

# SECUREMETRIC BERHAD

Company No. 1234029-D  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>

	3-MONTH ENDED		YEAR-TO-DATE	
	31 March 2019	31 March 2018 <sup>(2)</sup>	31 March 2019	31 March 2018 <sup>(2)</sup>
	RM'000	RM'000	RM'000	RM'000
Revenue	5,844	N/A	5,844	N/A
Cost of sales	(1,201)	N/A	(1,201)	N/A
<b>Gross profit</b>	<b>4,643</b>	N/A	<b>4,643</b>	N/A
Other income	211	N/A	211	N/A
Administrative expenses	(4,222)	N/A	(4,222)	N/A
Net loss on impairment of financial instruments	(110)	N/A	(110)	N/A
Finance costs	(68)	N/A	(68)	N/A
<b>Profit before tax</b>	<b>454</b>	N/A	<b>454</b>	N/A
Taxation	(248)	N/A	(248)	N/A
<b>Profit for the financial period</b>	<b>206</b>	<b>N/A</b>	<b>206</b>	<b>N/A</b>
<b>Other comprehensive income</b>				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Exchange translation differences for foreign operations	(19)	N/A	(19)	N/A
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Financial assets at fair value through other comprehensive income	68	N/A	68	N/A
	49	N/A	49	N/A
<b>Total comprehensive income</b>	<b>255</b>	<b>N/A</b>	<b>255</b>	<b>N/A</b>
<b>Profit for the year attributable to:</b>				
- Owners of the Company	167	N/A	167	N/A
- Non-controlling interests	39	N/A	39	N/A
	<b>206</b>	<b>N/A</b>	<b>206</b>	<b>N/A</b>
<b>Total comprehensive income attributable to:</b>				
- Owners of the Company	216	N/A	216	N/A
- Non-controlling interests	39	N/A	39	N/A
	<b>255</b>	<b>N/A</b>	<b>255</b>	<b>N/A</b>

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup> (CONT'D)

	3-MONTH ENDED		YEAR-TO-DATE	
	31 March 2019	31 March 2018 <sup>(2)</sup>	31 March 2019	31 March 2018 <sup>(2)</sup>
	RM'000	RM'000	RM'000	RM'000
Weighted average number of ordinary shares ('000)	243,600	N/A	243,600	N/A
Earnings per share attributable to owners of the Company (sen):				
Basic <sup>(3)</sup>	0.07	N/A	0.07	N/A
Diluted <sup>(4)</sup>	0.07	N/A	0.07	N/A

#### Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) This interim financial report for the first (1<sup>st</sup>) quarter ended 31 March 2019 is announced in Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). As the Company was only listed on the ACE Market of Bursa Securities on 13 November 2018, there are no comparative figures for the preceding quarter and period-to-date available, as no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic earnings per share of the Group for the quarter and period to date is calculated based on weighted average of ordinary shares of 243,600,000 for the financial period.
- (4) Diluted earnings per share of the Group for the quarter and period to date is equivalent to the basic earnings per share as the Group does not have any convertible options as at the end of the reporting period.

N/A – Not applicable.

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## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>

	AS AT 31 March 2019 RM'000	AS AT 31 December 2018 RM'000
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	1,398	1,481
Right-of-use assets	521	-
Development expenditure	1,329	1,450
Other investments	327	259
Deferred tax assets	95	95
	<b>3,670</b>	<b>3,285</b>
<b>CURRENT ASSETS</b>		
Inventories	1,717	1,504
Contract assets	1,244	1,836
Trade receivables	12,357	11,131
Other investments	1,551	2,530
Other receivables	2,333	2,610
Fixed deposits with licensed banks	4,259	2,764
Cash and bank balances	19,789	23,915
	<b>43,250</b>	<b>46,290</b>
<b>TOTAL ASSETS</b>	<b>46,920</b>	<b>49,575</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	30,454	30,454
Reserves	(11,092)	(11,141)
Retained earnings	17,353	17,193
<b>Total equity attributable to owners of the Company</b>	<b>36,715</b>	<b>36,506</b>
Non-controlling interests	361	322
<b>Total Equity</b>	<b>37,076</b>	<b>36,828</b>
<b>LIABILITIES</b>		
<b>NON-CURRENT LIABILITIES</b>		
Employee benefit	196	196
Lease liabilities	223	-
Finance lease liability	284	301
Bank borrowings	-	1,393
	<b>703</b>	<b>1,890</b>

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## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup> (CONT'D)

	AS AT 31 March 2019	AS AT 31 December 2018
	RM'000	RM'000
<b>CURRENT LIABILITIES</b>		
Trade payables	1,156	1,336
Other payables	2,613	4,274
Contract liabilities	4,819	4,392
Lease liabilities	246	-
Finance lease liability	68	67
Bank borrowings	-	604
Tax payables	239	184
	<b>9,141</b>	<b>10,857</b>
<b>Total liabilities</b>	<b>9,844</b>	<b>12,747</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>46,920</b>	<b>49,575</b>
Weighted average number of ordinary shares ('000)	243,600	184,729
<b>NET ASSETS PER SHARE (sen)</b>	<b>15.07<sup>(2)</sup></b>	<b>19.76</b>

#### Notes:

- (1) The basis of preparation of Unaudited Condensed Consolidated Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on number of ordinary shares of 243,600,000 as at the end of the reporting period.

N/A – Not applicable.

# SECUREMETRIC BERHAD

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## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)(2)</sup>

	Attributable to owners of the Company						Non-controlling interests	Total equity
	Non-Distributable					Distributable		
	Share capital	Fair value reserve	Forex translation reserve	Other reserve	Merger reserve	Retained earnings	Total	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	30,454	195	(334)	3	(11,005)	17,193	36,506	322
Effects of adopting MFRS 16	-	-	-	-	-	(7)	(7)	-
At 1 January 2019 (as restated)	30,454	195	(334)	3	(11,005)	17,186	36,499	322
Profit for the financial period	-	-	-	-	-	167	167	39
Other comprehensive income for the financial period	-	68	(19)	-	-	-	49	-
Total comprehensive income for the financial period	-	68	(19)	-	-	167	216	39
<b>Transactions with owners</b>								
Change of non-controlling interests	-	-	-	-	-	-	-	Negligible <sup>(3)</sup>
<b>As at 31 March 2019</b>	<b>30,454</b>	<b>263</b>	<b>(353)</b>	<b>3</b>	<b>(11,005)</b>	<b>17,353</b>	<b>36,715</b>	<b>361</b>

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### INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019

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**Note:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity are detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompany explanatory notes attached to this interim financial report.
- (2) This interim financial report for the first (1<sup>st</sup>) quarter ended 31 March 2019 is announced in Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). As the Company was only listed on the ACE Market of Bursa Securities on 13 November 2018, there are no comparative figures for the preceding quarter and period-to-date available, as no interim financial report was prepared for the comparative financial period concerned.
- (2) PT Securemetric Technology, a wholly-owned subsidiary company, increased its share capital by USD 10 (equivalents to IDR 141,540, RM41) by issuing 10 shares to an individual. Consequently, the Company's shareholding in PT Securemetric Technology decreased from 100% to 99.999%.

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## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup>

	YEAR-TO-DATE	
	31 March 2019	31 March 2018 <sup>(2)</sup>
	RM'000	RM'000
<b>Cash Flows From Operating Activities</b>		
Profit before tax	454	N/A
<u>Adjustments for:</u>		
Impairment losses on trade receivables	115	N/A
Amortisation of development expenditure	121	N/A
Depreciation of property, plant and equipment ("PPE")	117	N/A
Depreciation of right-of-use assets	123	N/A
Dividend income	(16)	N/A
Fair value gain of financial asset at fair value through profit or loss	(5)	N/A
Government grant income	(115)	N/A
Finance costs	68	N/A
Interest income	(42)	N/A
Unrealised loss on foreign exchange	64	N/A
<b>Operating profit before working capital changes</b>	<b>884</b>	<b>N/A</b>
<u>Changes in working capital:</u>		
Inventories	(213)	N/A
Receivables	(1,196)	N/A
Payables	(1,741)	N/A
Contract assets	1,019	N/A
	<b>(2,131)</b>	<b>N/A</b>
<b>Cash used in operations</b>	<b>(1,247)</b>	<b>N/A</b>
Interest paid	(68)	N/A
Interest received	42	N/A
Tax paid	(195)	N/A
Tax refund	2	N/A
Exchange fluctuation adjustment	(19)	N/A
<b>Net cash used in operating activities</b>	<b>(1,485)</b>	<b>N/A</b>

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## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS <sup>(1)</sup> (CONT'D)

	YEAR-TO-DATE	
	31 March 2019	31 March 2018 <sup>(2)</sup>
	RM'000	RM'000
<b>Cash Flows From Investing Activities</b>		
Proceeds from disposal of financial assets at fair value through profit or loss	1,000	N/A
Purchase of PPE	(34)	N/A
<b>Net cash from investing activities</b>	<b>966</b>	<b>N/A</b>
<b>Cash Flows From Financing Activities</b>		
Repayment of lease liabilities	(119)	N/A
Repayment of term loans	(1,997)	N/A
Repayment of finance lease liabilities	(16)	N/A
Increase in fixed deposits pledged	(45)	N/A
<b>Net cash used in financing activities</b>	<b>(2,177)</b>	<b>N/A</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,696)</b>	<b>N/A</b>
Effect of exchange translation differences on cash and cash equivalents	20	N/A
Cash and cash equivalents at the beginning of the financial period	23,915	N/A
<b>Cash and cash equivalents at the end of the financial period</b>	<b>21,239</b>	<b>N/A</b>
<b>Cash and Cash Equivalents</b>		
Cash and cash equivalents in the consolidated statement of cash flows comprise:		
Cash and bank balances	19,789	N/A
Fixed deposits with licensed banks	4,259	N/A
	24,048	N/A
Less: Fixed deposits pledged to licensed banks	(2,809)	N/A
	<b>21,239</b>	<b>N/A</b>

#### Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) This interim financial report for the first (1<sup>st</sup>) quarter ended 31 March 2019 is announced in Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). As the Company was only listed on the ACE Market of Bursa Securities on 13 November 2018, there are no comparative figures for the preceding quarter and period-to-date available, as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable.



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## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019

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### NOTES TO THE INTERIM FINANCIAL REPORT

#### A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2019

##### A1. Basis of preparation

The interim financial report of Securemetric Berhad (“**SMB**” or “**the Company**”) and its subsidiaries (“**the Group**”) are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standards (“**MFRS**”) 134 *Interim Financial Reporting* and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Listing Requirements**”).

This interim financial report for the first (1<sup>st</sup>) quarter ended 31 March 2019 is announced in Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). As the Company was only listed on the ACE Market of Bursa Securities on 13 November 2018, there are no comparative figures for the preceding quarter and period-to-date available, as no interim financial report was prepared for the comparative financial period concerned.

The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

##### A2. Significant accounting policies

The accounting policies adopted in the interim financial report are consistent with those as disclosed in the audited financial statements for the financial year ended 31 December 2018.

Unless otherwise described below, the Group has adopted those standards, amendments and interpretations that have become effective and such adoptions do not have material impact on the financial position and performance of the Group.

##### MFRS 16: Leases

MFRS 16, which upon the effective date will supersede MFRS 117 Leases, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under MFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, MFRS 117.

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### NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

#### A2. Significant accounting policies (Cont'd)

In respect of the lessor accounting, MFRS 16 substantially carries forward the lessor accounting requirements in MFRS 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Group had assessed the total financial impact on the Group's financial statements upon adoption of MFRS 16 which have been summarised in the table below.

#### Financial impact

The financial impact from initial adoption of MFRS 16 as at 1 January 2019 are as follows:

	Effects of		
	As previously	adoption of	
	stated	MFRS 16	As restated
	RM'000	RM'000	RM'000
<b>Increase/ (decrease):</b>			
<b><u>NON-CURRENT ASSETS</u></b>			
Right-of-use assets	-	644	644
Other receivables	2,610	(75)	2,535
<b><u>Equity</u></b>			
Retained earnings	17,193	(7)	17,186
<b><u>NON-CURRENT LIABILITIES</u></b>			
Lease liabilities	-	296	296
<b><u>CURRENT LIABILITIES</u></b>			
Lease liabilities	-	280	280

#### A3. Auditors' report

The auditors' report for the financial year ended 31 December 2018 was not subject to any qualifications.

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### NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

#### **A4. Seasonal or cyclical factors**

The Group's revenue is subject to seasonality due to the annual budget cycles of certain of its customers. Proportionately more invoices are billed or issued in the second half of the financial year. Therefore, the Group generally records higher revenue in the second half of the financial year.

The Group does not experience any cyclical in its business because the digital security industry is not cyclical in nature. A cyclical industry is one which experiences predictable changes which recur over a period of several years.

#### **A5. Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter and financial period-to-date.

#### **A6. Material changes in estimates**

There were no material changes in the estimates in the current financial quarter under review.

#### **A7. Debt and equity securities**

There was no issuance or repayment of debt and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial quarter under review.

#### **A8. Dividends paid**

There was no dividend paid during the current financial quarter under review.

#### **A9. Contingent liabilities or contingent assets**

There were no other contingent liabilities or contingent assets as at the date of this interim financial report.

#### **A10. Changes in the composition of the Group**

There were no changes in the composition of the Group for the current financial quarter under review.

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### NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

#### A11. Segmental reporting

The Group is principally involved in the provision of digital security solutions as well as trading of electronic identification products, and other related services.

##### (a) Revenue by business activities

The table below sets out the breakdown of the Group's revenue by business activities for the financial quarter ended 31 March 2019 under review:

	3-MONTH ENDED		YEAR-TO-DATE	
	31 March 2019	31 March 2018 <sup>(1)</sup>	31 March 2019	31 March 2018 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
(a) Digital security solutions				
- Software licensing protection dongles	583	N/A	583	N/A
- 2FA	3	N/A	3	N/A
- PKI	2,454	N/A	2,454	N/A
- CENTAGATE®	550	N/A	550	N/A
<b>Subtotal</b>	<b>3,590</b>	<b>N/A</b>	<b>3,590</b>	<b>N/A</b>
(b) Electronic identification products	861	N/A	861	N/A
(c) Others*	1,393	N/A	1,393	N/A
<b>Total Revenue</b>	<b>5,844</b>	<b>N/A</b>	<b>5,844</b>	<b>N/A</b>

#### Note:

\* *Comprising mainly maintenance service charges.*

(1) This interim financial report for the first (1<sup>st</sup>) quarter ended 31 March 2019 is announced in Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). As the Company was only listed on the ACE Market of Bursa Securities on 13 November 2018, there are no comparative figures for the preceding quarter and period-to-date available, as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable.

The main factors affecting the Group's revenue are as follows:

- (i) Rapid changes in technological development;
- (ii) Fluctuation in foreign currency exchange rates; and
- (iii) Ability to secure new projects and customers.

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### NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

#### A11. Segmental reporting (Cont'd)

##### (b) Revenue by geographical regions

The table below sets out the breakdown of the Group's revenue by geographical regions for the financial quarter ended 31 March 2019 under review:

	3-MONTH ENDED		YEAR-TO-DATE	
	31 March 2019 RM'000	31 March 2018 <sup>(1)</sup> RM'000	31 March 2019 RM'000	31 March 2018 <sup>(1)</sup> RM'000
Singapore	1,946	N/A	1,946	N/A
Indonesia	1,204	N/A	1,204	N/A
The Philippines	754	N/A	754	N/A
Vietnam	704	N/A	704	N/A
Malaysia	595	N/A	595	N/A
Others	641	N/A	641	N/A
<b>Total Revenue</b>	<b>5,844</b>	<b>N/A</b>	<b>5,844</b>	<b>N/A</b>

#### Note:

- (1) This interim financial report for the first (1<sup>st</sup>) quarter ended 31 March 2019 is announced in Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). As the Company was only listed on the ACE Market of Bursa Securities on 13 November 2018, there are no comparative figures for the preceding quarter and period-to-date available, as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable.

#### A12. Valuation of property, plant and equipment

The Group has not carried out any valuation on its property, plant and equipment in the current financial quarter under review.

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## **INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019**

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### **NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)**

#### **A13. Material events subsequent to the end of the current financial quarter**

There were no other material events subsequent to the end of the current financial quarter that have not been reflected in this interim financial report.

#### **A14. Significant related party transactions**

There were no significant related party transactions in the current financial quarter under review.

#### **A15. Capital commitments**

There were no capital commitments in the current financial quarter under review.

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### PART B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

#### B1. Review of Performance

The Group recorded revenue of RM5.84 million and profit before tax of RM0.45 million for the current financial quarter ended 31 March 2019. Revenue was derived from the provision of digital security solutions as well as trading of electronic identification products, and other related services.

No comparative figures for the preceding year's quarter and year-to-date are available as no interim financial report was prepared for the comparative financial period concerned.

#### B2. Comparison with immediate preceding quarter's results

	3-MONTH ENDED		
	31 March 2019	31 December 2018	Variance
	RM'000	RM'000	%
Revenue	5,844	11,865	-50.75%
Profit before tax	454	326	39.26%

The Group's revenue for the current financial quarter ended 31 March 2019 decreased by RM6.03 million or 50.75% to RM5.84 million as compared to RM11.87 million in the preceding financial quarter ended 31 December 2018. The decrease in revenue was mainly contributed by the lower revenue from electronic identification products of RM2.92 million and CENTAGATE® of RM1.66 million. As disclosed in Note A4, the Group is subject to seasonality in its business and generally records higher revenue and issues more invoices in the second half of the financial year.

The Group's profit before tax for the current financial quarter of RM0.45 million represents an increase of RM0.12 million or 39.26% for the current financial quarter as compared to RM0.33 million in the preceding financial quarter. The lower profit before tax in the preceding quarter was mostly attributable to IPO expenses.

#### B3. Prospects

The Group expect a favourable industry development in digital security solutions, electronic identification products and its related services. The Group will continue to grow its revenue via its regional offices in South East Asia (SEA) countries as well as develop new digital security solutions to maintain the Group's growth and sustainability with the rising awareness.

The Board of Directors of the Company is of the opinion that, barring any unforeseen circumstances, the prospects of the Group to the end of the financial year will remain favourable.

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### B4. Profit Forecast or Profit Guarantee

The Company did not issue any profit forecast or profit guarantee during the current financial quarter under review.

### B5. Taxation

	3-MONTH ENDED		YEAR-TO-DATE	
	31 March 2019	31 March 2018 <sup>(1)</sup>	31 March 2019	31 March 2018 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Tax expenses recognised in profit or loss:				
- Income tax	248	N/A	248	N/A
Effective tax rate	54.63%	N/A	54.63%	N/A

- (a) The Group's effective tax rate for the current financial quarter is higher than the statutory tax rate due to non-deductible expenses.
- (b) Tax expense is recognised based on management's best estimate.

#### Note:

- (1) This interim financial report for the first (1<sup>st</sup>) quarter ended 31 March 2019 is announced in Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). As the Company was only listed on the ACE Market of Bursa Securities on 13 November 2018, there are no comparative figures for the preceding quarter and period-to-date available, as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable.



# SECUREMETRIC BERHAD

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### B6. Corporate Proposals

#### (a) Status of corporate proposal

There were no corporate proposals announced pending completion.

#### (b) Utilisation of proceeds

In conjunction with the Company's listing on the ACE Market of Bursa Securities on 13 November 2018, the gross proceeds from the Public Issue amounting to RM17 million is intended to be utilised in the following manner:

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation: Surplus/ (Deficit) RM'000	Balance RM'000	Estimated timeframe for utilisation upon listing
Business expansion	1,700	(300)	-	1,400	Within 24 months
Development of new digital security solutions	5,700	(29)	-	5,671	Within 24 months
Repayment of bank borrowings	1,942	(1,942)	-	-	Within 24 months
Working capital	5,158	(654)	163	4,667	Within 24 months
Estimated listing expenses	2,500	(2,337)	(163) <sup>(1)</sup>	-	Within 1 month
<b>Total</b>	<b>17,000</b>	<b>(5,262)</b>	<b>-</b>	<b>11,738</b>	

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 23 October 2018.

#### Notes:

(1) The excess of RM0.16 million will be utilised for general working capital requirements of the Group.

# SECUREMETRIC BERHAD

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## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019

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### B7. Bank borrowing

The Group's bank borrowing was as follows:

	AS AT 31 March 2019	AS AT 31 March 2018
	RM'000	RM'000
<b>Secured:</b>		
<u>Current:</u>		
Finance lease liability	68	N/A
<u>Non-current:</u>		
Finance lease liability	284	N/A
	352	N/A
<b>Total bank borrowing</b>	<b>352</b>	<b>N/A</b>

All the Company's borrowing is denominated in Ringgit Malaysia.

#### Note:

N/A – Not applicable.

### B8. Material litigation

There was no material litigation involving the Group as at 31 March 2019.

### B9. Dividend declared

No dividend has been declared for the current quarter.

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## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019

### B10. Earnings per share

The basic earnings per share (“EPS”) are calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares of the Company during the financial quarter as follows:

		3-MONTH ENDED		YEAR-TO-DATE	
		31 March 2019	31 March 2018 <sup>(1)</sup>	31 March 2019	31 March 2018 <sup>(1)</sup>
Profit attributable to ordinary owners of the Company	(RM'000)	167	N/A	167	N/A
Weighted average number of ordinary shares	('000)	243,600	N/A	243,600	N/A
Basic EPS	(Sen)	0.07	N/A	0.07	N/A
Diluted EPS <sup>(2)</sup>	(Sen)	0.07	N/A	0.07	N/A

#### Notes:

- (1) This interim financial report for the first (1<sup>st</sup>) quarter ended 31 March 2019 is announced in Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). As the Company was only listed on the ACE Market of Bursa Securities on 13 November 2018, there are no comparative figures for the preceding quarter and period-to-date available, as no interim financial report was prepared for the comparative financial period concerned.
- (2) Diluted earnings per share is equivalent to the basic earnings per share as the Company does not have convertible securities at the end of reporting period.

N/A – Not applicable.

# SECUREMETRIC BERHAD

Company No. 1234029-D  
(Incorporated in Malaysia)

## INTERIM FINANCIAL REPORT FOR THE FIRST (1<sup>ST</sup>) QUARTER ENDED 31 MARCH 2019

### B11. Disclosure on selected expense/(income) items as required by the Listing Requirements

	3-MONTH ENDED		YEAR-TO-DATE	
	31 March 2019	31 March 2018 <sup>(1)</sup>	31 March 2019	31 March 2018 <sup>(1)</sup>
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of development expenditure	121	N/A	121	N/A
Depreciation of PPE	117	N/A	117	N/A
Depreciation of right-of-use assets	123	N/A	123	N/A
Finance costs	68	N/A	68	N/A
Impairment losses on trade receivables	115	N/A	115	N/A
Realised loss on foreign exchange	62	N/A	62	N/A
Unrealised loss on foreign exchange	64	N/A	64	N/A
Fair value gain of financial asset at fair value through profit or loss	(5)	N/A	(5)	N/A
Government grant income	(115)	N/A	(115)	N/A
Interest income	(42)	N/A	(42)	N/A
Other income (including investment income)	(16)	N/A	(16)	N/A

Other disclosure items pursuant to Appendix 9B Note 16 of the Listing Requirements of Bursa Securities are not applicable.

#### Notes:

- (1) This interim financial report for the first (1<sup>st</sup>) quarter ended 31 March 2019 is announced in Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). As the Company was only listed on the ACE Market of Bursa Securities on 13 November 2018, there are no comparative figures for the preceding quarter and period-to-date available, as no interim financial report was prepared for the comparative financial period concerned.

N/A – Not applicable.

### BY ORDER OF THE BOARD

Company Secretary

Date: 29<sup>th</sup> May 2019