY2014 in relation to the disposal of the Lok Yang Property.

Listing expenses

We incurred expenses of S\$0.65 million in FY2015 in relation to professional fees for the Restructuring Exercise and the IPO.

Share of results of joint ventures and associate

Share of results of joint ventures and associate increased by 11.4% or \$0.01 million. This was primarily due to higher profit contribution from Secura Taiwan and Secura Bangladesh.

Income tax expense

Income tax expense increased by 510.8% or S\$0.48 million from S\$0.09 million in FY2014 to S\$0.57 million in FY2015. This was primarily due to increase in taxable Government Grants.

Profit net of tax

Excluding the one-off net gain from disposal of the Lok Yang Property of S\$5.0 million in FY2014, our net profit for the year increased 11.4% or S\$0.36 million from S\$3.17 million in FY2014 to S\$3.53 million in FY2015.

Other comprehensive income

Other comprehensive income increased 380.6% or S\$0.12 million, from S\$0.03 million in FY2014 to S\$0.15 million in FY2015, arising from gain in foreign exchange translation due to the weakening of the RM against the S\$.

REVIEW OF FINANCIAL POSITION OF THE GROUPNon-current assets

The Group's non-current assets decreased 8.4% or S\$0.99 million, from S\$11.82 million as at 31 December 2014 to S\$10.83 million as at 31 December 2015.

The Group's property, plant and equipment decreased 6.8% or S\$0.68 million, from S\$10.03 million as at 31 December 2014 to S\$9.35 million as at 31 December 2015, this was due mainly to depreciation charged during the year, partially offset by the addition of plant and equipment.

Investments in associate increased 21.6% or S\$0.08 million, from S\$0.37 million as at 31 December 2014 to S\$0.45 million as at 31 December 2015, due primarily to higher profit contributions from the associate.

Trade and other receivables decreased 45.1% or S\$0.34 million, from S\$0.76 million as at 31 December 2014 to S\$0.42 million as at 31 December 2015, this was due mainly to repayment of S\$0.20 million of loans from the director as well as the timing of maturity of fixed deposits pledged for performance bond placed for Security Guarding contracts.

Current assets

The Group's current assets increased 11.6% or S\$1.70 million from S\$14.57 million as at 31 December 2014 to S\$16.27 million as at 31 December 2015.

Inventories decreased 16.2% or S\$0.20 million from S\$1.29 million as at 31 December 2014 to S\$1.09 million as at 31 December 2015, primarily due to better inventory management to reduce the stockholding cost.

Trade and other receivables increased 33.2% or S\$2.13 million from S\$6.43 million as at 31 December 2014 to S\$8.56 million as at 31 December 2015, mainly due to the Government Grants receivable of S\$1.79 million for FY2015.

Current liabilities

The Group's current liabilities decreased by 20.7% or S\$3.41 million from S\$16.49 million as at 31 December 2014 to S\$13.08 million in FY2015 due mainly to a decrease in dividend payables and accrued operating expenses, partially offset by an increase in trade and other payables.

Dividend payables decreased by 50.0% or S\$4.95 million from S\$9.90 million as at 31 December 2014 to S\$4.95 million as at 31 December 2015 due to progressive payment during the year. Accrued operating expenses decreased by 30.2% or S\$0.50 million from S\$1.66 million as at 31 December 2014 to S\$1.16 million as at 31 December 2015 due mainly to decrease in accrual for bonus, subcontractor costs, professional fees and annual leave due to the winding down of Secura Malaysia. Trade and other payables increased by 129.0% or S\$1.65 million from S\$1.28 million as at 31 December 2014 to S\$2.93 million as at 31 December 2015 mainly for purchases made towards the end of the year as well as for professional fees for the Restructuring Exercise and the IPO.

Non-current liabilities

The Group's non-current liabilities increased by S\$0.43 million from less than S\$0.01 million as at 31 December 2014 to S\$0.43 million as at 31 December 2015, primarily due to the finance lease of motor vehicle and increase in deferred tax liabilities as a result of the recognition of Government Grant receivable and accelerated capital allowance.

REVIEW OF STATEMENT OF CASH FLOWS

Net cash generated from operating activities for FY2015 amounted to S\$5.28 million.

Net cash used in working capital amounted S\$0.47 million due mainly to increase in trade and other receivable of S\$1.69 million, prepaid operating expense of S\$0.10 million and decrease in accrued operating expenses of S\$0.50 million, partially offset by the decrease in inventories of S\$0.15 million and increase in trade and other payables of S\$1.66 million,

Net cash used in investing activities for FY2015 amounted to S\$0.31 million, due to payment of S\$0.50 million for the acquisition of property, plant and equipment, partially offset by the proceeds from disposal of property, plant and equipment and the dividend income from a joint venture company of an aggregate of S\$0.19 million.

Net cash used in financing activities for FY2015 amounted to S\$5.0 million, due to fixed deposits placed for performance bonds of S\$0.24 million, dividend payment of S\$4.95 million which was offset by receipts of S\$0.20 million from a director for repayment of loan to the director. As at 31 December 2015, the Group's cash and cash equivalents amounted to S\$6.12 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.

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 expects growth in the security guarding, cyber security and homeland security businesses to be positive as governments and corporates increase investments to counter the threats of terrorism and cyber attacks.

The Group will continue to explore suitable opportunities to expand our security guarding, cyber security, technology and systems integration business through acquisitions, joint ventures or strategic alliances.

The Group will also continue to focus on cost rationalisation and improving work flow processes, manpower utilisation and information technology applications to increase productivity and efficiency and lowering operating costs. Barring unforeseen circumstances, the Group expects to continue to grow its business and remain profitable in the next 12 months.

11. Dividend

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

PROPOSED FIRST AND FINAL DIVIDEND:

Name of Dividend	First and Final Tax Exempt Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	0.3 cent per ordinary share
Tax Rate	Tax-exempt one-tier

Note: The directors recommend the payment of first and final tax exempt dividend. The dividend proposal is subject to the Shareholders' approval at the forthcoming annual general meeting.

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

Not Applicable

(c) Date payable

The date of payment of the dividend will be announced on a later date.

(d) Books closure date

Notice will be given on a later date on the closure of the share transfer book and Register of Members of the Company to determine members' entitlement to the dividends.

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

Not Applicable

13. If the Group has obtained a general mandate from shareholders for 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 for interested person transactions.

14. Use of IPO proceeds

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of approximately S\$26.3 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 disclosed in the Offer Document) (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 security guarding business	9,300	–	9,300
Expand cyber security, technology and systems integration business	5,500	–	5,500
Enhance and upgrade security printing equipment	1,000	–	1,000
Corporate infrastructure improvements	4,000	–	4,000
General working capital purposes	6,500	(4,500)	2,000
	26,300	(4,500)	21,800

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 Catalist Rules.

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

Not applicable for announcement of full year financial statements.

17. Related Employees

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Company confirms that there are two (2) employees occupying managerial position in the Company or any of its principal subsidiaries who are related to our Directors, Key Executives and Substantial Shareholders. Details of these employees are as follows:

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	48	Nephew of substantial shareholder, Mr Lim Eng Hock	Non-Executive, Non-Independent Director	N.A.
Wong Wei Kong, Victor	55	Brother-in-law of Group CEO and Executive Director, Mr Paul Lim Choon Wui	Logistics & Purchasing Manager	N.A.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

18. 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 Proforma Group's revenue from external customers based on the products and services where revenue is generated:

Sales revenue by products and services

	Security Printing S\$'000	Security Guarding S\$'000	Cyber Security, Technology and Systems Integration S\$'000	Security Consultancy and Services S\$'000	Elimination S\$'000	Total Proforma Group S\$'000
FY2015						
External Customers	12,407	18,822	1,047	652	(4)	32,924
Results:						
Interest income	12	–	–	–	–	12
Depreciation	1,068	70	11	–	–	1,149
Share of results of joint ventures and associate	137	–	–	–	–	137
Segment profit/(loss)	1,643	1,777	(34)	148	–	3,534
Assets:						
Segment assets	17,619	8,816	491	467	(646)	26,747
Deferred tax assets and tax recoverable						345
Total Assets						27,092
Liabilities:						
Segment liabilities	7,162	5,780	223	218	(646)	12,737
Income tax payable and deferred tax liabilities						777
Total Liabilities						13,514
FY 2014						
External Customers	14,143	15,338	311	618	–	30,410
Results:						
Interest income	16	–	–	–	–	16
Depreciation	1,106	102	9	–	–	1,217
Share of results of joint ventures and associate	123	–	–	–	–	123
Segment profit/(loss)	7,332	752	(243)	330	–	8,171
Assets:						
Segment Assets	20,254	5,253	476	–	–	25,983
Deferred tax assets and tax recoverable						402
Total Assets						26,385
Liabilities:						
Segment Liabilities	11,703	4,170	348	–	–	16,221
Income tax payable and deferred tax liabilities						269
Total Liabilities						16,490

Geographical information

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

	FY2015 \$'000	FY2014 \$'000
Revenue		
Singapore	32,571	29,536
Malaysia	353	874
	32,924	30,410
Non-current assets		
Singapore	9,642	10,025
Malaysia	627	863
	10,269	10,888

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

19. A breakdown of sales.

	Proforma Group FY2015 \$'000	FY2014 \$'000	Increase/ (Decrease) %
Sales reported for:			
(a) First half of the financial year	16,152	14,277	13.1
(b) Second half of the financial year	16,772	16,133	4.0
	32,924	30,410	8.3
Profit net of tax, representing total comprehensive income for the year			
(c) First half of the financial year	1,770	6,583 ⁽¹⁾	(73.1)
(d) Second half of the financial year	1,764	1,588	11.1
	3,534	8,171	(56.7)

Note:

(1) Included one-off net gain on disposal of the Lok Yang Property of S\$5.0 million.

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

S\$'000	FY2015	FY2014
Ordinary ⁽¹⁾	1,200	-
Preference	-	-
Total	1,200	-

Note:

(1) The proposed final tax exempt one-tier dividend in respect of FY2015 was calculated based on the post-IPO share capital of 400,000,000 shares, and is subject to approval of the shareholders at the forthcoming Annual General Meeting to be convened.

BY ORDER OF THE BOARD

Paul Lim Choon Wui
Chief Executive Officer

Lim Siok Leng
Chief Finance Officer

29 February 2016