



## UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

Secura Group Limited (the "**Company**") was listed on the Catalist Board 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 Limited (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 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.

### INTRODUCTION

#### Incorporation of Secura Group Limited ("**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% equity interests in Secura Singapore Pte. Ltd. and its subsidiaries ("**SSPL Group**") and Soverus Group Pte. Ltd. ("**SGPL**") and its subsidiaries ("**SGPL Group**").

#### Acquisition of Red Sentry Pte Ltd ("**RSPL**")

On 30 June 2016, the Group acquired RSPL for a cash consideration of S\$2,526,000.

### BASIS OF PREPARATION

#### Group

Both the Company and SGPL were under common control and the pooling of interest method has been applied in accounting for the SGPL Group in the consolidated financial information. For the SSPL Group and RSPL, the acquisition method was applied.

#### Purchase price allocation ("**PPA**")

##### (i) Acquisition of the SSPL Group

The management has finalised the PPA exercise within one year from 15 January 2016, being the date of acquisition. The fair value of (i) assets and liabilities of the SSPL Group and (ii) purchase consideration on acquisition date has been adjusted accordingly based on the finalised PPA report.

(ii) Acquisition of RSPL

On 30 June 2016, the Group acquired RSPL. The assets and liabilities acquired on acquisition date have been included in the FY2016 announcement based on their fair values as provisionally determined by management. Provisional goodwill of S\$1,518,000 has been recorded. The management expects to finalise the PPA exercise within one year from 30 June 2016, being the date of acquisition. Accordingly, the fair values of assets and liabilities of RSPL on acquisition date will be adjusted upon finalisation of the PPA exercise.

The consolidated financial information reflects the following:

Consolidated statement of financial position

- (a) the assets and liabilities of the SGPL Group were recognised and measured in the consolidated statement of financial position at their carrying amounts before the Restructuring Exercise;
- (b) the assets and liabilities of the SSPL Group on acquisition date were recognised and measured in the consolidated statement of financial position at their fair values based on the finalised PPA exercise;
- (c) the assets and liabilities of RSPL on acquisition date were recognised and measured in the consolidated statement of financial position at their acquisition date fair values as provisionally determined by the management;
- (d) the retained earnings of the Group as at 31 December 2016 included that of the SGPL Group at their carrying amounts and the post-acquisition reserves of the SSPL Group and RSPL; and
- (e) the comparative figures as at 31 December 2015 presented in the consolidated statement of financial position relate to SGL and the SGPL Group.

Consolidated statement of profit or loss and other comprehensive income

- (a) the consolidated statement of profit or loss and other comprehensive income for the period from 1 January 2016 to 31 December 2016 (“**FY2016**”) reflect that of SGL, the SGPL Group and the post-acquisition results of the SSPL Group and RSPL; and
- (b) the comparative figures for the period from 1 January 2015 to 31 December 2015 (“**FY2015**”) presented in the consolidated statement of profit or loss and other comprehensive income were that of SGL and the SGPL Group.

The Company financial information reflects the following:

The financial information of the Company comprises the statement of financial position of the Company as at 31 December 2016 and 31 December 2015 and the statement of changes in equity of the Company for FY2016.



**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

**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**

|  | <b>GROUP</b>              |   |                                       |
|--|---------------------------|---|---------------------------------------|
|  | <b>FY2016<br/>S\$'000</b> | <b>FY2015<sup>(1)</sup><br/>S\$'000</b> | <b>Increase/<br/>(Decrease)<br/>%</b> |
| Revenue  | 36,150                    | 20,522                                  | 76.2                                  |
| Cost of sales  | (29,346)                  | (17,315)                                | 69.5                                  |
| <b>Gross profit</b>  | <b>6,804</b>              | <b>3,207</b>                            | <b>112.2</b>                          |
| Other operating income   | 1,982                     | 3,201                                   | (38.1)                                |
| Distribution and selling expenses                                    | (1,802)                   | (128)                                   | NM                                    |
| Administrative expenses  | (5,810)                   | (3,462)                                 | 67.8                                  |
| Finance cost   | (110)                     | (2)                                     | NM                                    |
| Listing expenses   | (339)                     | (653)                                   | (48.1)                                |
| Share of results of joint ventures and associate                     | 273                       | –                                       | NM                                    |
| <b>Profit before tax</b>   | <b>998</b>                | <b>2,163</b>                            | <b>(53.9)</b>                         |
| Income tax expense   | (78)                      | (440)                                   | (82.3)                                |
| <b>Profit for the year</b>   | <b>920</b>                | <b>1,723</b>                            | <b>(46.6)</b>                         |
| <b>Other comprehensive income</b>                                    |                           |   |                                       |
| <b>Items that may be classified subsequently to profit or loss</b>   |                           |   |                                       |
| Foreign currency translation   | 38                        | –                                       | NM                                    |
| Share of foreign currency translation of joint venture and associate | 12                        | –                                       | NM                                    |
| <b>Total comprehensive income for the year</b>                       | <b>970</b>                | <b>1,723</b>                            | <b>(43.7)</b>                         |
| <b>Profit for the year attributable to:</b>                          |                           |   |                                       |
| Owner of the Company   | 954                       | 1,723                                   | (44.6)                                |
| Non-controlling interests  | (34)                      | –                                       | NM                                    |
|  | <b>920</b>                | <b>1,723</b>                            | <b>(46.6)</b>                         |
| <b>Total comprehensive income attributable to:</b>                   |                           |   |                                       |
| Owner of the Company   | 970                       | 1,723                                   | (43.7)                                |
| Non-controlling interests  | –                         | –                                       |                                       |
|  | <b>970</b>                | <b>1,723</b>                            | <b>(43.7)</b>                         |

**Note:**

- (1) The Group's financial results for FY2015 comprises only the financial results of the Company and SGPL Group, accounted for using of pooling of interest method as common control exists between the Company and the SGPL Group.

The financial results of the SSPL Group have not been included for FY2015 as the acquisition of the SSPL Group took place in January 2016. The acquisition is accounted for from the date of acquisition in accordance with FRS103 Business Combinations. Please refer to the paragraph "Basis of Presentation" on the cover page to this announcement for further details.

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:**

|   | <b>GROUP</b>                    |                                 |   |
|---|---------------------------------|---------------------------------|---|
|   | <b>FY2016</b><br><b>S\$'000</b> | <b>FY2015</b><br><b>S\$'000</b> | <b>Increase/<br/>(Decrease)</b><br><b>%</b> |
| Government grant income                                 | 1,075 **                        | 3,116                           | (65.5)                                      |
| Depreciation of property, plant and equipment *         | (1,414)                         | (81)                            | NM  |
| Amortisation of intangible assets                       | (218)                           | –                               | NM  |
| Loss on disposal of property, plant and equipment       | (26)                            | –                               | NM  |
| Interest income   | 216                             | –                               | NM  |
| Allowance for stock obsolescence                        | (19)                            | (30)                            | (36.7)                                      |
| Write back of allowance for stock obsolescence          | 1                               | –                               | NM  |
| Write back of allowance for doubtful debts              | 50                              | –                               | NM  |
| Finance cost  | (110)                           | (2)                             | NM  |
| Grant of equity-settled share options to employees      | (183)                           | –                               | NM  |
| Foreign exchange losses, net                            | (58)                            | (5)                             | NM  |
| (Over)/under provision of tax in respect of prior years | (53)                            | 9                               | NM  |

NM: Not meaningful.

\* Depreciation of property, plant and equipment included the depreciation charged on the fair valuation of the property, plant and equipment of S\$269,000 in FY2016 (FY2015: NIL).

\*\* Included an amount of S\$344,000 pertaining to wage credit scheme receivable in March 2017 based on the management's best estimate.

**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<br>31/12/2016<br>S\$'000 | As at<br>31/12/2015<br>S\$'000 | As at<br>31/12/2016<br>S\$'000 | As at<br>31/12/2015<br>S\$'000 |
| <b>Non-current assets</b>                |                                |                                |                                |                                |
| Property, plant and equipment            | 31,940                         | 342                            | 17,828                         | –                              |
| Goodwill on consolidation <sup>(1)</sup> | 2,512                          | –                              | –                              | –                              |
| Customer relationship                    | 1,126                          | –                              | –                              | –                              |
| Investment in subsidiaries               | –                              | –                              | 36,706                         | –                              |
| Investment in joint ventures             | 819                            | –                              | –                              | –                              |
| Investment in associate                  | 598                            | –                              | –                              | –                              |
| Loan to subsidiary                       | –                              | –                              | 60                             | –                              |
| Trade and other receivables              | 65                             | 309                            | –                              | –                              |
|  | 37,060                         | 651                            | 54,594                         | –                              |
| <b>Current assets</b>                    |                                |                                |                                |                                |
| Inventories                              | 2,458                          | 25                             | –                              | –                              |
| Trade and other receivables              | 8,741                          | 6,712                          | 50                             | –                              |
| Tax recoverable                          | 178                            | –                              | –                              | –                              |
| Prepaid operating expenses               | 354                            | 239                            | 139                            | 42                             |
| Amounts due from subsidiaries            | –                              | –                              | 6,716                          | –                              |
| Amount due from a joint venture          | 45                             | –                              | –                              | –                              |
| Cash and cash equivalents                | 19,829                         | 1,936                          | 15,048                         | –                              |
|  | 31,605                         | 8,912                          | 21,953                         | 42                             |
| <b>Current liabilities</b>               |                                |                                |                                |                                |
| Trade and other payables                 | 5,382                          | 2,361                          | 603                            | 647                            |
| Deferred revenue                         | 896                            | 88                             | –                              | –                              |
| Accrued operating expenses               | 1,296                          | 651                            | 235                            | 121                            |
| Finance lease                            | 30                             | 43                             | 30                             | –                              |
| Loans and borrowings                     | 833                            | –                              | 833                            | –                              |
| Amount due to a joint venture            | 57                             | –                              | –                              | –                              |
| Amount due to shareholder                | 26                             | 3,000                          | –                              | –                              |
| Income tax payable                       | 294                            | 258                            | –                              | –                              |
|  | 8,814                          | 6,401                          | 1,701                          | 768                            |
| <b>Net current assets/(liabilities)</b>  | 22,791                         | 2,511                          | 20,252                         | (726)                          |
| <b>Non-current liabilities</b>           |                                |                                |                                |                                |
| Finance lease                            | 15                             | 72                             | 15                             | –                              |
| Loans and borrowings                     | 11,364                         | –                              | 11,364                         | –                              |
| Deferred tax liabilities                 | 1,038                          | 219                            | –                              | –                              |
|  | 12,417                         | 291                            | 11,379                         | –                              |
| <b>Net assets/(liabilities)</b>          | 47,434                         | 2,871                          | 63,467                         | (726)                          |
| <b>Equity</b>                            |                                |                                |                                |                                |
| Share capital                            | 61,644                         | 1,000                          | 61,644                         | –                              |
| Merger reserve                           | (16,291)                       | –                              | –                              | –                              |
| Foreign currency translation reserve     | 50                             | –                              | –                              | –                              |
| Employee share option reserve            | 183                            | –                              | 183                            | –                              |
| Retained earnings/(Accumulated losses)   | 1,625                          | 1,871                          | 1,640                          | (726)                          |
|  | 47,211                         | 2,871                          | 63,467                         | (726)                          |
| Non-controlling interests                | 223                            | –                              | –                              | –                              |
| <b>Total equity</b>                      | 47,434                         | 2,871                          | 63,467                         | (726)                          |

Note (1): This includes goodwill on consolidation arising from the acquisition of RSPL of S\$1,518,000 which was provisionally determined, 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 31/12/2016 |           | As at 31/12/2015 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| 863              | 26        | 43               | 3,000     |

**Amount repayable after one year**

| As at 31/12/2016 |           | As at 31/12/2015 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| 11,379           | –         | 72               | –         |

**Details of any collateral**

As at the balance sheet date, the Group's finance lease liabilities and loans and borrowings are secured by a motor vehicle 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>FY2016</b>   | <b>FY2015</b>  |
|  | <b>S\$'000</b>  | <b>S\$'000</b> |
| <b>Cash flows from operating activities:</b>                           |                 |                |
| Profit before tax  | 998             | 2,163          |
| Adjustments for:   |                 |                |
| Share issuance expense expensed to income statement                    | 339             | 653            |
| Depreciation of property, plant and equipment                          | 1,414           | 81             |
| Amortisation of intangible assets                                      | 218             | –              |
| Loss on disposal of property, plant and equipment                      | 26              | –              |
| Interest income  | (216)           | –              |
| Allowance for stock obsolescence                                       | 19              | 30             |
| Write back of allowance for stock obsolescence                         | (1)             | –              |
| Write back of allowance for doubtful debts                             | (50)            | –              |
| Receipt and recognition of deferred revenue, net                       | 88              | 88             |
| Share of results of joint ventures and associate                       | (273)           | –              |
| Unrealised exchange loss   | 54              | –              |
| Finance cost   | 110             | 2              |
| Grant of equity-settled share options to employees                     | 183             | –              |
| <b>Operating cash flows before working capital changes</b>             | <b>2,909</b>    | <b>3,017</b>   |
| Increase in inventories  | (1,262)         | (4)            |
| Decrease/(increase) in trade and other receivables                     | 1,025           | (2,584)        |
| Increase in prepaid operating expenses                                 | (71)            | (152)          |
| Increase in amount due from a joint venture                            | (11)            | –              |
| Increase in trade and other payables                                   | 1,112           | 1,662          |
| Increase/(decrease) in accrued operating expenses                      | 43              | (167)          |
| <b>Cash flows generated from operations</b>                            | <b>3,745</b>    | <b>1,772</b>   |
| Interest received  | 203             | –              |
| Interest paid  | (110)           | (2)            |
| Tax paid   | (258)           | (26)           |
| <b>Net cash flows generated from operating activities</b>              | <b>3,580</b>    | <b>1,744</b>   |
| <b>Cash flows from investing activities:</b>                           |                 |                |
| Proceeds from disposal of property, plant and equipment                | 248             | –              |
| Purchase of property, plant and equipment                              | (18,984)        | (190)          |
| Dividend income from a joint venture                                   | 45              | –              |
| Net cash inflow from acquisition of subsidiaries                       | 2,935           | –              |
| <b>Net cash flows used in investing activities</b>                     | <b>(15,756)</b> | <b>(190)</b>   |
| <b>Cash flows from financing activities:</b>                           |                 |                |
| Decrease/(increase) in fixed deposits pledged                          | 172             | (241)          |
| Capital contribution from non-controlling interest in subsidiaries     | 257             | –              |
| Proceeds from issuance of shares                                       | 28,000          | –              |
| Share issuance expense capitalised against share capital               | (939)           | –              |
| Share issuance expense expensed to income statement                    | (339)           | (653)          |
| Dividend paid on ordinary shares                                       | (1,200)         | –              |
| Dividend paid on ordinary shares to then existing shareholders of SSPL | (4,949)         | –              |
| Repayment of finance lease   | (130)           | (17)           |
| Amount due from director   | –               | 200            |
| Proceeds from bank loan  | 13,655          | –              |
| Repayment of bank loan   | (1,458)         | (1)            |
| Repayment of shareholder loan  | (3,000)         | –              |
| <b>Net cash flows generated from/(used in) financing activities</b>    | <b>30,069</b>   | <b>(712)</b>   |
| <b>Net increase in cash and cash equivalents</b>                       | <b>17,893</b>   | <b>842</b>     |
| Cash and cash equivalents at beginning of year                         | 1,936           | 1,094          |
| <b>Cash and cash equivalents at end of year</b>                        | <b>19,829</b>   | <b>1,936</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.**

| <b>Group</b>  | <b>Share capital<br/>(S\$'000)</b> | <b>Merger reserve<br/>(S\$'000)</b> | <b>Foreign currency translation reserve<br/>(S\$'000)</b> | <b>Employee share option reserve<br/>(S\$'000)</b> | <b>Retained earnings<br/>(S\$'000)</b> | <b>Non-controlling interest<br/>(S\$'000)</b> | <b>Total equity<br/>(S\$'000)</b> |
|---|------------------------------------|-------------------------------------|---|--|--|---|-----------------------------------|
| <b>At 1 January 2016</b>  | –                                  | 1,000                               | –   | –  | 1,871                                  | –   | 2,871                             |
| Profit for the year   | –                                  | –                                   | –   | –  | 954                                    | (34)  | 920                               |
| <u>Other comprehensive income</u>   |                                    |                                     |   |  |  |   |                                   |
| Foreign currency translation  | –                                  | –                                   | 38  | –  | –                                      | –   | 38                                |
| Share of foreign currency translation of joint venture and associate      | –                                  | –                                   | 12  | –  | –                                      | –   | 12                                |
| Other comprehensive income for the year, net of tax                       | –                                  | –                                   | 50  | –  | –                                      | –   | 50                                |
| Total comprehensive income for the year                                   | –                                  | –                                   | 50  | –  | 954                                    | (34)  | 970                               |
| <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>  | <b>61,644</b>                      | <b>(16,291)</b>                     | <b>50</b>   | <b>183</b>   | <b>1,625</b>                           | <b>223</b>                                    | <b>47,434</b>                     |
| <b>At 1 January 2015</b>  | –                                  | 1,000                               | –   | –  | 148                                    | –   | 1,148                             |
| Profit for the year, representing total comprehensive income for the year | –                                  | –                                   | –   | –  | 1,723                                  | –   | 1,723                             |
| <b>At 31 December 2015</b>  | –                                  | 1,000                               | –   | –  | 1,871                                  | –   | 2,871                             |



- 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.**

|   | Number of<br>shares | Issued and paid-up<br>share capital<br>S\$ |
|---|---------------------|--|
| As at 30 September and 31 December 2016 | 400,000,000         | 61,644,000                                 |

As at 31 December 2016, there were 224,000,000 warrants outstanding (31 December 2015: Nil), each warrant carrying the right to subscribe for one share at the exercise price of S\$0.35 per share and 18,400,000 share options outstanding under the Secura Employee Share Option Scheme (31 December 2015: Nil). There are no treasury shares held by the Company as at 31 December 2016 and 31 December 2015.

- 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 31/12/16 | As at 31/12/15 |
|---|----------------|----------------|
| Total number of issued shares excluding treasury shares | 400,000,000    | 100            |

- 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 Group has applied the same accounting policies and methods of computation in the Group's financial statements for FY2016 as its most recently audited financial statements for FY2015.

- 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 FY2016.

**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.**

|  | <b>Group</b>  |               |
|--|---------------|---------------|
|  | <b>FY2016</b> | <b>FY2015</b> |
| Profit attributable to owners of the Company (S\$'000)                   | 954           | 1,723         |
| Weighted average number of shares ('000)                                 | 386,536       | 144,000       |
| Basic and diluted EPS based on weighted average number of shares (cents) | 0.25          | 1.20          |

The weighted average number of shares for FY2016 is calculated based on:

- a) The number of ordinary shares outstanding from the beginning of the year, up to date of completion of the Restructuring Exercise, amounted to 143,999,900 which represent the number of shares issued by SGL for the acquisition of the SGPL Group.
- b) The number of ordinary shares outstanding from the completion of the Restructuring Exercise, up to the date of issuance of invitation shares comprising the number of shares in (a) and the 144,000,000 shares issued for the acquisition of the SSPL Group.
- c) The number of ordinary shares outstanding from the date of issuance of invitation shares, up to the end of reporting period comprising the number of shares in (a), (b) and the 112,000,000 invitation shares issued on 27 January 2016 in connection with the IPO.

**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.**

|                                   | <b>Group</b>              |                           | <b>Company</b>            |                           |
|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
|                                   | <b>As at<br/>31/12/16</b> | <b>As at<br/>31/12/15</b> | <b>As at<br/>31/12/16</b> | <b>As at<br/>31/12/15</b> |
| Net asset value (S\$'000)         | 47,211                    | 2,871                     | 63,467                    | (726)                     |
| Number of shares ('000)           | 400,000                   | 144,000                   | 400,000                   | - *                       |
| Net asset value per share (cents) | 11.80                     | 1.99                      | 15.87                     | (726,000)                 |

**Note:**

- \* Based on 100 issued shares of the Company as at 31 December 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 THE GROUP'S PERFORMANCE**

Revenue

Revenue increased by 76.2% or S\$15.63 million, from S\$20.52 million in FY2015 to S\$36.15 million in FY2016 due mainly to the acquisition of 100% equity interests in the SSPL Group.

Revenue contribution from security printing segment under the SSPL Group amounted to S\$11.57 million in FY2016.

Revenue of the SGPL Group increased by 19.8% or S\$4.06 million, from S\$20.52 million in FY2015 to S\$24.58 million in FY2016 due mainly to:

- (1) increase in sales turnover of S\$2.48 million (13.2%) from the security guarding segment as a result of securing more contracts and increase in average selling price;
- (2) increase in revenue from the cyber security segment of S\$1.15 million (194.4%), after the acquisition of 100% equity interest in RSPL on 30 June 2016; and
- (3) incremental revenue of S\$0.44 million (39.2%) from the full year contribution of the systems integration and security consultancy segment as compared to a 7-month contribution in FY2015.

Cost of sales

Cost of sales increased by 69.5% or S\$12.03 million, from S\$17.32 million in FY2015 to S\$29.35 million in FY2016 due mainly to the acquisition of 100% equity interests in the SSPL Group.

The increase in the cost of sales attributable to the acquisition of the SSPL Group amounted to S\$9.06 million. Cost of sales of the SGPL Group increased by 17.2% or S\$2.97 million, from S\$17.31 million in FY2015 to S\$20.28 million in FY2016, in line with the increase in revenue.

Other operating income

Other operating income decreased by 38.1% or S\$1.22 million, from S\$3.20 million in FY2015 to S\$1.98 million in FY2016 due mainly to a decrease in government grants under the Wage Credit Scheme.

Distribution and selling expenses

Distribution and selling expenses increased by 1,307.8% or S\$1.67 million, from S\$0.13 million in FY2015 to S\$1.80 million in FY2016 due mainly to the acquisition of 100% equity interests in the SSPL Group and RSPL.

Distribution and selling expenses attributable to the acquisition of the SSPL Group and RSPL amounted to S\$1.07 million and S\$0.25 million respectively in FY2016. This mainly relates to the payroll cost and commission incurred by the sales and marketing department and the amortisation of customer relationship arising from the fair valuation of the SSPL Group amounting to S\$0.22 million.

Administrative expenses

Administrative expenses increased by 67.8% or S\$2.35 million, from S\$3.46 million in FY2015 to S\$5.81 million in FY2016 due mainly to the cost incurred by the Company in relation to continuing listing and related fees, professional fees for merger and acquisition and increase in staff cost as a result of formalising the corporate functions to support the Group's expansion plans.

The increase in administrative expenses attributable to the acquisition of the SSPL Group and RSPL amounted to S\$1.03 million and S\$0.14 million respectively in FY2016. Included in administrative expenses is S\$0.18 million of share option expense incurred under the Secura Employee Share Option Scheme.

Finance cost

Finance cost related to bank borrowings incurred for the acquisition of the Alexandra Property.

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 associate

Share of results of joint ventures and associate amounted to S\$0.27 million in FY2016. This was primarily due to the acquisition of 100% equity interests in the SSPL Group.

Profit attributable to owners of the Company

Profit for the year decreased by 44.6% or S\$0.77 million, from S\$1.72 million in FY2015 to S\$0.95 million in FY2016 due mainly to:

- (1) decrease in government grants of S\$2.04 million (-65.5%) in particular for the security guarding segment;
- (2) increase in administrative expenses including expenses for grant of share options to employees (S\$0.18 million) and charges resulting from fair valuation of the SSPL Group's assets (S\$0.51 million); and partially offset by
- (3) increase in profits of S\$1.79 million from the SSPL Group under the security printing segment.

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

The Group's non-current assets increased by 5,592.8% or S\$36.41 million, from S\$0.65 million as at 31 December 2015 to S\$37.06 million as at 31 December 2016.

The PPA exercise for the acquisition of the SSPL Group has been finalised and the fair valuation of the property, plant and equipment, customer relationship, investment in joint ventures, investment in associate of the SSPL Group was adjusted accordingly.

The increase in property, plant and equipment, customer relationship, investment in joint ventures and investment in associate was mainly due to the acquisition of 100% equity interests in the SSPL Group and the Alexandra Property as well as the fair valuation gains upon completion of the PPA exercise.

Goodwill on consolidation which arose from the acquisition of SSPL and RSPL amounted to S\$0.99 million and S\$1.52 million respectively. The goodwill in relation to the acquisition of RSPL was provisionally determined and the management expects to finalise the PPA exercise within one year from 30 June 2016, being the date of acquisition. Accordingly, the fair values of assets and liabilities of RSPL on acquisition date will be adjusted upon finalisation of the PPA exercise.

Current assets

The Group's current assets increased by 254.6% or S\$22.7 million, from S\$8.91 million as at 31 December 2015 to S\$31.61 million as at 31 December 2016.

Inventories increased by 9,732.0% or S\$2.43 million, from S\$0.03 million as at 31 December 2015 to S\$2.46 million as at 31 December 2016 mainly due to the acquisition of 100% equity interests in the SSPL Group which amounted to S\$1.06 million as well as the increase in digital forensic products in the SGPL Group of S\$1.32 million.

The increase in trade and other receivables, tax recoverable, prepaid operating expenses and amount due from a joint venture was mainly due to the acquisition of 100% equity interests in the SSPL Group and RSPL.

Cash and cash equivalents increased by 924.2% or S\$17.89 million, from S\$1.94 million as at 31 December 2015 to S\$19.83 million as at 31 December 2016 due to net proceeds from the IPO and net cash inflow from the acquisition of 100% equity interests in the SSPL Group. This was partially offset by the repayment of existing shareholder loan of the SGPL Group, dividend payment of the SSPL Group, dividend paid to shareholders of the Company and cash payment for the acquisition of RSPL and the Alexandra Property.

Current liabilities

The Group's current liabilities increased by 37.7% or S\$2.41 million, from S\$6.40 million as at 31 December 2015 to S\$8.81 million as at 31 December 2016 due mainly to the acquisition of 100% equity interests in the SSPL Group and RSPL resulting in the increase in trade and other payables, deferred revenue and accrued operating expenses.

The increase in loans and borrowings was due to the acquisition of the Alexandra Property and partially offset by the repayment of existing shareholder loan of the SGPL Group.

Non-current liabilities

The Group's non-current liabilities increased by 4,167.0% or S\$12.13 million, from S\$0.29 million as at 31 December 2015 to S\$12.42 million as at 31 December 2016 due mainly to an increase in loans and borrowings taken up for the acquisition of the Alexandra Property and recognition of deferred tax liabilities upon finalisation of the PPA exercise for the acquisition of the SSPL Group.

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

Net cash generated from operating activities for FY2016 amounted to S\$3.58 million.

We generated operating cash flows before working capital changes of S\$2.91 million. Net cash generated from working capital amounted to S\$0.84 million due mainly to decrease in trade and other receivables of S\$1.03 million, increase in trade and other payable of S\$1.11 million, increase in accrued operating expenses of S\$0.04 million and partially offset by increase in inventories of S\$1.26 million and increase in prepaid operating expenses of S\$0.07 million.

Net cash used in investing activities for FY2016 amounted to S\$15.76 million. This was primarily due to the acquisition of the Alexandra Property and partially offset by the net cash inflow from acquisition of subsidiaries, proceeds from disposal of property, plant and equipment and dividend income from a joint venture.

Net cash generated from financing activities for FY2016 amounted to S\$30.07 million. This was primarily due to proceeds from the IPO amounting to S\$26.72 million, bank loan of S\$13.66 million for the acquisition of the Alexandra Property, refund of fixed deposit pledged of S\$0.17 million, capital contribution from non-controlling interest in subsidiary of S\$0.26 million, and partially offset by payment of dividends and repayment of shareholder loan and bank loan of S\$10.61 million.

As at 31 December 2016, the Group's cash and cash equivalents amounted to S\$19.83 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 expects growth in the security guarding, cyber security, homeland security and security consultancy businesses as governments and corporates increase investments to counter the threats of terrorism and cyber attacks. The new stream of business for digital forensic is also expected to contribute to growth, whilst the security printing business is expected to be stable and continue to contribute to the Group's profitability.

The Group continues to explore suitable opportunities to expand its business through acquisitions, joint ventures or strategic alliances.

The Group will also continue to focus on cost rationalisation and improving work flow processes, manpower utilization, information technology applications and drive automation to increase productivity and efficiency and lower operating costs.

**11. Dividend**

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

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

The final dividends are subject to shareholders' approval at the forthcoming annual general meeting of the Company to be held on 27 April 2017 ("AGM").

**(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**

The proposed final dividends, if approved at the AGM, will be paid on 16 May 2017.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that subject to shareholders approving the declaration of the proposed final dividends, the Share Transfer Books and Register of Members of the Company will be closed on 8 May 2017.

Duly completed transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to the close of business at 5.00 p.m. on 5 May 2017, will be registered to determine shareholders' entitlement to the final dividends.

In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the final dividends will be paid by the Company to CDP which will in turn distribute the final dividends entitlements to the CDP account holders in accordance with its normal practice.

**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 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 FY2016, 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\$419,000   |

**14. Use of IPO proceeds**

Pursuant to the Company's IPO, the Company received net proceeds from the IPO of approximately S\$26.2 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)<br>(S\$'000) | Net Proceeds utilised as at the date of this announcement<br>(S\$'000) | Balance of Net Proceeds as at the date of this announcement<br>(S\$'000) |
|--|--|--|--|
| Expand security guarding business                                  | 9,300  | –  | 9,300  |
| Expand cyber security, technology and systems integration business | 5,500  | (2,708)  | 2,792  |
| Enhance and upgrade security printing equipment                    | 1,000  | (280)  | 720  |
| Corporate infrastructure improvements                              | 4,000  | (4,000)  | –  |
| General working capital purposes                                   | 6,400  | (5,000)  | 1,400  |
|  | 26,200   | (11,988)   | 14,212   |

**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 required for full year result announcement.

## 17. Related Employees

| 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           | 49  | Nephew of substantial shareholder, Mr. Peter Lim                          | Appointed as executive director on 1 October 2016 and is responsible for overseeing and managing the merger and acquisition activities of the Company | Re-designated from non-executive, non-independent director to executive director on 1 October 2016   |
| Wong Wei Kong, Victor | 56  | Brother-in-law of Group CEO and Executive Director, Mr Paul Lim Choon Wui | Appointed as Logistics and Estate Manager on 24 January 2017 and is responsible for logistics and facility management                                 | Re-designated from Logistic and Purchasing Manager to Logistic and Estate Manager on 24 January 2017 |



Geographical information

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

|                           | <b>FY2016<br/>S\$'000</b> | <b>FY2015<br/>S\$'000</b> |
|---------------------------|---------------------------|---------------------------|
| <b>Revenue</b>            |                           |                           |
| Singapore                 | 36,150                    | 20,522                    |
| Malaysia                  | –                         | –                         |
| Thailand                  | –                         | –                         |
|                           | <hr/>                     | <hr/>                     |
|                           | 36,150                    | 20,522                    |
|                           | <hr/>                     | <hr/>                     |
| <b>Non-current assets</b> |                           |                           |
| Singapore                 | 33,526                    | 342                       |
| Malaysia                  | 2,463                     | –                         |
| Taiwan                    | 341                       | –                         |
| Bangladesh                | 616                       | –                         |
| Thailand                  | 49                        | –                         |
|                           | <hr/>                     | <hr/>                     |
|                           | 36,995                    | 342                       |
|                           | <hr/>                     | <hr/>                     |

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

**19. 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.

**20. A breakdown of sales.**

|  | <b>Group</b>              |                           | <b>Increase/<br/>(Decrease)<br/>%</b> |
|--|---------------------------|---------------------------|---------------------------------------|
|  | <b>FY2016<br/>S\$'000</b> | <b>FY2015<br/>S\$'000</b> |                                       |
| Sales reported for:                    |                           |                           |                                       |
| (a) First half of the financial year   | 17,398                    | 9,879                     | 76.1                                  |
| (b) Second half of the financial year  | 18,752                    | 10,643                    | 76.2                                  |
|  | <hr/>                     | <hr/>                     |                                       |
|  | 36,150                    | 20,522                    | 76.2                                  |
| Profit net of tax:                     |                           |                           |                                       |
| (c) First half of the financial year * | 511                       | 963                       | (46.9)                                |
| (d) Second half of the financial year  | 409                       | 760                       | (46.2)                                |
|  | <hr/>                     | <hr/>                     |                                       |
|  | 920                       | 1,723                     | (46.6)                                |
|  | <hr/>                     | <hr/>                     |                                       |

\* Adjusted for the negative goodwill of S\$5,867,000 and depreciation charged of the preliminary fair valuation of property, plant and equipment of S\$110,000 upon finalization of the PPA exercise.

**21. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

|                | <b>FY2016<br/>S\$'000</b> | <b>FY2015<br/>S\$'000</b> |
|----------------|---------------------------|---------------------------|
| Final dividend | 1,200                     | 1,200                     |
|                | <hr/>                     | <hr/>                     |

The final dividend is subject to shareholders' approval at the AGM.

**BY ORDER OF THE BOARD**

**Paul Lim Choon Wui**  
Chief Executive Officer

**Lim Siok Leng**  
Chief Financial Officer

23 February 2017