



THE STRATECH GROUP LIMITED

www.TheStratechGroup.com

HEAD OFFICE

31 International Business Park

#02-02 Creative Resource

Singapore 609921

Tel +65 6323 2188

Fax +65 6323 2177

MEDIA RELEASE

Singapore, 13 November 2015

Stratech posts 1HFY16 revenue of S\$2.1m; has started work on recent wins

- Earnings driven mainly by projects – results reflect lower project activity level for 1H FY16, in line with project milestones for ongoing work
- Activity level to rise from 2H FY16; ongoing efforts to remain cost-effective and careful project execution expected to enhance margins and cashflow
- Group continues to focus on adding to its iFerret™ orderbook so as to grow a steady earnings stream over the medium term

In line with its scheduled project milestones, The Stratech Group Limited (Stratech or the Group) reported a revenue of S\$2.1 million for the six months ended 30 September 2015 (1H FY16), compared with S\$9.2 million for the previous corresponding period.

As a result of lower project activity level during the period under review, the Group posted a net loss of S\$3.7 million. Stratech is currently at work installing its proprietary iFerret™ intelligent airfield/runway surveillance and foreign object & debris (FOD) detection system at Dubai International Airport, Hong Kong International Airport and Singapore's Changi Airport.

Executive Chairman Dr David K.M. Chew said: "On top of these ongoing projects, we have also started work on recent wins, which will lift the Group's activity level from 2H FY16.

"As our business is driven largely by projects, our earnings are dependent on the various project phases. We might also experience delays in the issue of tenders and award of contracts, and there is inherent uncertainty of success because of competition."

Nevertheless, the Group's intensive marketing and sales efforts have seen iFerret™ gain new ground. Just last month, it secured a second upgrade contract for the iFerret™ system at Changi Airport; the first was awarded in April this year. Stratech also clinched its first contract for a US commercial airport in July. Under the contract, it will install and maintain iFerret™ at Miami International Airport.



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Dr Chew added: “We remain focused on growing our orderbook for projects and maintenance work in order to build a steady earnings stream over the medium term. At the same time, our persistent efforts to stay cost-effective and our careful project execution are expected to enhance margins and cashflow.

“The Group has submitted proposals for tenders for several major international airports and is in the midst of preparing proposals for several other tenders in different countries. iFerret™ is a tested and highly effective system, and we are optimistic that we shall be successful in some of these tenders.”

ABOUT STRATECH

Relisting: 6 April 2015

The Stratech Group Limited is a market leader in technology innovation, whose key breakthroughs include intelligent vision systems – highly sophisticated and adaptive technologies that provide precise image processing solutions for surveillance and security. Building on its long expertise in developing mission-critical e-systems for both government and business clients, it is now making swift inroads into the aerospace sector.

In particular, the iFerret™ airfield/runway surveillance system – which can detect, track and display foreign objects and debris (FOD) in real time – has gained international recognition since it was certified by the US Federal Aviation Administration in 2012. This certification opens up vast opportunities in the global civil aviation market, especially with the heightened focus on airport safety and security. Customers of the system include Singapore’s Changi Airport, Dubai International Airport, Hong Kong International Airport and Miami International Airport.

Moreover, the state-of-the-art system was recently selected for assessment by an airbase of one of the world’s top air forces. The contract included iFerret™’s rapid airfield damage assessment system (RADAS), which can chart damage resulting from enemy attacks. The passive sensor technology used by iFerret™ makes it far more suitable than conventional radar-based systems for airbase deployment.

Stratech has designed and rolled out other innovative solutions for a wide array of markets worldwide. These premier products include the iVACS® Intelligent Vehicle Access Control System, the Super Bulls Eye® Advanced Weapons Scoring System and



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the VIPS® Vessel Identification and Positioning System. iVACS® recently clinched a major contract for a Smart City Project in the Middle East.

MEDIA CONTACTS

The Stratech Group Limited

Ms Phoebe Heng

Tel: (+65) 6799-6509, 6323-2188

Fax: (+65) 6323-2177

Email: phoebe_ps_heng@TheStratechGroup.com

OakTree Advisers Pte Ltd

Ms Carol Chong

Mobile: +65 9475 3167

Email: carolchong@oaktreadvisers.com

OakTree Advisers Pte Ltd

Ms Nora Cheng

Mobile: +65 9634 7450

Email: noracheng@oaktreadvisers.com