

## REVIEW OF OPERATIONS

### GROUP FINANCIAL PERFORMANCE

For the financial year under review, the Group's revenue increased to RM71.2 million from RM69.9 million last year. This is largely attributable to the higher revenue from the Group's security services business, the core contributor to the financial performance of the Group. The Group recorded an unrealised foreign exchange loss of RM71.3 million on translation of its debts denominated in US Dollar as the Ringgit Malaysia weakened against the US Dollar. In the previous year, the Group recognised a higher unrealised foreign exchange loss of RM160.5 million.

Overall, the Group posted a lower loss before tax of RM147.6 million compared to RM211.8 million last year.

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#### 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, 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, Secom's revenue rose by 11.1% to RM61.9 million from RM55.7 million a year ago. The improvement in revenue was due to the higher contribution from central monitoring services and static guards fees. Operating profit declined slightly to RM11.3 million, a decrease of 4% 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, and expand its market presence to remain competitive in the business.

#### 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 recorded a lower revenue of RM9.2 million and higher loss of RM25.6 million as compared to RM14.2 million and a loss of RM2.3 million respectively in the previous year. The higher loss was mainly due to impairment loss on receivables of RM28.6 million provided during the year.