

SECUREMETRIC BERHAD

Company No. 1234029-D
(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT FOR THE SECOND (2nd) QUARTER ENDED 30 JUNE 2019

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	3-MONTH ENDED		YEAR-TO-DATE	
	30 June 2019	30 June 2018 ⁽²⁾	30 June 2019	30 June 2018 ⁽²⁾
	RM'000	RM'000	RM'000	RM'000
Revenue	8,229	N/A	14,073	N/A
Cost of sales	(3,006)	N/A	(4,207)	N/A
Gross profit	5,223	N/A	9,866	N/A
Other income	278	N/A	489	N/A
Administrative expenses	(3,773)	N/A	(7,995)	N/A
Net gain on impairment of financial instruments	177	N/A	67	N/A
Finance costs	(8)	N/A	(76)	N/A
Profit before tax	1,897	N/A	2,351	N/A
Taxation	(219)	N/A	(467)	N/A
Profit for the financial period	1,678	N/A	1,884	N/A
Other comprehensive income				
Items that are or may be reclassified subsequently to profit or loss				
Exchange translation differences for foreign operations	42	N/A	23	N/A
Items that will not be reclassified subsequently to profit or loss				
Financial assets at fair value through other comprehensive income	(7)	N/A	61	N/A
	35	N/A	84	N/A
Total comprehensive income	1,713	N/A	1,968	N/A
Profit for the year attributable to:				
- Owners of the Company	1,668	N/A	1,835	N/A
- Non-controlling interests	10	N/A	49	N/A
	1,678	N/A	1,884	N/A
Total comprehensive income attributable to:				
- Owners of the Company	1,703	N/A	1,919	N/A
- Non-controlling interests	10	N/A	49	N/A
	1,713	N/A	1,968	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾ (CONT'D)

	3-MONTH ENDED		YEAR-TO-DATE	
	30 June 2019	30 June 2018 ⁽²⁾	30 June 2019	30 June 2018 ⁽²⁾
	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 ⁽³⁾	0.68	N/A	0.75	N/A
Diluted ⁽⁴⁾	0.68	N/A	0.75	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 second (2nd) quarter ended 30 June 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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	AS AT 30 June 2019	AS AT 31 December 2018
	RM'000	RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	1,692	1,481
Right-of-use assets	994	-
Development expenditure	1,209	1,450
Other investments	321	259
Deferred tax assets	95	95
	<u>4,311</u>	<u>3,285</u>
CURRENT ASSETS		
Inventories	1,907	1,504
Contract assets	669	1,836
Trade receivables	13,246	11,131
Other investments	1,564	2,530
Other receivables	2,293	2,610
Fixed deposits with licensed banks	15,319	2,764
Cash and bank balances	9,347	23,915
	<u>44,345</u>	<u>46,290</u>
TOTAL ASSETS	<u>48,656</u>	<u>49,575</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	30,454	30,454
Reserves	(11,057)	(11,141)
Retained earnings	19,021	17,193
Total equity attributable to owners of the Company	<u>38,418</u>	<u>36,506</u>
Non-controlling interests	371	322
Total Equity	<u>38,789</u>	<u>36,828</u>
LIABILITIES		
NON-CURRENT LIABILITIES		
Employee benefit	196	196
Lease liabilities	530	-
Finance lease liability	267	301
Bank borrowings	-	1,393
	<u>993</u>	<u>1,890</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾ (CONT'D)

	AS AT 30 June 2019	AS AT 31 December 2018
	RM'000	RM'000
CURRENT LIABILITIES		
Trade payables	1,642	1,336
Other payables	2,154	4,274
Contract liabilities	4,454	4,392
Lease liabilities	433	-
Finance lease liability	69	67
Bank borrowings	-	604
Tax payables	122	184
	8,874	10,857
Total liabilities	9,867	12,747
TOTAL EQUITY AND LIABILITIES	48,656	49,575
Weighted average number of ordinary shares ('000)	243,600	184,729
NET ASSETS PER SHARE (sen)	15.77⁽²⁾	19.76

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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾

	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Non-Distributable			Distributable					
	Share capital	Fair value reserve	Forex translation reserve	Other reserve	Merger reserve	Retained earnings			
RM'000	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	36,828
Effects of adopting MFRS 16	-	-	-	-	-	(7)	(7)	-	(7)
At 1 January 2019 (as restated)	30,454	195	(334)	3	(11,005)	17,186	36,499	322	36,821
Profit for the financial period	-	-	-	-	-	1,835	1,835	49	1,884
Other comprehensive income for the financial period	-	61	23	-	-	-	84	-	84
Total comprehensive income for the financial period	-	61	23	-	-	1,835	1,919	49	1,968
Transactions with owners									
Change of non-controlling interests	-	-	-	-	-	-	-	Negligible ⁽³⁾	-
As at 30 June 2019	30,454	256	(311)	3	(11,005)	19,021	38,418	371	38,789

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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 second (2nd) quarter ended 30 June 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) 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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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾

	YEAR-TO-DATE	
	30 June 2019	30 June 2018 ⁽²⁾
	RM'000	RM'000
Cash Flows From Operating Activities		
Profit before tax	2,351	N/A
<u>Adjustments for:</u>		
Reversal of impairment losses on trade receivables	(61)	N/A
Amortisation of development expenditure	241	N/A
Depreciation of property, plant and equipment ("PPE")	263	N/A
Depreciation of right-of-use assets	255	N/A
Dividend income	(28)	N/A
Fair value gain of financial asset at fair value through profit or loss	(6)	N/A
Government grant income	(228)	N/A
Finance costs	76	N/A
Interest income	(192)	N/A
Unrealised loss on foreign exchange	6	N/A
Operating profit before working capital changes	2,677	N/A
<u>Changes in working capital:</u>		
Inventories	(403)	N/A
Receivables	(1,784)	N/A
Payables	(1,580)	N/A
Contract assets	1,229	N/A
	(2,538)	N/A
Cash generated from operations	139	N/A
Interest paid	(76)	N/A
Interest received	192	N/A
Tax paid	(531)	N/A
Tax refund	2	N/A
Exchange fluctuation adjustment	24	N/A
Net cash used in operating activities	(250)	N/A
Cash Flows From Investing Activities		
Proceeds from disposal of financial assets at fair value through profit or loss	1,000	N/A
Proceed from disposal of PPE	4	N/A
Purchase of PPE	(477)	N/A
Net cash from investing activities	527	N/A

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS ⁽¹⁾ (CONT'D)

	YEAR-TO-DATE	
	30 June 2019	30 June 2018 ⁽²⁾
	RM'000	RM'000
Cash Flows From Financing Activities		
Repayment of lease liabilities	(231)	N/A
Repayment of term loans	(1,997)	N/A
Repayment of finance lease liabilities	(32)	N/A
Increase in fixed deposits pledged	(72)	N/A
Net cash used in financing activities	(2,332)	N/A
Net decrease in cash and cash equivalents	(2,055)	N/A
Effect of exchange translation differences on cash and cash equivalents	(30)	N/A
Cash and cash equivalents at the beginning of the financial period	23,915	N/A
Cash and cash equivalents at the end of the financial period	21,830	N/A
Cash and Cash Equivalents		
Cash and cash equivalents in the consolidated statement of cash flows comprise:		
Cash and bank balances	9,347	N/A
Fixed deposits with licensed banks	15,319	N/A
	24,666	N/A
Less: Fixed deposits pledged to licensed banks	(2,836)	N/A
	21,830	N/A

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 second (2nd) quarter ended 30 June 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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NOTES TO THE INTERIM FINANCIAL REPORT

A. EXPLANATORY NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND (2nd) QUARTER ENDED 30 June 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 second (2nd) quarter ended 30 June 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 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
Increase/ (decrease):			
<u>NON-CURRENT ASSETS</u>			
Right-of-use assets	-	644	644
Other receivables	2,610	(75)	2,535
<u>Equity</u>			
Retained earnings	17,193	(7)	17,186
<u>NON-CURRENT LIABILITIES</u>			
Lease liabilities	-	296	296
<u>CURRENT LIABILITIES</u>			
Lease liabilities	-	280	280

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A2. Significant accounting policies (Cont'd)

Standards issued but not yet effective

The Group has not adopted the following new standards and amendments to standards that have been issued by the Malaysian Accounting Standard Board which are not yet effective for the Group. The Group intends to adopt the below mentioned new standards and amendments to standards when they become effective.

		Effective date for financial periods beginning on or after
	Amendments to References to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 3	Business Combination – Definition of a Business	1 January 2020
Amendments to MFRS 101	Presentation of Financial Statements	1 January 2020
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material	1 January 2020
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	1 January 2020

The adoption of the abovementioned new standards and amendments to standards when they become effective are not expected to have significant impact on the financial statements of the Group.

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 cyclicity 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

Contingent liability

	AS AT 30 June 2019 RM'000	AS AT 30 June 2018 RM'000
Unsecured:		
Guarantee extended to a third party in respect of a contract entered by the Group, USD 32,525	134	N/A

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

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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

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.

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 30 June 2019 under review:

	3-MONTH ENDED		YEAR-TO-DATE	
	30 June 2019	30 June 2018 ⁽¹⁾	30 June 2019	30 June 2018 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
(a) Digital security solutions				
- Software licensing protection dongles	500	N/A	1,083	N/A
- 2FA	245	N/A	248	N/A
- PKI	5,004	N/A	7,458	N/A
- CENTAGATE®	102	N/A	652	N/A
Subtotal	5,851	N/A	9,441	N/A
(b) Electronic identification products	567	N/A	1,428	N/A
(c) Others*	1,811	N/A	3,204	N/A
Total Revenue	8,229	N/A	14,073	N/A

Note:

* Comprising mainly maintenance service charges.

(1) This interim financial report for the second (2nd) quarter ended 30 June 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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NOTES TO THE INTERIM FINANCIAL REPORT (CONT'D)

A11. Segmental reporting (Cont'd)

(a) Revenue by business activities (Cont'd)

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.

(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 30 June 2019 under review:

	3-MONTH ENDED		YEAR-TO-DATE	
	30 June 2019 RM'000	30 June 2018 ⁽¹⁾ RM'000	30 June 2019 RM'000	30 June 2018 ⁽¹⁾ RM'000
Singapore	2,546	N/A	4,492	N/A
Vietnam	2,243	N/A	2,947	N/A
Indonesia	1,071	N/A	2,275	N/A
Malaysia	1,101	N/A	1,696	N/A
The Philippines	566	N/A	1,320	N/A
Others	702	N/A	1,343	N/A
Total Revenue	8,229	N/A	14,073	N/A

Note:

- (1) This interim financial report for the second (2nd) quarter ended 30 June 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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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.

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 RM8.23 million and profit before tax of RM1.89 million for the current financial quarter ended 30 June 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		
	30 June 2019	31 March 2019	Variance
	RM'000	RM'000	%
Revenue	8,229	5,844	40.81%
Profit before tax	1,897	454	317.84%

The Group's revenue for the current financial quarter ended 30 June 2019 increased by RM2.39 million or 40.81% to RM8.23 million as compared to RM5.84 million in the preceding financial quarter ended 31 March 2019. The increase in revenue was mainly contributed by the higher revenue from PKI of RM2.55 million.

The Group's profit before tax for the current financial quarter of RM1.90 million represents an increase of RM1.45 million or 317.84% for the current financial quarter as compared to RM0.45 million in the preceding financial quarter. The higher profit before tax in the current financial quarter was due to increase in revenue, reversal of impairment losses on trade receivables and interest income.

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	
	30 June 2019	30 June 2018 ⁽¹⁾	30 June 2019	30 June 2018 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Tax expenses recognised in profit or loss:				
- Income tax	219	N/A	467	N/A
Effective tax rate	11.54%	N/A	19.86%	N/A

(a) Tax expense is recognised based on management's best estimate.

Note:

(1) This interim financial report for the second (2nd) quarter ended 30 June 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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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:

<u>Details of utilisation</u>	<u>Proposed Utilisation</u>	<u>Actual Utilisation</u>	<u>Deviation: Surplus/ (Deficit)</u>	<u>Balance</u>	<u>Estimated timeframe for utilisation upon listing</u>
	RM'000	RM'000	RM'000	RM'000	
Business expansion	1,700	(300)	-	1,400	Within 24 months
Development of new digital security solutions	5,700	(501)	-	5,199	Within 24 months
Repayment of bank borrowings	1,942	(1,942)	-	-	Within 24 months
Working capital	5,158	(1,039)	163	4,282	Within 24 months
Estimated listing expenses	2,500	(2,337)	(163) ⁽¹⁾	-	Within 1 month
Total	17,000	(6,119)	-	10,881	

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.

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B7. Bank borrowing

The Group's bank borrowing was as follows:

	AS AT 30 June 2019	AS AT 30 June 2018
	RM'000	RM'000
<u>Current:</u>		
Finance lease liability	69	N/A
<u>Non-current:</u>		
Finance lease liability	267	N/A
	336	N/A
Total bank borrowing	336	N/A

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 30 June 2019.

B9. Dividend declared

No dividend has been declared for the current quarter.

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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	
		30 June 2019	30 June 2018 ⁽¹⁾	30 June 2019	30 June 2018 ⁽¹⁾
Profit attributable to ordinary owners of the Company	(RM'000)	1,668	N/A	1,835	N/A
Weighted average number of ordinary shares	('000)	243,600	N/A	243,600	N/A
Basic EPS	(Sen)	0.68	N/A	0.75	N/A
Diluted EPS ⁽²⁾	(Sen)	0.68	N/A	0.75	N/A

Notes:

- (1) This interim financial report for the second (2nd) quarter ended 30 June 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)

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

	3-MONTH ENDED		YEAR-TO-DATE	
	30 June 2019	30 June 2018 ⁽¹⁾	30 June 2019	30 June 2018 ⁽¹⁾
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after charging/(crediting):				
Amortisation of development expenditure	120	N/A	241	N/A
Depreciation of PPE	146	N/A	263	N/A
Depreciation of right-of-use assets	132	N/A	255	N/A
Finance costs	8	N/A	76	N/A
Reversal of impairment losses on trade receivables	(176)	N/A	(61)	N/A
Realised gain on foreign exchange	(79)	N/A	(17)	N/A
Unrealised (gain)/loss on foreign exchange	(58)	N/A	6	N/A
Fair value gain of financial asset at fair value through profit or loss	(1)	N/A	(6)	N/A
Government grant income	(113)	N/A	(228)	N/A
Interest income	(150)	N/A	(192)	N/A
Other income (including investment income)	(12)	N/A	(28)	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 second (2nd) quarter ended 30 June 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: 20th August 2019