



SECURA
GROUP LIMITED

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR
ENDED 31 DECEMBER 2019**

This announcement has been prepared by Secura Group Limited (the “**Company**”) and has been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.

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.

The contact person for the Sponsor is Mr. Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.



UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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		
	FY2019 S\$'000	FY2018 S\$'000	Increase/ (Decrease) %
Revenue	38,702	41,231	(6.1)
Cost of sales	(32,925)	(33,624)	(2.1)
Gross profit	5,777	7,607	(24.1)
Other operating income	1,697	1,632	4.0
Distribution and selling expenses	(1,613)	(1,828)	(11.8)
Administrative expenses	(5,127)	(5,006)	2.4
Finance cost	(322)	(295)	9.2
Share of results of joint ventures and associates	26	(205)	NM
Write back on financial assets	12	43	(72.1)
Impairment of investment in joint venture	(115)	-	NM
Profit before tax	335	1,948	(82.8)
Income tax credit/(expense)	27	(86)	NM
Profit for the year	362	1,862	(80.6)
Other comprehensive income			
Items that may be classified subsequently to profit or loss			
Share of foreign currency translation of joint ventures and associates	(10)	(5)	(100.0)
Total comprehensive income for the year	352	1,857	(81.0)
Profit for the year attributable to:			
Owner of the Company	366	1,866	(80.4)
Non-controlling interests	(4)	(4)	NM
	362	1,862	(80.6)
Total comprehensive income attributable to:			
Owner of the Company	356	1,861	80.9
Non-controlling interests	(4)	(4)	NM
	352	1,857	(81.0)

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		
	FY2019 S\$'000	FY2018 S\$'000	Increase/ (Decrease) %
Government grant income	852	985	(13.5)
Depreciation of property, plant and equipment and investment property	(1,842)	(2,083)	(11.6)
Amortisation of intangible assets	(218)	(218)	NM
Amortisation of right-of-use assets	(232)	–	NM
Impairment of investment in joint venture	(115)	–	NM
Gain/(loss) on disposal of property, plant and equipment	4	(212)	NM
Interest income	218	100	118.0
Write back for stock obsolescence	9	335	(97.3)
Write back on financial assets	12	43	(72.1)
Finance cost	(322)	(295)	9.2
Grant of equity-settled share options to employees	(24)	(66)	(63.6)
Foreign exchange gain, net	7	35	(80.0)

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 31/12/2019 S\$'000	As at 31/12/2018 S\$'000	As at 31/12/2019 S\$'000	As at 31/12/2018 S\$'000
Non-current assets				
Property, plant and equipment	25,948	27,951	14,871	15,120
Right-of-use assets	1,568	–	–	–
Investment property	537	555	2,685	2,774
Intangible assets	1,214	1,432	–	–
Investment in subsidiaries	–	–	21,034	23,934
Investment in joint ventures	783	909	–	–
Investment in associates	6,740	6,752	6,221	6,221
Deferred tax asset	–	–	220	240
Trade and other receivables	2	2	–	–
	36,792	37,601	45,031	48,289
Current assets				
Inventories	2,288	3,312	–	–
Trade and other receivables	8,263	8,856	58	160
Contract assets	350	313	–	–
Prepaid operating expenses	348	265	18	15
Amounts due from subsidiaries	–	–	1,593	1,702
Amount due from a joint venture	87	72	–	–
Cash and cash equivalents	14,479	13,853	7,820	7,752
	25,815	26,671	9,489	9,629
Current liabilities				
Trade and other payables	3,024	4,302	268	270
Contract liabilities	2,272	356	–	–
Accrued operating expenses	1,223	1,400	173	280
Lease liabilities	148	100	–	–
Bank loan	833	833	833	833
Amount due to a joint venture	–	27	–	–
Amount due to subsidiaries	–	–	4,650	552
Income tax payable	389	466	–	–
	7,889	7,484	5,924	1,935
Net current assets	17,926	19,187	3,565	7,694
Non-current liabilities				
Lease liabilities	1,032	148	–	–
Provision of reinstatement cost	122	–	–	–
Bank loan	7,741	9,920	7,742	9,920
Deferred tax liabilities	629	640	–	–
	9,524	10,708	7,742	9,920
Net assets	45,194	46,080	40,854	46,063
Equity				
Share capital	61,644	61,644	61,644	61,644
Merger reserve	(16,291)	(16,291)	–	–
Foreign currency translation reserve	(97)	(87)	–	–
Employee share option reserve	371	347	361	337
(Accumulated losses)/ retained earnings	(482)	352	(21,151)	(15,918)
	45,145	45,965	40,854	46,063
Non-controlling interests	49	115	–	–
Total equity	45,194	46,080	40,854	46,063

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

As at 31/12/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
981	–	933	–

Amount repayable after one year

As at 31/12/2019		As at 31/12/2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
8,773	–	10,068	–

Details of any collateral

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

- * The Group has adopted Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 16 *Leases* on 1 January 2019. On the date of adoption, right-of-use assets and lease liabilities which amounted to S\$1.1 million were recognised.

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	
	FY2019	FY2018
	S\$'000	S\$'000
Cash flows from operating activities:		
Profit before tax	335	1,948
Adjustments for:		
Depreciation of property, plant and equipment and investment property	1,842	2,083
Amortisation of intangible assets	218	218
Amortisation of right-of-use assets	232	–
Impairment of investment in joint venture	115	–
(Gain)/loss on disposal of property, plant and equipment	(4)	212
Interest income	(218)	(100)
Write back for stock obsolescence	(9)	(335)
Write back on financial assets	(12)	(43)
Share of results of joint ventures and associates	(26)	205
Unrealised exchange gains, net	5	(3)
Finance cost	322	295
Grant of equity-settled share options to employees	24	66
Operating cash flows before working capital changes	2,824	4,546
Decrease/(increase) in inventories	1,034	(1,676)
Decrease/(increase) in trade and other receivables and contract assets	589	(11)
(Increase)/decrease in prepaid operating expenses	(84)	293
Increase in amount due from a joint venture	(11)	(49)
Increase/(decrease) in trade and other payables	639	(309)
Decrease in accrued operating expenses	(177)	(215)
Cash flows generated from operations	4,814	2,579
Interest received	166	100
Interest paid	(322)	(294)
Tax paid	(72)	(17)
Net cash flows generated from operating activities	4,586	2,368
Cash flows from investing activities:		
Proceeds from disposal of property, plant and equipment	14	2,337
Purchase of property, plant and equipment	(347)	(214)
Dividend income from a joint venture	49	–
Acquisition of non-controlling interest	(62)	–
Net cash flows (used in)/generated from investing activities	(346)	2,123
Cash flows from financing activities:		
Issuance of shares	1	–
Decrease in fixed deposits pledged	–	334
Dividends on ordinary shares	(1,200)	–
Repayment of finance lease	(231)	(100)
Repayment of bank loan	(2,178)	(716)
Net cash flows used in financing activities	(3,608)	(482)
Net increase in cash and cash equivalents	632	4,009
Effect of exchange rate changes on cash and cash equivalents	(6)	2
Cash and cash equivalents at beginning of year	13,853	9,842
Cash and cash equivalents at end of year	14,479	13,853

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 1 January 2019	61,644	(16,291)	(87)	347	352	115	46,080
Profit for the year	–	–	–	–	366	(4)	362
<u>Other comprehensive income</u>							
Share of foreign currency translation of joint ventures and associates	–	–	(10)	–	–	–	(10)
Other comprehensive income for the year, net of tax	–	–	(10)	–	–	–	(10)
Total comprehensive income for the year	–	–	(10)	–	366	(4)	352
<u>Contributions by and distributions to owners</u>							
Grant of equity-settled share options to employees	–	–	–	24	–	–	24
Dividends on ordinary shares	–	–	–	–	(1,200)	–	(1,200)
Acquisition of non-controlling interests	–	–	–	–	–	(62)	(62)
At 31 December 2019	61,644	(16,291)	(97)	371	(482)	49	45,194

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 1 January 2018 (FRS Framework)	61,644	(16,291)	(82)	281	(1,465)	119	44,206
Effect of SFRS(I) adoption *	–	–	–	–	(49)	–	(49)
At 1 January 2018 (SFRS(I) Framework)	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 ventures and associates	–	–	(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 and other receivables amounting to S\$49,000.

Company	Share capital S\$'000	Employee share option reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2019	61,644	337	(15,918)	46,063
Loss for the year, representing total comprehensive income for the year	–	–	(4,033)	(4,033)
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share options to employees	–	24	–	24
Dividends on ordinary shares	–	–	(1,200)	(1,200)
At 31 December 2019	61,644	361	(21,151)	40,854
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

- 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 2019 and 30 September 2019	400,002,000	61,644,000

There were no outstanding warrants as at 31 December 2019 (31 December 2018: 224,000,000 warrants outstanding, each warrant carrying the right to subscribe for one share at the exercise price of S\$0.35 per share). There were 8,400,000 share options outstanding under the Secura Employee Share Option Scheme as at 31 December 2019 (31 December 2018: 9,600,000 share options).

As at 31 December 2019 and 31 December 2018, 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 31/12/19	As at 31/12/18
Total number of issued shares excluding treasury shares	400,002,000	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.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.

The latest financial statements are not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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.

Other than adoption of the new and revised SFRS(I) which took effect from the current financial year, the accounting policies have been consistently applied by the Group and are consistent with those applied in the previous financial year.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has adopted SFRS(I) 16 which took effect in the current financial year. Under SFRS(I) 16, the Group is required to recognise on the balance sheet a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). The Group is also required to separately recognise the interest expense on the lease liability and amortisation expense on the right-of-use asset. The adoption has resulted in increases in total assets, total liabilities, amortisation expense and finance cost.

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	
	FY2019	FY2018
Profit attributable to owners of the Company (S\$'000)	366	1,866
Weighted average number of shares ('000)	400,002	400,000
Basic and diluted EPS based on weighted average number of shares (cents)	0.09	0.47

**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 31/12/19	As at 31/12/18	As at 31/12/19	As at 31/12/18
Net asset value (S\$'000)	45,145	45,965	40,854	46,063
Number of shares ('000)	400,002	400,000	400,002	400,000
Net asset value per share (cents)	11.29	11.49	10.21	11.52

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 6.1% or S\$2.53 million, from S\$41.23 million in FY2018 to S\$38.70 million in FY2019 due mainly to the following:

- (1) decrease in revenue of S\$1.66 million or 6.0% from the security guarding segment due to non-renewal of guarding contracts;
- (2) decrease in revenue of S\$0.78 million or 9.0% from the security printing segment due to decrease in demand for printing products with nation-wide initiatives to go paperless;
- (3) decrease in revenue of S\$0.66 million or 32.7% from the digital forensic segment mainly due to the absence of overseas contract sales compared to FY2018; and

- (4) decrease in revenue of S\$0.36 million or 35.4% from the cyber security segment due to non-renewal of licenses and decrease in maintenance income.

These were partially offset by the following:

- (1) increase in revenue of S\$0.53 million or 57.5% from the increase in sales of system integration projects;
- (2) increase in revenue of S\$0.27 million or 75.0% from the training academy with more courses rolled out; and
- (3) increase in revenue of S\$0.13 million or 27.4% from the provision of security consultancy services.

Cost of sales

Cost of sales decreased by 2.1% or S\$0.70 million, from S\$33.62 million in FY2018 to S\$32.93 million in FY2019 in line with the decrease in revenue.

Gross profit

Gross profit decreased by 24.1% or S\$1.83 million, from S\$7.61 million in FY2018 to S\$5.78 million in FY2019. Gross profit margin decreased from 18.4% in FY2018 to 14.9% in FY2019, due mainly to the following:

- (1) increase in liquidated damages for the security guarding segment with shortage of manpower;
- (2) lower margin from the system integration projects due to price pressure;
- (3) the absence of overseas contract sales from the digital forensic segment which had yielded higher gross profit margin in FY2018; and
- (4) the absence of write back of stock obsolescence.

Other operating income

Other operating income increased by 4.0% or S\$0.07 million, from S\$1.63 million in FY2018 to S\$1.70 million in FY2019 largely due to increase in management fees and interest income from placement of fixed deposit, partially offset by a reduction in government grants.

Distribution and selling expenses

Distribution and selling expenses decreased by 11.8% or S\$0.22 million, from S\$1.83 million in FY2018 to S\$1.61 million in FY2019 mainly due to decrease in staff remuneration and lower travelling expenses and cost in relation to participation in exhibition.

Administrative expenses

Administrative expenses increased by 2.4% or S\$0.12 million, from S\$5.01 million in FY2018 to S\$5.13 million in FY2019, mainly due to increase in staff headcount, decrease in foreign exchange gain, offset by the absence of one-off loss on disposal of factory premises in Malaysia which occurred in FY2018.

Finance cost

Finance cost relates to bank borrowings incurred for the financing of the Alexandra Property and interest on leases. Finance cost increased by 9.2% or S\$0.03 million, from S\$0.30 million in FY2018 to S\$0.32 million in FY2019 largely due to the effects of adoption of SFRS(I) 16 Leases.

Share of results of joint ventures and associates

Share of results of joint ventures and associates amounted to \$0.03 million in FY2019. This was largely due to share of profits in Secura Bangladesh Ltd and Foremost Secura Corporation of S\$0.17 million and S\$0.03 million respectively, partially offset by the share of losses in Custodio Technologies Pte Ltd of S\$0.17 million.

Profit attributable to owners of the Company

Profit attributable to owners of the Company decreased from S\$1.87 million in FY2018 to S\$0.37 million in FY2019.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Non-current assets

The Group's non-current assets decreased by 2.2% or S\$0.81 million, from S\$37.60 million as at 31 December 2018 to S\$36.79 million as at 31 December 2019 mainly due to the amortisation of intangible assets in relation to customer relationships, depreciation/amortisation charge of property, plant and equipment and right-of-use assets and impairment of investment in a joint venture. This was partially offset by the capitalisation of operating lease as right-of-use assets upon adoption of SFRS(I) 16 Leases and the additions of property, plant and equipment.

Current assets

The Group's current assets decreased by 3.2% or S\$0.86 million, from S\$26.67 million as at 31 December 2018 to S\$25.82 million as at 31 December 2019 mainly due to the following:

- (1) decrease in inventories of S\$1.02 million with the delivery of digital forensic inventories; and
- (2) decrease in trade and other receivables of S\$0.59 million;

These were partially offset by increase in cash and cash equivalents of S\$0.63 million mainly due to improved operational cash flow.

Current liabilities

The Group's current liabilities increased by 5.4% or S\$0.41 million, from S\$7.48 million as at 31 December 2018 to S\$7.89 million as at 31 December 2019 mainly due to decrease in trade and other payables of S\$1.28 million, accrued operating expenses of S\$0.18 million and income tax payable of S\$0.08 million, partially offset by the increase in contract liabilities of S\$1.92 million and lease liabilities of S\$0.05 million.

Non-current liabilities

The Group's non-current liabilities decreased by 11.1% or S\$1.18 million, from S\$10.71 million as at 31 December 2018 to S\$9.52 million as at 31 December 2019 mainly due to repayment of bank loans and lease liabilities, reduction in deferred tax liabilities, partially offset by the recognition of lease liabilities of the Group's operating lease upon adoption of SFRS(I) 16 Leases and increase in provision of reinstatement cost of the leased factory building.

REVIEW OF THE GROUP'S CASH FLOWS STATEMENT

We generated operating cash flows before working capital changes of S\$2.82 million for FY2019. Net cash generated from working capital amounted to S\$1.99 million mainly due to decrease in inventories of S\$1.03 million, decrease in trade and other receivables and contract assets of S\$0.59 million and increase in trade and other payables of S\$0.64 million, partially offset by increase in prepaid operating expenses of S\$0.08 million, increase in amount due from a joint venture of S\$0.01 million and decrease in accrued operating expenses of S\$0.18 million. Net cash generated from operating activities for FY2019 amounted to S\$4.59 million.

Net cash used in investing activities for FY2019 amounted to S\$0.35 million. This was due to the addition of property, plant and equipment of S\$0.35 million and acquisition of non-controlling interest in Secura Documation Pte Ltd of S\$0.06 million, partially offset by the dividend income from a joint venture of S\$0.05 million and proceeds from disposal of property, plant and equipment of S\$0.01 million

Net cash used in financing activities for FY2019 amounted to S\$3.61 million. This was due mainly to dividend payment of S\$1.20 million, repayment of bank loan and finance lease of S\$2.18 million and S\$0.23 million respectively.

As at 31 December 2019, the Group's cash and cash equivalents amounted to S\$14.48 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.

The Group cautioned that its security guarding segment will decline substantially in the next financial year as a few major contracts were not renewed. The security guarding segment also faces industry-wide shortage of manpower and increasing cost pressure due to the increase in wage under the Progressive Wage Model. However, we do expect an improvement in remote surveillance business. This coupled with the outstanding orders from digital forensic business carried over from FY2019 to FY2020 should cushion the overall decline in business. Other segments such as security printing, cyber security and training is expected to remain stable. The Group will continue to focus on business profitability before reaching out to new arenas.

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	0.30 cents per ordinary share
Tax rate	Tax exempt (one-tier)

(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).

Not applicable

(d) Date payable

Not applicable

(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

Not applicable

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended by the board of directors (“**Board**” or “**Directors**”) of the Company in respect of FY2019. The Group intends to redeploy its cash reserves for the purposes of the Group’s development and operations.

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 FY2019, 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\$401,000	–

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 25 July 2019) (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	13,300	(9,498)	3,802
Enhance and upgrade security printing equipment	1,000	(1,000)	–
Corporate infrastructure improvements	5,500	(5,500)	–
General working capital purposes	6,300	(6,005)	295
	<u>26,100</u>	<u>(22,003)</u>	<u>4,097</u>

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)

To the best knowledge of the Board, nothing has come to the attention of the Board which may render the financial results for FY2019 of the Group and the Company to be false or misleading in any material aspect.

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 Security Training S\$'000	Elimination S\$'000	Total Group S\$'000
FY2019								
External customers	–	7,841	26,171	659	1,355	2,676	–	38,702
Inter-segment	1,500	4	100	6	7	1,095	(2,712)	–
Results:								
Interest income	142	132	–	–	–	–	(56)	218
Depreciation of property, plant and equipment	490	1,054	130	4	10	154	–	1,842
Amortisation of right-of- use assets	–	141	–	–	17	74	–	232
Amortisation of intangible assets	–	218	–	–	–	–	–	218
Share of results of joint ventures and associates	(168)	194	–	–	–	–	–	26
Impairment of investment in Joint Venture	–	(115)	–	–	–	–	–	(115)
Segment (loss)/profit	(769)	683	950	(22)	(189)	(291)	–	362
Assets:								
Segment assets	35,705	21,124	7,774	432	3,132	2,483	(8,043)	62,607
Liabilities:								
Segment liabilities	13,457	3,329	5,263	348	3,734	2,326	(11,044)	17,413
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 of intangible assets	–	218	–	–	–	–	–	218
Share of results of joint ventures and associates	(426)	221	–	–	–	–	–	(205)
Segment (loss)/profit	(859)	372	1,970	202	352	(175)	–	1,862
Assets:								
Segment assets	34,897	19,637	7,972	430	2,885	1,860	(3,409)	64,272
Liabilities:								
Segment liabilities	12,454	2,352	4,470	324	3,298	1,912	(6,618)	18,192

Geographical information

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

	FY2019 S\$'000	FY2018 S\$'000
Revenue		
Singapore	38,652	39,515
Philippines	50	1,694
Others	-	22
	<hr/> 38,702	<hr/> 41,231
Non-current assets		
Singapore	35,222	36,185
Taiwan	626	636
Bangladesh	942	778
	<hr/> 36,790	<hr/> 37,599

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	Increase/ (Decrease)	
	FY2019 S\$'000	FY2018 S\$'000	%
Sales reported for:			
(a) First half of the financial year	19,904	21,681	(8.2)
(b) Second half of the financial year	18,798	19,550	(3.8)
	<hr/> 38,702	<hr/> 41,231	<hr/> (6.1)
Profit net of tax:			
(c) First half of the financial year	216	1,148	(81.2)
(d) Second half of the financial year	146	714	(79.6)
	<hr/> 362	<hr/> 1,862	<hr/> (80.6)

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:

	FY2019 S\$'000	FY2018 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.

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

Lim Siok Leng
Chief Financial Officer

18 February 2020