

REVIEW OF OPERATIONS

GROUP FINANCIAL PERFORMANCE

For the financial year under review, the Group's revenue decreased by 5% to RM67.3 million from RM71.2 million last year, largely attributable to the challenging market conditions. The Group recorded an unrealised foreign exchange loss of RM42.5 million on translation of its debts denominated in US Dollar as the Ringgit Malaysia weakened against the former.

Overall, the Group posted a lower loss before tax of RM99.9 million compared to RM147.6 million last year which included a higher unrealised foreign exchange loss of RM71.3 million.

REVIEW OF OPERATIONS

Security services

Secom (Malaysia) Sdn Bhd ("Secom"), the Group's joint-venture with Secom Co. Ltd, Japan and the Malaysian Police Co-operative Society, provides a total integrated 24-hour security services under the SECOM brand. The security services and equipment provided by Secom include computerised central monitoring system for emergency response, closed circuit televisions ("CCTV"), audio/video intercom, security audit and the supply of guards for residential and commercial properties. Secom helps its clients to enhance security from both internal and external security threats.

For the year under review, revenue of Secom declined marginally by 1% to RM61.2 million from RM61.9 million a year ago mainly due to the lower contribution from one-off sales of CCTV and access control systems. Operating profit at RM11.1 million was 1% lower from the previous financial year as a result of rising operating costs.

Secom will continue to strengthen its response team to increase response coverage in major towns, improve its security services and sale of security equipment, reduce costs and increase productivity, and expand its market presence to remain competitive.

Investment holding and others

This Division is primarily involved in plantation, manufacturing and sale of tools and dies, and investment holding. For the financial year under review, these activities collectively contributed a lower revenue of RM6.1 million (2016: RM 9.2 million) and a lower loss of RM4.8 million (2016: RM 25.6 million) as compared to the previous year. The higher loss in the previous year included an impairment loss on receivables of RM28.6 million.