SECURA
GROUP LIMITED

2022 ANNUAL REPORT

SYNERGISED
TO SECURE

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*This annual report has been prepared by Secura Group Limited (the "**Company**") and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This annual report has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact persons for the Sponsor are Mr. David Tham, Senior Director, Equity Capital Markets and Ms. Priscilla Ong, Vice President, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.

Our Vision

To be a leading security solutions provider in Singapore and beyond

Our Mission

Building a safer world with innovative security solutions and exceptional service

Core Values

A.I.R.E

ACCOUNTABILITY

We take ownership and responsibility for our actions

INTEGRITY

We build trust through responsible actions and honest relationships

RESPECT

We value and treat everyone with dignity and professionalism

EXPLORATION

Keep an open mind, stay curious and embrace continuous learning and innovation

CORPORATE **PROFILE**

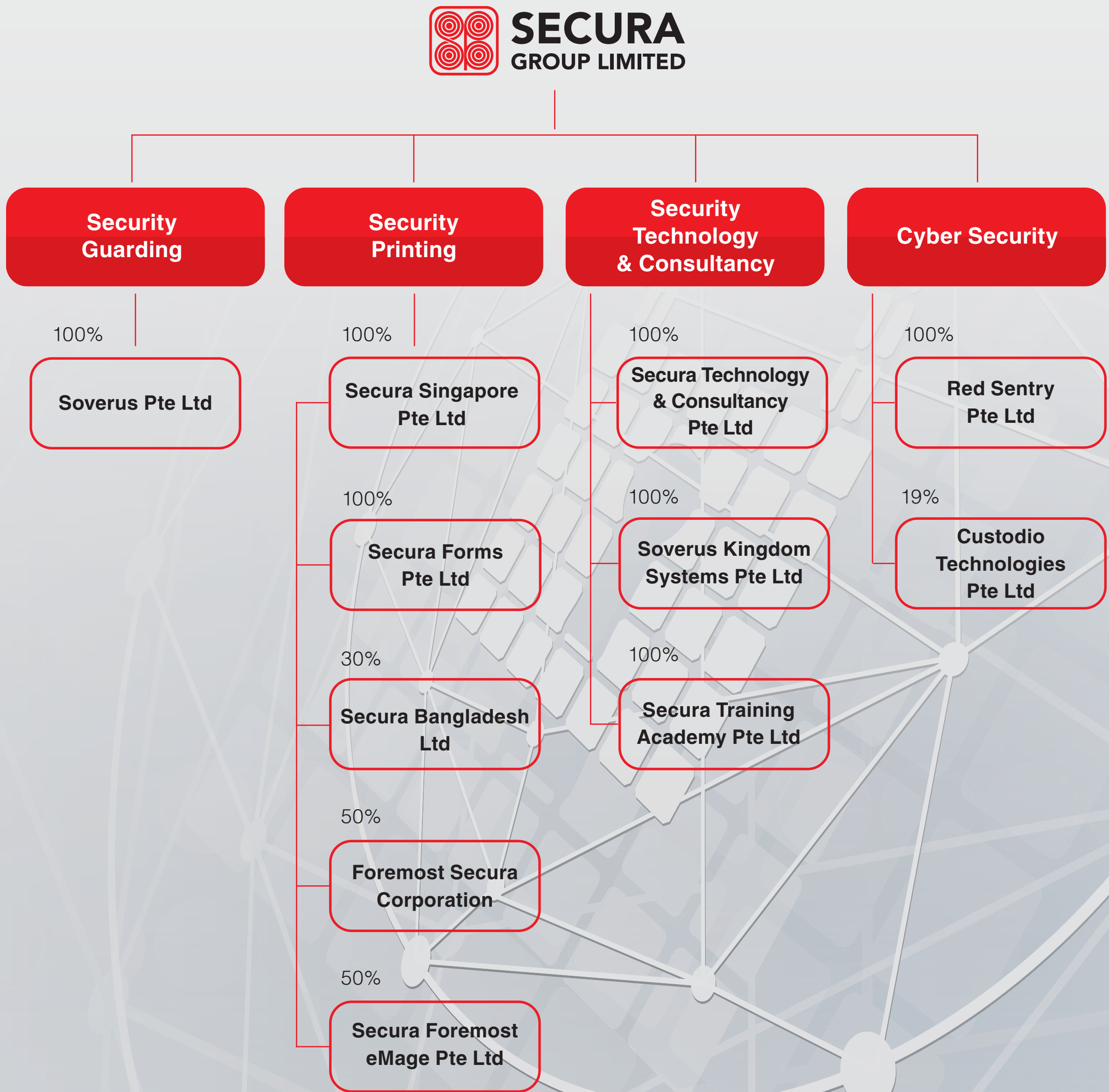
Listed on the Catalist Board of the SGX-ST, Secura Group Limited ("**Secura**" or the "**Company**", and together with its subsidiaries, the "**Group**") is one of the leading providers of an integrated suite of security services, products and solutions.

The Group's security guarding business, Soverus Pte Ltd is one of the leading security agencies in Singapore. As a premium security agency, the Group provides unarmed security guarding services, as well as operates a state-of-the-art 24-hour command centre with remote CCTV surveillance and video analytics for round-the-clock monitoring of premises.

Established in 1976, the Group's security printing business, Secura Singapore Pte Ltd has been providing security printing services of value documents with anti-counterfeit features and owns one of the largest cheque printing businesses in Singapore. With operations in Singapore, Bangladesh and Taiwan, the Group's range of value documents include bank cheques and passbooks, cash vouchers, educational certificates, marriage certificates and machine-readable betting slips, amongst others.

The Group has expanded its security solution services to cybersecurity, security systems integration and other security products and services. The Group also operates a training academy that is certified as a Public Approved Training Organisation. The academy offers Workforce Skills Qualifications (WSQ) courses for security services.

The Group has a well-diversified clientele comprising more than 800 customers in various industries, including multinational corporations, financial institutions and government agencies.



MESSAGE TO SHAREHOLDERS

Dear Shareholders
As the world gradually emerges from the pandemic with the reopening of borders and economy since late 2021, Singapore was similarly transitioning from pandemic to endemic stage with the easing of travel and social restrictions to lifting of all major restrictions in April 2022. The pandemic took everyone by surprise, but we have remained nimble to quickly adapt and adjust our strategies to navigate the resultant challenges and disruptions. Riding on the gradual recovery of the operating environment, Secura, underpinned by our resilient and comprehensive suite of security services, was able to report a credible set of results for the financial year ended 31 December 2022 ("**FY2022**").

Stable Financial Performance
The Group wrapped up the year with revenue increasing at a healthy 30.5% to $48.6 million compared to $37.3 million in the previous year ("**FY2021**"). This was largely from higher revenue contributions from Security Guarding and Security Technology & Consultancy segments as a result of new contracts awarded during the year.

Correspondingly, gross profit rose 16.0% to $4.9 million from $4.2 million in FY2021, with a slight 1.3 percentage points dip in gross profit margin to 10.1% compared to 11.4% in FY2021 due to an increase in the payroll of security officers arising from the adoption of the progressive wage model ("**PWM**").

FY2022 also saw the end of the Job Support Scheme ("**JSS**") grant in March, and together with the tapering of the Job Growth Incentive ("**JGI**") grant, other operating income declined 38.6% to $2.5 million from $4.1 million in FY2021. Share of results of joint ventures and associates which mainly relates to share of profits from the Group's investment in Secura Bangladesh Ltd, remained at a steady $0.4 million in FY2022. As a result, net profit attributable to owners of the Company came in at $1.3 million in FY2022 compared to $2.4 million in FY2021.

Resilient Business Segments
The Group's Security Guarding segment saw strong growth for the year with revenue rising 31.6% to $38.7 million from $29.4 million in FY2021. It remained the biggest contributor, accounting for 79.6% of total revenue. Profit for the segment on the other hand dipped to $1.7 million compared to $3.1 million in FY2021, largely due to the absence of JSS and reduction in JGI in FY2022.

As we continue to strengthen our brand equity and entrench ourselves as a high service quality and preferred security service provider, our early adoption and investment in technology and equipment have also played to our advantage. In particular, our state-of-the-art and fully Integrated Command Centre ("**ICC**"), fitted out with the latest equipment and advanced technology, is able to support our pursuit of longer tenure and higher premium security guarding contracts including outcome-based contracts. Since the move by the Singapore government agencies in mid-2020 to adopt outcome-based security contracts, we have also transitioned and refined our security contracts to focus on expected performance levels, rather than output levels, which in the long term can resolve manpower issues and reduce costs.

Alongside these strategic focus, we managed to secure a number of security contracts during the year, including a 24-month $3.0 million contract with Sembcorp Industries Ltd, effective from August 2022, and our biggest outcome-based contract to date, a 48-month $64.7 million contract from the Ministry of Education, Singapore, effective from September 2022 with the option to extend for a further one year. With these wins, the Group closed the year with a healthy order book for its Security Guarding segment.

While manpower cost and the tight labour market remain a constant concern and widely experienced by the industry, our stringent cost management strategy and focus on higher premium and longer term contracts aid in defraying the upward pressure on manpower cost. With greater acceptance for remote surveillance and virtual patrolling, our inhouse ICC also gives us a competitive edge in our bid for outcome-based contracts as well as alleviates manpower issues.

As we continue to build a stable pool of security officers, our ongoing recruitment drive does not only look at the local market, we are also looking to recruit suitable candidates from Malaysia through collaboration with different agencies and participation in recruitment campaigns. To further support our recruitment, we have the advantage of our accredited inhouse training academy – Secura Training Academy, which provides training to new recruits as well as existing security officers who seek to upskill their capabilities or who are required to regularly retrain, due to new regulatory requirements.

For instance, with effect from 1 July 2023, all security officers must complete the Recognise Terrorist Threats training course before they can be deployed at any site. Our academy is certified to undertake this training which equips security officers with the skills and knowledge to recognise and deal with various terrorist threats. Additionally, we need to train our officers on Traffic Management before they can be deployed to any educational premises. With these additional courses, we expect to retrain over 5,000 security officers.

Our collaboration with GRAB was a fruitful experience on a social responsibility front. The rationale behind the collaboration was to offer security training courses to GRAB's driver-and-delivery partners, which will provide them an option to take on security guarding assignments under Secura and support their downtime during the pandemic period. Despite commencing the collaboration during the period when the operating environment was recovering, including the ride-hailing business, we managed to train and certify over 200 participants who are now armed with additional skills to take on security guarding assignments.

We will continue to explore suitable collaborations that will not only enhance our commitment to sustainability, but also allow us to foster long-term relationships with business partners as well as widen our talent pool.

MESSAGE TO **SHAREHOLDERS**

For our Security Printing business, we were able to effectively manage cost and overheads, as well as improve our production efficiency during the year. As a result, we were able to generate better cash flow position in FY2022. Revenue for the year edged up to $5.6 million from $5.5 million in FY2021, while profit more than doubled to $0.5 million from $0.2 million in FY2021.

With growing importance of digitalisation and how it is transforming the Singapore market, we made strategic changes to our Security Printing business to navigate the evolving operating environment. We worked closely with our customers to rationalise cost and improve production efficiency and productivity. Despite a slowdown in demand, there are still pockets of opportunities where security printing and authentication of documents are required and we seek to optimise these opportunities to further expand our services. Our operations in Bangladesh and Taiwan remained stable with a steady flow of demand.

In FY2022, revenue from the Group's Security Technology & Consultancy segment doubled to $4.0 million from $1.8 million in FY2021, largely due to new contracts won during the year. Amid the constantly evolving operating environment with omnipresent threat of physical and cybersecurity risks, we will continue to pursue new business opportunities through new products and service offerings, as well as leverage technology to further enhance our capabilities to provide comprehensive security solutions to our diverse base of customers.

Sustaining Growth

Despite the impact of the pandemic on the operating environment, the security industry has remained resilient as it is integral across different aspect of businesses and industries. Some of the notable trends in the security industry that will continue to push demand are, the growing convergence of technology and physical security, continuous digital transformation, cyber risks that increase the awareness of cybersecurity and adoption of security systems which offer high-quality surveillance. Going forward, we will look at steamlining and consolidating some of our services, as well as expanding synergistic security solutions that will further expand our services and enhance our current offerings to cater to evolving trends.

As we continue to improve our services and offerings, our security guarding subsidiary, Soverus Pte. Ltd was honoured with the Best Security Agency (Commercial/ Industrial) and Best Security Agency (Residential) by the Singapore Security Industry Awards in 2022. This is a great testament to the quality of our services and we will continue to adhere to our strong brand equity to deliver excellent services that add value and meet the needs of our customers.

Appreciation

In closing, we would like to express our sincere gratitude to our valued shareholders for your unwavering support over the years and continued faith in the Group. In appreciation, the Board is pleased to propose a first and final tax-exempt dividend of 0.25 Singapore cent per share for FY2022.

To our fellow Board members, management team and employees, thank you for your dedication and hard work as we continue to maximise opportunities to drive sustainable growth. To our customers and business partners, thank you for your continuous support and we look forward to building a mutually rewarding long-term relationship.

Lastly, we would like to welcome Mr James Koh Wan Kai, General Manager of Security Printing and Ms Melissa Lim Hoi Leong, Chief Financial Officer, who joined the Group in February and June 2022 respectively. We look forward to their expertise in steering the Group to greater heights.

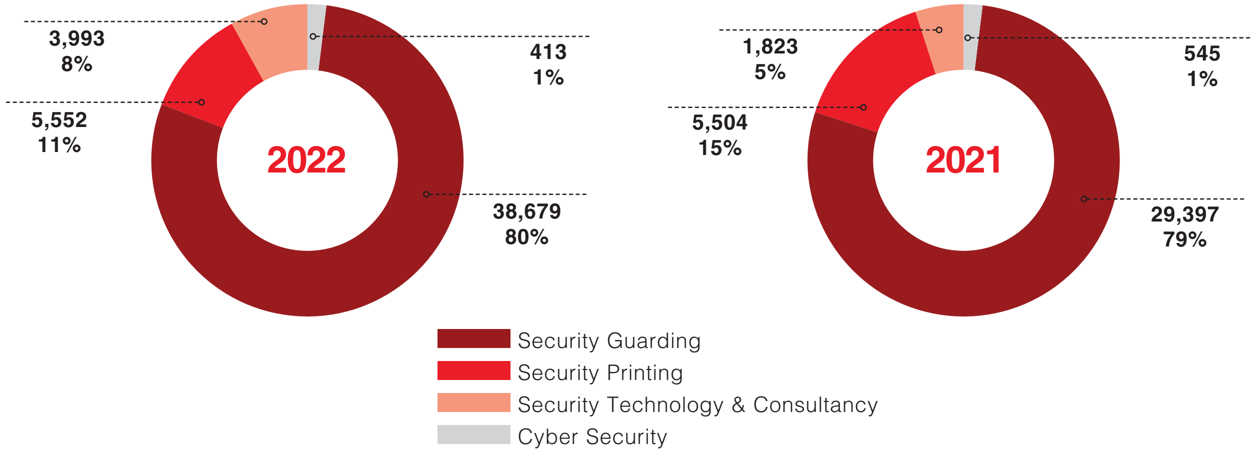
Dr Ho Tat Kin
Chairman and Independent Director

Mr Kan Kheong Ng
Executive Director and Chief Executive Officer

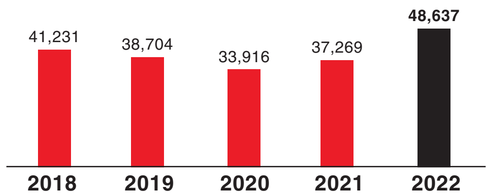
FINANCIAL **HIGHLIGHTS**

AT A GLANCE

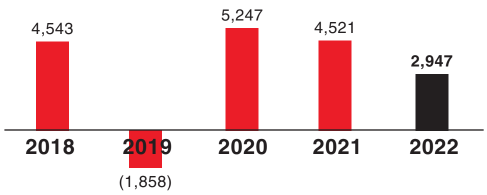
Revenue by segment ($'000)



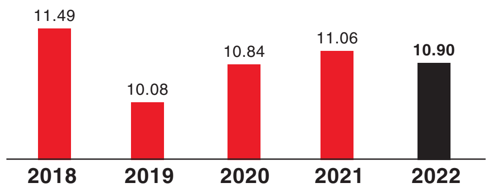
Revenue ($'000)



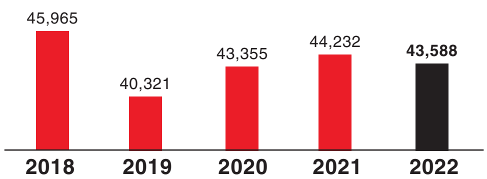
EBITDA ($'000)



Net asset value per share (cents)



Shareholders' equity ($'000)



Five-year financial highlights

	2018 $'000	2019 $'000	2020 $'000	2021 $'000	2022 $'000
Revenue and Profits					
Revenue	41,231	38,704	33,916	37,269	48,637
Gross profit	7,607	5,777	5,612	4,234	4,912
EBITDA	4,543	(1,858)	5,247	4,521	2,947
Profit before tax	1,948	(4,472)	2,960	2,842	1,512
Profit after tax and minority interest	1,866	(4,453)	2,975	2,441	1,289
Per Share					
Earnings per share (cents)	0.47	(1.11)	0.74	0.61	0.32
Net asset value per share (cents)	11.49	10.08	10.84	11.06	10.90
Balance Sheet					
Cash and short-term deposits	13,853	14,479	21,028	17,412	16,490
Total assets	64,272	57,785	58,881	54,221	56,071
Shareholders' equity	45,965	40,321	43,355	44,232	43,588

OPERATIONS & FINANCIAL REVIEW

In FY2022, the Group achieved revenue of $48.6 million and profit attributable to owners of the Company of $1.3 million compared to $37.3 million and $2.4 million, respectively in FY2021. Gross profit for the year rose 16.0% to $4.9 million in FY2022 from $4.2 million in FY2021, with gross profit margin coming in at 10.1% compared to 11.4% in the previous year. Net assets as at 31 December 2022 stood at $43.6 million, down from $44.2 million as at 31 December 2021. Cash and short-term deposits as at 31 December 2022 declined to $16.5 million from $17.4 million as at 31 December 2021.

Income Statement ($'000)	FY2022	FY2021	% Change
Revenue: • Increase in revenue mainly from a $9.3 million or 31.6% increase in the Security Guarding segment and a $2.2 million or 119.1% increase in the Security Technology & Consultancy segment, due to the award of new contracts	**48,637**	37,269	30.5
Cost of Sales	**(43,725)**	(33,035)	32.4
Gross Profit: • Gross profit margin declined marginally to 10.1% in FY2022 from 11.4% in FY2021 mainly resulted from the decrease in gross profit margin from the Security Guarding segment due to the adoption of the PWM that increased the payroll cost of security officers	**4,912**	4,234	16.0
Other Operating Income: • The decline in other operating income was due to the end of JSS since March 2022 and the tapering-off of the JGI grant in FY2022	**2,508**	4,082	(38.6)
Distribution and Selling Expenses: • The increase was mainly due to additional headcount and higher commission payout on higher revenue	**(1,551)**	(1,350)	14.9
Administrative Expenses	**(4,697)**	(4,427)	6.1
Finance Cost: • The decline was mainly due to lower loan and bank borrowings in FY2022	**(81)**	(143)	(43.4)
Share of Results of Joint Ventures and Associate	**421**	446	(5.6)
Profit Before Tax	**1,512**	2,842	(46.8)
Income Tax Expense	**(223)**	(401)	(44.4)
Profit Attributable to Owners of the Company	**1,289**	2,441	(47.2)

OPERATIONS & FINANCIAL REVIEW

Balance Sheet ($'000)	As at 31 Dec 2022	As at 31 Dec 2021
Non-current Assets	**26,063**	27,275
Current Assets	**30,008**	26,946
Total Assets: The increase was due to: • An increase in trade and other receivables and contract assets of $3.4 million, in line with the increase in revenue • Partially offset by the net decrease in cash and short-term deposits of $0.9 million and depreciation and amortisation of property, plant and equipment and right-of-use assets of $1.4 million	**56,071**	54,221
Current Liabilities	**8,628**	5,627
Non-current Liabilities	**3,855**	4,362
Total Liabilities: The increase was due to: • An increase in trade and other payables, contract liabilities and accrued operating expenses of $3.1 million, in line with the increase in cost of sales • Partially offset by the reduction in loan and bank borrowings of $0.4 million and a decline in the amount due to joint ventures of $0.2 million	**12,483**	9,989
Net Assets	**43,588**	44,232
Share Capital	**61,644**	61,644
Other Reserves	**(16,555)**	(15,937)
Accumulated Losses	**(1,501)**	(1,475)
Total Equity	**43,588**	44,232

OPERATIONS & FINANCIAL REVIEW

Cash Flow ($'000)	FY2022	FY2021
Net Cash from Operating Activities: • Operating cash flows before working capital changes amounted to 2.4 million in FY2022 • Net cash used in working capital amounted to $1.0 million due to an increase in trade and other receivables and contract liabilities of $3.4 million • Partially offset by an increase in trade and other payables and contract liabilities of $2.3 million	**1,218**	3,269
Net Cash used in Investing Activities: • The increase was due to additions of property, plant and equipment • Partially offset by dividend received from an associate company	**(144)**	(38)
Net Cash used in Financing Activities: • The decline was due to dividend payment of $1.6 million and repayment of loan and bank borrowings of $0.4 million	**(1,974)**	(6,801)
Net decrease in cash and cash equivalents	**(900)**	(3,570)
Cash and cash equivalents at beginning of the year	**17,412**	21,028
Cash and cash equivalents at end of the year	**16,490**	17,412

BOARD OF DIRECTORS

Dr Ho Tat Kin, 79

Chairman, Non-Executive and Independent Director

Date of appointment as director:
16 October 2015

Date of last re-appointment:
21 April 2022

Academic and professional qualifications:
- Bachelor of Science (Honours), University of Singapore
- Japan International Co-Operation Agency (Post-graduate) Certificate (Teacher on Computer Science), Yamanashi University & Tokyo University
- Master of Science in Technological Economics and Ph.D, University of Stirling, Scotland, UK
- Life Member, Institute of Physics of Singapore

Present directorship (listed company):
- None

Principal commitments:
- None

Past directorships for the last 5 years:
- None

Experience and exposure:
Dr Ho is a management consultant, concentrating on mergers and acquisitions, business ventures in the private education sector, digital information technology and green technology. He brings with him more than 30 years of senior experience in risk management, operations and corporate governance. Over the years, Dr Ho has served as director of various companies listed on the main boards of Hong Kong and Singapore. His last appointment was the Executive Chairman of Rowsley Ltd (now known as Thomson Medical Group Limited), a company listed on the SGX-ST from August 2010 to December 2013.

Prior to joining the private sector, Dr Ho had a successful career in the public sector, having served in the Ministry of Education, Singapore Economic Development Board and was a Deputy Director of the Japan-Singapore Institute of Software Technology (Government-to-Government Technology Transfer Project) from 1982 to 1990 and then as Director till 1997.

Dr Ho was an elected Member of Parliament from December 1984 to October 2001, serving 4 terms in the Parliament of Singapore. He was concurrently a Town Council Chairman from 1988 to 1999.

Mr Kan Kheong Ng, 67

Executive Director and Chief Executive Officer

Date of appointment as director:
1 February 2019

Date of last re-appointment:
20 April 2021

Academic and professional qualifications:
- Bachelor of Business Administration, Royal Melbourne Institute Technology

Present directorship (listed company):
- TMC Life Sciences Berhad

Principal commitments:
Director:
- Soverus Pte Ltd
- Secura Singapore Pte Ltd
- Secura Forms Pte Ltd
- Secura Documation Pte Ltd
- Soverus Kingdom Systems Pte Ltd
- Soverus Consultancy & Services Pte Ltd
- Secura Technology & Consultancy Pte Ltd
- Foremost Secura Corporation
- Secura Foremost eMage Pte Ltd
- Secura Training Academy Pte Ltd
- Red Sentry Pte Ltd
- Fastrack Autosports (Iskandar) Pte Ltd
- Wellington College International Regional Management Pte Ltd
- Fastrack Iskandar Sdn Bhd
- Fastrack JV (Iskandar) Limited
- Best Blend Sdn Bhd
- BB Waterfront Sdn Bhd
- IVF Technologies Sdn Bhd
- TMC Biotech Sdn Bhd
- TMC Lifestyle Sdn Bhd
- Thomson Hospital Sdn Bhd
- TMC Properties Sdn Bhd
- Thomson TCM Sdn Bhd
- TMC Care Sdn Bhd
- TMC Women's Specialist Holdings Sdn Bhd

Other principal commitment:
- Executive Director of TMC Life Sciences Berhad

Past directorships for the last 5 years:
- Soverus Group Pte Ltd
- Secura Malaysia Sdn Bhd
- Secura Security Printing Sdn Bhd

Audit & Risk Committee
Nominating Committee
Remuneration Committee
Denotes Committee Chairman

BOARD OF DIRECTORS

Experience and exposure:
Mr Kan has almost 30 years of regional management and business development experience in the automotive industry, having managed various illustrious global brands with renowned regional dealership, Wearnes Automotive, headquartered in Singapore. From 2001 to 2009, he was General Manager at Malayan Motors, a division of Wearnes Automotive, where he managed the Rolls-Royce, Bentley, Jaguar and Volvo Trucks franchises in Singapore, and successfully introduced some of the brands into new territories such as Brunei, Indonesia, Taiwan and Thailand. From 2009 to 2012, he was promoted to Managing Director of the Prestige Division of Wearnes Automotive, where he led the acquisition of new brands such as Bugatti, Land Rover and McLaren.

In 2012, Mr Kan joined Fastrack Autosports (Iskandar) Pte Ltd to conceptualise and develop an integrated automotive hub in Nusajaya, Iskandar Malaysia, in partnership with UEM Sunrise Berhad. He led the project's joint venture company, Fastrack Iskandar Sdn Bhd, as its CEO.

He is also a director of Wellington College International Regional Management Pte Ltd, which is the master agreement holder for the Wellington College International schools in Singapore, Indonesia and Malaysia.

Mr Ong Pang Liang, 63
Independent Director

Date of appointment as director:
16 October 2015

Date of last re-appointment:
12 June 2020

Academic and professional qualifications:
- Bachelor of Business Administration, National University of Singapore

Present directorship (listed company):
- Thomson Medical Group Limited

Principal commitments:
Director:
- Bluewater Investments Pte Ltd
- Valencia Club de Futbol, S.A.D

Past directorships for the last 5 years:
- Avarga Limited
- UPP Industries Pte Ltd
- UPP Greentech Pte Ltd
- Avarga Investment Pte Ltd
- RSP Holdings Pte Ltd

Experience and exposure:
Mr Ong has over 25 years of experience in banking and finance. His career in various international banks covered management responsibilities in capital markets, treasury operations and corporate banking. He spent 15 years in Bank of America where he was a Managing Director and held positions such as Head of Foreign Exchange in Singapore and General Manager of Shanghai Branch, People's Republic of China. Subsequent to his banking career, Mr Ong spent a number of years in the corporate business sector. He was the Chief Financial Officer and Finance Director of companies listed on the Mainboard of the SGX-ST.

Mr Gary Ho Kuat Foong, 68
Independent Director

Date of appointment as director:
16 October 2015

Date of last re-appointment:
21 April 2022

Academic and professional qualifications:
- Bachelor of Science, University of Western Australia
- Bachelor of Commerce, University of Western Australia
- Member of the Institute of Singapore Chartered Accountants
- Member of CPA Australia

Present directorship (listed company):
- Avarga Limited
- TMC Life Sciences Berhad

Principal commitments:
Director:
- Elnora Pty Ltd
- Thailoy Investments Pty Ltd

Past directorships for the last 5 years:
- RSP Holdings Pte Ltd
- Thomson Medical Group Limited

Experience and exposure:
Mr Ho has over 35 years of experience in corporate management and finance having been a director of both publicly listed and private companies in Singapore, Malaysia and Australia. He currently serves on the board of directors of Avarga Limited, a company listed on the Mainboard of the SGX-ST and TMC Life Sciences Berhad, a company listed on Bursa Malaysia.

Audit & Risk Committee
Nominating Committee
Remuneration Committee
Denotes Committee Chairman

BOARD OF DIRECTORS

Ms Christina Teo Tze Wei, 49 (Zhao Ziwei)

Independent Director

Date of appointment as director:
1 February 2019

Date of last re-appointment:
21 April 2022

Academic and professional qualifications:
- Master of Business Administration, Harvard Business School
- Bachelor of Business Administration (Finance), Honours, National University of Singapore

Present directorship (listed company):
- Thomson Medical Group Limited

Principal commitments:
Director
- uCare.io Pte Ltd
- Project eLeonie

Past directorships for the last 5 years:
- Catpital Private Limited (struck-off)
- Custodio Technologies Pte Ltd

Experience and exposure:
Ms Teo has over 20 years of experience in private equity, leveraged buyouts, and mergers and acquisitions, having led numerous investments globally with notable deals including Jaya Holdings, Crystal Jade, 2XU, Seafolly, RM Williams, Guiseppe Zanotti and Cristiano Ronaldo's global image rights.

She is the co-founder and currently, the CEO of Singapore-based start-up UCARE.AI, an award-winning artificial intelligence ("AI")-powered technology enabler for health data and solutions with esteemed customers including Singapore's Ministry of Health, Great Eastern Life Assurance and Parkway Pantai. She brought UCARE.AI to its Series A financing phase, launched its AI-powered predictive hospital bill estimation system throughout Parkway Pantai's Singapore hospitals, and won a tender to deploy its Claims Analytics System for Singapore's Ministry of Health. She is appointed to the Data Protection Advisory Committee to advise the Personal Data Protection Commission on matters relating to the review and administration of the personal data protection framework.

Prior to co-founding UCARE.AI in 2016, she was the CEO of Catpital, Managing Director at L Capital Asia (LVMH), and held other senior investment positions at Affinity Equity Partners and Deutsche Bank's Strategic Investments Group.

Audit & Risk Committee
Nominating Committee
Remuneration Committee
Denotes Committee Chairman

Mr Wilson Sam, 47

Non-Executive Non-Independent Director

Date of appointment as director:
1 July 2020

Date of last re-appointment:
20 April 2021

Academic and professional qualifications:
- Bachelor of Business Studies (Honours), Nanyang Technological University
- Chartered Financial Analyst
- Chartered Alternative Investment Analyst Holder
- Financial Risk Management Certification

Present directorship (listed company):
- Thomson Medical Group Limited

Principal commitments:
Director:
- Adifore Finance Ltd
- Arnel Services S.A
- Grvty Media Pte Ltd
- Hatch Health Pte. Ltd.
- Klouder Limited
- Mint Media Sports Limited
- Mint Media Sports Pte Ltd
- PCC Products Pte Ltd
- PT Thomson Medical
- Renewal Metal Resources Pte Ltd
- Sasteria (M) Pte Ltd
- Sasteria Pte Ltd
- Skies VB Sdn Bhd
- Smartparents Pte Ltd
- Thomson Kids Pte Ltd
- Thomson Medical Pte Ltd
- Thomson Paediatric Centre Pte Ltd
- Thomson Wellth Company Pte Ltd
- Thomson Women Cancer Centre Pte Ltd
- Thomson Women's Clinic Holdings Pte Ltd
- Thomson X Pte Ltd
- Thomson International Health Services Pte Ltd
- Vantage Bay JB Sdn. Bhd.
- Zuju Gameplay Pte. Ltd.
- ZujuGP Pte. Ltd.

Other principal commitments:
- Executive Director and Group CFO of Thomson Medical Group Limited

Past directorships for the last 5 years:
- Catpital Private Limited
- TI Health Pte Ltd
- TMC Life Sciences Berhad
- VB2 Property Sdn Bhd

Experience and exposure:
Mr Sam has 20 years of experience in finance, investments and advisory in Singapore. He is currently the Executive Director and Group Chief Financial Officer of Thomson Medical Group Limited, a company listed on the Mainboard of the SGX-ST. Mr Sam is responsible for providing leadership to the financial and management reporting, corporate finance, treasury, investor relations and corporate and regulatory compliance functions. Prior to this, Mr Sam held various positions with regional and international banks, specialising in corporate finance and merger and acquisitions and was involved in numerous initial public offerings, financial advisory and merger and acquisition transactions.

KEY **MANAGEMENT**

Ms Melissa Lim Hoi Leong
Chief Financial Officer

Ms Lim joined the Group in June 2022 as Chief Financial Officer. She is responsible for the overall financial matters of the Group including corporate finance, treasury, tax, investor relations, and performance and risk management.

Ms Lim has more than 15 years of experience in audit, financial and accounting management. Prior to joining the Group, she was with Thomson Medical Group Limited as Group Financial Controller. She also spent nine years as an auditor with an international accounting firm and held various senior finance roles in various companies.

She is a Chartered Accountant with the Institute of Singapore Chartered Accountants and a Fellow of the Association of Chartered Certified Accountants (FCCA). She holds a Master of Arts in Accounting and Financial Management from the University of Hertfordshire, UK.

Mr Goh Ching Hua Kelvin
Managing Director (Security Guarding)

Mr Goh Ching Hua Kelvin joined the Group in 2013 as a Business Development Manager and was promoted to General Manager of Soverus Pte Ltd in 2014 and to Managing Director (Security Guarding) in 2018. Mr Goh is responsible for managing the overall operations, sales and marketing strategies of our security guarding business and integrated command centre for remote surveillance. He is also involved in planning the recruitment strategies for our security officers.

Prior to joining the Group, Mr Goh began his career as an Engineer at Panasonic Factory Solutions Asia Pacific Pte Ltd in 2003. In 2006, he moved to Logicom Instruments Pte Ltd, where he worked as a Senior Engineer till 2007. From 2007 to 2009, Mr Goh was a Sales Manager at Certis CISCO Security Pte Ltd, where he was responsible for generating new sales for security systems, such as CCTVs intrusion detection systems, electronic access control systems and car park barrier systems.

Subsequently, he joined Security Distribution and Consultancy Pte Ltd from 2009 to 2010 as a Sales Manager before taking on the role of Business Development and Strategic Planning Manager at Pico Guards Pte Ltd from 2010 to 2011. From 2011 to 2013, Mr Goh served as the General Manager of Jasa Investigation & Security Services Pte Ltd, where he was responsible for developing and implementing strategic marketing plans and forecasts for security systems and security guarding services. In 2016, Mr Goh was elected as the Vice President (Systems) for the Security Association Singapore, the largest association representing security professionals and companies in Singapore.

Mr Goh graduated from the National University of Singapore in 2002 with a Bachelor of Engineering (Electrical).

Mr James Koh Wan Kai
General Manager (Security Printing)

Mr Koh joined the Group in February 2022. He is currently a Director and General Manager of Secura Singapore Pte Ltd. Mr Koh is responsible for managing the security printing business.

Mr Koh started his career as an auditor and business consultant in an international accounting firm. He has more than 35 years of experience in managerial positions spanning various industries. Mr Koh was the Chief Financial Officer of SGX-listed Rowsley Ltd (now known as Thomson Medical Group Limited). Before joining the Company, he was the Executive Director and President of SGX-listed Avarga Limited (formerly known as United Pulp & Paper Limited).

Mr Koh holds a Bachelor of Accountancy from the National University of Singapore. He is a Fellow member of the Institute of Singapore Chartered Accountants.

CORPORATE **GOVERNANCE REPORT**

The board of directors ("**Board**" or "**Directors**") and management ("**Management**") of Secura Group Limited ("**SGL**" or the "**Company**") are committed to achieving and maintaining high standards of corporate governance, to promote corporate transparency and to safeguard the interests of shareholders of the Company ("**Shareholders**"). It firmly believes that good corporate governance is essential to the sustainability of the Group's business and performance.

This report outlines the Company's corporate governance practices which are in line with the principles and provisions set out in the Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore ("**MAS**") on 6 August 2018 and Rule 710 of the Catalist Rules. The Group has complied with the principles of the Code. Where there are deviations from the provisions of the Code, reasons and explanations on how the Group's practices adopted are consistent within the intent of the relevant principle are provided, where appropriate.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The Board oversees the business affairs of the Group and provides entrepreneurial leadership to the Company. This includes evaluation of the performance of Management, establishment of a prudent and effective controls framework and setting the strategic direction for the Group. The Board is responsible for the overall policies and integrity of the Group to ensure success and long term interests of Shareholders are served.

The principal functions of the Board are to:

- supervise the management of the business and affairs of the Group;
- approve the Group's strategic plans, key operational initiatives, major investments, disposals and funding decisions;
- establish and maintain a framework of prudent and effective control which enable risks to be assessed and managed, including safeguarding of Shareholders' interests and the Group's assets;
- monitor and review the Group's financial performance;
- review Management's performance;
- approve the nominations and re-election of Directors to the Board and the appointment of key management personnel ("**KMP**");
- assume responsibility for corporate governance; and
- consider sustainability issues such as environmental and social factors as part of its strategic formulation.

CORPORATE **GOVERNANCE REPORT**

The Group has in place a Code of Conduct and Ethics (including Conflict of Interest), which sets the appropriate tone from the top, the desired organisational culture, and ensures proper accountability within the Company. Directors are expected to objectively discharge their fiduciary duties and responsibilities in the interest of the Company and avoid situations in which their own personal or business interests directly or indirectly conflict, or appear to conflict, with the interest of the Company. Where a Director has a conflict of interest or appears that he or she might have a conflict of interest in relation to any matter, he or she should immediately declare his or her interest at a meeting of the Directors or send a notice to the Company containing details of his or her interest and the conflict, and recuse himself or herself from participating in any discussion and decision on the matter.

Directors are updated on the latest relevant statutory and legal requirements from time to time to enable them to discharge their responsibilities effectively and be familiar with current corporate governance best practices to ensure proper accountability within the Company.

Matters Requiring Board Approval

The Company has in place the Financial Authority Limit Policy ("**FAL**") which was approved by the Board as the mechanism through which the Board or its delegate approves transactions and financial commitments within the Company and its subsidiaries. The FAL covers the authorisation limits of the Group's activities such as investment activities, financing and debt management and capital and operating expenditure. Matters requiring the Board's decision and approval include, among others, approval of the Group's half-year and full-year results announcements, strategic plans, major investment and funding proposals, review of the annual budget, appointment of Directors and KMP, including review of their performance and remuneration packages and any matter which the Board considers significant enough to require the Board's direct attention or would be critical to the proper functioning of the Company or its business.

Delegation of Duties by the Board

Functions of the Board are carried out directly by the Board or through Board committees ("**Board Committees**"), which have been set up to support its work, with written terms of reference that have been approved by the Board. In this regard, Board Committees, namely the nominating committee ("**NC**"), the remuneration committee ("**RC**") and the audit and risk committee ("**ARC**") have been constituted to assist the Board in the discharge of specific responsibilities.

Audit Committee has been renamed to Audit and Risk Committee during the year to better reflect the roles and responsibilities of the committee in assisting the Board to oversee the risk management of the Company.

Further information on the roles and responsibilities of the NC, the RC and the ARC are set out further below in this report.

Key Features of Board Process

Notwithstanding that the Company has ceased quarterly results reporting, the Board continues to conduct meetings for the first and third quarter of the financial year to receive updates on significant business activities and the overall business environment, in addition to the half-yearly meetings which coincide with the announcement of the Group's half-year and full-year results, respectively. Ad-hoc meetings will be held to address any significant issues that may arise.

CORPORATE **GOVERNANCE REPORT**

The constitution of the Company ("**Constitution**") provides that telephonic and video-conference meetings may be held. The Directors, despite some having multiple board representations, attended all Board and Board Committee meetings for FY2022 and have given sufficient time and attention to the affairs of the Group.

If a Director is not able to attend a Board or Board Committee meeting, he/she would still receive all the papers and materials for discussion at that meeting. He/She would review them and advise the Chairman or Board Committee Chairman of his/her views and comments (if any) on the matters to be discussed so that they may be conveyed to other members at the meeting.

The Directors are informed and are aware that they may seek independent professional advice at the Company's expense, where necessary, in furtherance of their duties.

All Directors have unrestricted access to the Company's records and information. They also have separate and independent access to the Company's Senior Management and the Company Secretary at all times. The Company Secretary also attends all Board and Board Committee meetings. Her duties include minute taking, assisting the Chairman in the dissemination of information to the Board, as well as ensuring timeliness of information flows within the Board and the Board Committees and between Management and the Non-Executive Directors. The Company Secretary's responsibilities also include assisting the Chairman in ensuring that Board procedures are followed and communicating changes in the Catalist Rules or other regulations affecting corporate governance and compliance, where appropriate, facilitating orientation and assisting with professional development as required.

The appointment and removal of the Company Secretary is a matter for the Board as a whole to approve.

The number of general meetings, Board and Board Committees meetings held during FY2022 as well as the attendance of each Director at these meetings is set out below:

Name of Director	Nature of Appointment	Board	ARC	NC	RC	AGM
Number of Meetings		4	4	1	1	1
Dr Ho Tat Kin	Chairman, Independent, Non-Executive	4	4	1	1	1
Kan Kheong Ng	Executive, CEO	4	4[(2)]	1[(2)]	1[(2)]	1
Lim Siok Leng[(1)]	Executive, CFO	2	2[(2)]	1[(2)]	1[(2)]	1
Ong Pang Liang	Independent, Non-Executive	4	4	1	1	1
Gary Ho Kuat Foong	Independent, Non-Executive	4	4	1	1	1
Christina Teo Tze Wei (Zhao Ziwei)	Independent, Non-Executive	4	4[(2)]	1	1[(2)]	1
Wilson Sam	Non-Independent, Non-Executive	4	4	1[(2)]	1[(2)]	1

Notes:

(1) Resigned on 29 April 2022.
(2) Attended as invitee.

CORPORATE **GOVERNANCE REPORT**

Board Orientation and Training

Formal appointment letters setting out the Directors' duties and obligations are issued to each newly appointed Director. Newly appointed Directors will attend the relevant trainings and are briefed on their duties and obligations as Directors. Meeting with the Chairman, Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") is part of an orientation programme for newly appointed Directors to familiarise themselves with the affairs of the Group's business. The Company also conducts visits for the Directors to the Group's key operating premises. Directors can also request further briefings or information on any aspect of the Group's business or operations from Management. All first-time Directors who have no prior experience as a director of a company listed on the SGX-ST are required to attend the mandatory training as prescribed in the Catalist Rules.

The Directors are encouraged to attend seminars, workshops and receive training in areas such as directors' duties and responsibilities, changes in regulations and regulatory framework (including financial reporting standards and listing rules) which are relevant to the Group's business and operations, to enable them to perform effectively as Directors. The Company arranges and funds the training of Directors. The Directors are also briefed on developments in accounting standards by the CFO and the external auditor, on developments in corporate governance practices and changes in the listing rules by the Company Secretary, and on developments in business and strategy by the CEO.

During FY2022, the Board was provided with information on accounting and regulatory updates, including the Singapore Financial Reporting Standards (International), Catalist Rules, Companies Act as well as other updates issued by the SGX-ST and the MAS, where applicable.

The details of seminars, conferences and training programmes attended by the Directors in FY2022 include:

- Corporate board leadership symposium organised by the Malaysian Alliance of Corporate Directors
- Environmental, Social and Governance Essentials organised by SID and professional firms

Access to Complete, Adequate and Timely Information

To ensure that the Board is able to fulfil its responsibilities, Management provides the Directors with periodic updates of the latest developments in the Group, accounts, reports and other financial information. Detailed Board papers are provided to the Directors approximately one week before the scheduled meetings to enable them to make informed decisions. In respect of budgets, any material variance between the projections and actual results is reviewed by the Board, with Management providing explanations and further details as required.

In addition to members of the Board being briefed by the CEO and the CFO at every Board meeting, the Business Heads of each business division may be invited to attend the meeting to provide updates on the Group's business and operations. This allows the Board to develop a good understanding of the progress of the Group's business as well as the issues and challenges faced by the Group, and also promotes active engagement with the KMP.

The Board has separate and independent access to the Senior Management and the Company Secretary at all times. Directors and Board Committees may seek independent professional advice, where necessary, paid for by the Company.

CORPORATE **GOVERNANCE REPORT**

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

The Board, through regular reviews by NC, seeks to ensure an appropriate balance of experience, competencies and knowledge among the Directors to provide effective entrepreneurial leadership to the Company.

As of the date of this report, the Board comprised 6 Directors of whom 4 are Independent and Non-Executive Directors, 1 Non-Independent Non-Executive Director and 1 Executive Director. The Independent Non-Executive Directors make up the majority of the Board. Each Director has been appointed on the strength of his/her calibre and experience. The Board and NC are of the view, given the nature and scope of the Group's operations, the current size of the Board is conducive for effective discussion and decision-making.

As of the date of this report, the composition of the Board and the Board Committees are set out follows:

Name of Director	Board	ARC	NC	RC
Independent and Non-Executive Directors				
Dr Ho Tat Kin	Chairman	Member	Chairman	Member
Ong Pang Liang	Member	Chairman	Member	Member
Gary Ho Kuat Foong	Member	Member	Member	Chairman
Christina Teo Tze Wei (Zhao Ziwei)	Member	–	Member	–
Non-Independent and Non-Executive Director				
Wilson Sam	Member	Member	–	–
Executive Director				
Kan Kheong Ng	Member	–	–	–

The current Board consists of high calibre members with a wealth of knowledge, expertise and experience. The Board has contributed valuable direction and insight, drawing from their vast experience in matters relating to business/management, accounting/finance, industry knowledge, strategic planning and general corporate matters.

As Non-Executive Directors make up a majority of the Board, their knowledge and competency in their respective fields have provided constructive advice and good governance guidance for the Board to discharge its principal functions effectively. During the year, some Independent Directors convened meetings to discuss matters relating to the Group without the KMP being present and provided feedback to the Board Chairman after such meetings.

CORPORATE **GOVERNANCE REPORT**

Board Diversity

The Board is committed to building an open, inclusive and collaborative culture and recognises the benefits of having a Board and Board Committees with diverse backgrounds and experience. The Company has in place a Board Diversity Policy which advocates meritocracy and endorses the principle of having a board with the appropriate and right balance of skills, knowledge, age, experience and diversity of perspectives which can contribute effectively to the strategy and growth of the Company.

Under the Board Diversity Policy, the NC will, in reviewing the Board composition, rotation and retirement of Directors and succession planning, consider aspects such as professional qualifications, industry knowledge, skills, length of service, gender and the needs of the Company. The Board considers gender to be an important aspect of diversity and strives to ensure that there is an adequate gender mix on the Board. All Board appointments will be based on the merit of candidates and will be considered against objective criteria and having due regard for the benefits of diversity on the Board, the needs and the Company's core values.

The current make-up of the Board reflects the Board's commitment to relevant diversity in gender, age, skills and knowledge. In particular, as of the date of this report, the Board has a female representation namely Ms Christina Teo Tze Wei. Apart from gender representation, the NC will also focus and commence on the Board renewal process to ensure that the Board continues to be appropriately balanced to support the long-term success of the Company. Where appropriate, an external consultant will be engaged in the search process. One of the key considerations in the renewal process is to ensure that the new Directors are able to replace the skill sets of the long-serving Directors, and/or can supplement the collective skill sets of the remaining Directors and bring different perspectives to the Board.

The NC will continue to review the Board Diversity Policy, as appropriate, to ensure its effectiveness and will recommend appropriate revisions to the Board for consideration and approval.

Board Independence

The independence of each Independent Director is assessed at least annually by the NC, adopting the Code's and the Catalist Rules' definitions. Annually, each Independent Director is required to complete a Director's Independence Checklist ("**Checklist**") to confirm his/her independence. The Checklist is drawn up based on the provisions provided in the Code and the Catalist Rules. Thereafter, the NC reviews the Checklist completed by each of the Independent Directors, assesses the independence of each of the Independent Directors and recommends its assessment to the Board.

All Independent Directors have confirmed their independence as defined in the Code and the Catalist Rules. All Directors are also required to disclose their interests to the Board whenever there is a change in their interests. Taking into account the views of the NC, the Board also assesses whether each Independent Director is independent in conduct, character and judgement and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement.

The Board, after taking into account the views of the NC, has determined that all the Independent Directors are independent, with each individual Director concerned abstaining from the review of his/her own independence. The Independent Directors are independent in conduct, character and judgement, and have no relationships with the Company, its related corporations, its substantial Shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement in the best interests of the Company. No individual or small group of individuals dominates the Board's decision-making. As of the date of this report, there is also no Independent Director who has served beyond 9 years since the date of his/her appointment.

CORPORATE **GOVERNANCE REPORT**

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

The Chairman of the Board is an Independent Director, Dr Ho Tat Kin, and the CEO of the Company is Mr Kan Kheong Ng. The Chairman and the CEO are not immediate family members and are not related to each other.

The Chairman is a non-executive and independent Director and chairs the NC. He sets the agenda for Board meetings, ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues, and that complete, adequate and timely information is made available to the Board. He encourages constructive relations within the Board and between the Board and Management, facilitates the effective contribution of the non-executive Directors, and ensures effective communications with Shareholders. He takes a lead role in promoting high standards of corporate governance, with the full support of the Directors, the Company Secretary and Senior Management.

The CEO bears executive responsibility for the Group's businesses and implements the Board's decisions. The roles of the Chairman and the CEO are kept separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.

The Company does not have a lead Independent Director given the majority independence of the Board and that the Chairman is independent. Further, matters affecting the Chairman such as succession and remuneration are deliberated by the NC and the RC, where the majority of the members (including the Chairman) are independent Directors, and where the Chairman was conflicted, he would recuse himself and abstain from voting.

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and reappointment of directors, taking into account the need for progressive renewal of the Board.

The NC comprises 4 Non-Executive Directors, all of whom are Independent Directors:

Dr Ho Tat Kin (Chairman)
Mr Ong Pang Liang
Mr Gary Ho Kuat Foong
Ms Christina Teo Tze Wei (Zhao Ziwei)

The NC held 1 NC meeting in FY2022.

Based on the written terms of reference, the principal functions of the NC are to:

- make recommendations to the Board on the appointment of new Directors and KMP, including nominations of Directors for re-election in accordance with the Constitution;

- review and approve any new employment of persons related to the Directors and substantial Shareholders and proposed terms of their employment;

- determine the independence of Directors;

CORPORATE **GOVERNANCE REPORT**

- review and decide whether a Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;

- review the training and professional development programs for the Board;

- review succession plans for Directors, in particular the CEO, Chairman and KMP;

- review the Directors' mix of skills, experience, core competencies and knowledge of the Group that the Board requires to function competently and efficiently; and

- develop a process for evaluation of the performance of the Board, the Board Committees and the Directors and propose objective performance criteria, as approved by the Board that allows comparison with its industry peers, and address how the Board has enhanced long-term Shareholders' value.

In recommending new appointments to the Board, the NC takes into consideration the size, balance and diversity of skills required to support the Group's business activities and strategies as well as the qualifications, experience and attributes of prospective candidates.

Process for Selection and Appointment of New Directors

The Company has adopted a comprehensive and detailed process for the selection of new Directors. Candidates will be sourced through an extensive network of contacts and selected based on, *inter alia*, the needs of the Group and the relevant expertise required. When necessary, the NC may seek the help of external consultants in the search process. In selecting suitable candidates, the Board, in consultation with the NC, will consider the Group's strategic goals, business direction and needs. The Board will also consider gender diversity requirements in seeking any new appointment to the Board. The NC will conduct interviews with the candidates and nominate the candidate deemed most suitable for appointment to the Board.

Rotation and Re-election of Directors

In recommending a Director for re-election to the Board, the NC considers, *inter alia*, his/her performance and contributions to the Board (including attendance and participation at meetings, and time and effort accorded to the Group's business and affairs). The Constitution requires newly appointed Directors to retire at the next annual general meeting ("**AGM**") following their appointment and one-third of the Board is to retire from office at every AGM.

The Directors standing for re-election at the forthcoming AGM are Mr Ong Pang Liang and Mr Kan Kheong Ng, who will retire pursuant to the Constitution. Upon assessing these Directors' performance and contributions to the Board, the NC recommended them for re-appointment to the Board for consideration and the Board has accepted the NC's recommendations to put forth these Directors for re-election at the forthcoming AGM. These Directors have also offered themselves for re-election.

Mr Ong Pang Liang and Mr Kan Kheong Ng have abstained from the NC's deliberations and decision on their respective re-elections. Each of the Directors nominated for re-election also abstained from the Board's deliberation and acceptance of their respective re-elections.

Additional information on Mr Ong Pang Liang and Mr Kan Kheong Ng, being the Directors who have been nominated for re-election, required under Appendix 7F of the Catalist Rules are set out on pages 113 to 117 of this annual report.

CORPORATE **GOVERNANCE REPORT**

Directors' Time Commitment and Multiple Board Representations

Where a Director has multiple board representations, the NC will evaluate whether or not the Director is able to and has been adequately carrying out his or her duties as a Director of the Company. The Board is of the view that a limit on the number of listed company directorships that an individual may hold should be considered on a case-by-case basis, as a person's available time and attention may be affected by many different factors such as whether they are in full-time employment and their other commitments. A Director with multiple directorships is expected to ensure that sufficient time and attention is given to the affairs of the Group.

The NC determines annually whether a Director with other listed company representations and/or other principal commitments is able to and has been adequately carrying out his/her duties as a Director. The NC takes into account the conduct of the Director on the Board in making this determination. For FY2022, the NC had reviewed the multiple board representations held by the Directors and their confirmations that they are able to devote sufficient time and attention to the matters of the Group. The NC was of the view that each Director had given sufficient time and attention to the affairs of the Company and had been able to discharge his/her duties as a Director effectively. The NC noted that based on the attendance of the Board and Board Committee meetings during FY2022, all the Directors were able to participate in the meetings in order to carry out their duties.

None of the Directors has appointed an alternate Director. As a Director is expected to be able to commit time to the affairs of the Company, the NC will generally not support the appointment of an alternate Director.

The key information (includes the listed company directorships and principal commitments) of the Directors is as set out on pages 10 to 12 of this annual report.

Succession Planning

The NC regards succession planning as an important part of corporate governance and has an internal process of succession planning for the Chairman, Directors, the CEO and Senior Management, to ensure the progressive and orderly renewal of the Board and KMP.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The NC has formulated an evaluation process for assessing the effectiveness of the Board as a whole and the Board Committees.

The assessment parameters include, among others, the Board and Board Committees size and composition, board independence, board processes, board information and accountability, attendance at meetings of the Board and the Board Committees, contributions and participation at meetings and ability to make informed decisions.

The primary objective of the assessment is to create a platform for the members of the Board and Board Committees to provide constructive feedback on the board procedures and processes and the changes which should be made to enhance the effectiveness of the Board and Board Committees.

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The Company also conducted a self-evaluation to assess the performance of individual Directors. The performance of individual Directors is observed through their contributions and participation at meetings, and time and attention devoted to the affairs of the Company. The NC will also consider other contributions by a Director such as providing objective perspectives on issues, facilitating business opportunities and strategic relationships and the Director's accessibility to management outside of formal Board and/or Board Committee meetings.

The performance evaluation process is performed annually. Each Director is required to complete assessment forms to evaluate the Board, individual Directors and Board Committees. The Company Secretary collates the completed forms and prepares a consolidated report for the Chairman of the NC. The NC discusses the report and concludes the performance results during the NC meeting before tabling the same to the Board. In consultation with the NC, the Chairman of the Board will act on the results of the performance evaluation.

For FY2022, based on the completed assessment forms submitted by all Directors, with the consultation of the NC, the Board is of the view that the Board and the Board Committees have fared well against the performance criteria and are satisfied with the performance of the Board and the Board Committees and each Director is contributing to the overall effectiveness of the Board.

The Company does not use any external professional facilitator for the assessments of the Board, Board Committees and individual Directors, and will consider the use of such facilitator as and when appropriate.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The RC comprises 3 Non-Executive Directors, all of whom are Independent Directors:

Mr Gary Ho Kuat Foong (Chairman)
Dr Ho Tat Kin
Mr Ong Pang Liang

The RC held 1 RC meeting in FY2022.

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Based on the written terms of reference, the principal functions of the RC are to:

- review and recommend to the Board, a framework for determining executive remuneration including the remuneration of the Executive Director, CEO and KMP;
- review the remuneration of KMP and employees related to the Directors, the CEO or substantial Shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines;
- review and recommend to the Board, a framework of remuneration (including Directors' fees) for Non-Executive Directors;
- administer the Secura Employee Share Option Scheme and the Secura Performance Share Plan (collectively, the "**Share-Based Incentive Plans**"); and
- review and approve each award/option as well as the total awards/options under each of the Share-Based Incentive Plans in accordance with the rules governing them, including awards/options granted to the Directors and KMP.

The RC considers all aspects of remuneration, including termination terms, to ensure that they are fair. The Group's remuneration policy is to provide competitive remuneration packages to reward, retain and motivate Directors to provide good stewardship of the Group and KMP to successfully manage the Group for the long term. In setting remuneration packages, the Group takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individual.

The RC has access to expert advice from independent consultants on remuneration policies as and when necessary. The RC shall ensure that remuneration consultants, if engaged, shall be free from any relationships with the Company which might affect their objectivity and independence. The expenses of such professional services shall be borne by the Company. For the financial year under review, there was no engagement of the remuneration consultant.

In structuring and reviewing the remuneration packages, the RC seeks to align the interests of Directors and KMP with those of Shareholders by linking rewards to corporate and individual performance and ensures that the remuneration commensurate with the roles and responsibilities of each Director and KMP. The RC reviews the remuneration received by the Executive Director based on the financial performance of the Group. The Executive Director reviews the remuneration of KMP based on the employee remuneration guidelines to ensure that their remuneration packages commensurate with their respective job scopes and responsibilities. The RC is satisfied that the performance conditions for the Executive Director and KMP for FY2022 were met. Due to confidentiality and sensitivity attached to the remuneration matters, the Board is of the view that it would not be in the best interest of the Company to disclose information on the performance conditions of the Executive Director and KMP.

The Company adopted the Share-Based Incentive Plans on 14 January 2016. The primary objective of establishing the Share-Based Incentive Plans is to recognise and reward Directors and employees for their valuable contributions to the growth and success of the Group as well as to retain employees whose services are vital to the success of the Group. Details of the Share-Based Incentive Plans can be found in the Company's offer document dated 20 January 2016.

All Directors were granted options pursuant to the Secura Employee Share Option Scheme during FY2016, details of which can be found on pages 39 to 40 of this annual report. No further options pursuant to the Secura Employee Share Option Scheme have been granted since FY2016 and no awards pursuant to the Secura Performance Share Plan have been granted since its inception.

CORPORATE **GOVERNANCE REPORT**

Directors' Remuneration

The RC reviews the framework for the Non-Executive Directors' remuneration taking into consideration the demands and responsibilities of the Non-Executive Directors, frequency of meetings, time spent, prevailing market conditions and referencing directors' fees against comparable benchmarks, while bearing in mind the overall performance of the Group. Each Non-Executive Director's remuneration comprises a basic fee as a Board member and an additional fee for serving as a Chairperson of a Board Committee.

The RC is of the view that the fee structure of the Non-Executive Directors is appropriate to their level of contribution and does not compromise their objectivity and independence. The total fees payable to Directors are subject to approval by the Shareholders at the AGM.

The remuneration policy for the Executive Director consists of two key components, fixed and variable. The fixed component includes salary, provident fund contributions and other allowances. The variable component comprises a performance-based annual bonus which is payable on the achievement of individual and corporate performance targets and takes into account the risk policies. The Executive Director is not paid director's fees. The remuneration policy has been endorsed by the RC and the Board.

The Company entered into a service agreement with the Executive Director and CEO, Mr Kan Kheong Ng, on 1 February 2019, for an initial period of 3 years. The service agreement is renewable thereafter on a yearly basis and may be terminated by either party giving not less than 90 days' written notice. Following deliberation by the NC and the Board, Mr Kan Kheong Ng's service agreement was renewed for the period commencing from 1 February 2022.

No Director is involved in deciding his or her own remuneration package.

The breakdown of remuneration paid to or accrued to the Directors for FY2022 is as follows:

Name of Director	Directors' fees (%)	Base/Fixed salary (%)	Bonus and other allowances (%)	Total (%)
Below $250,000				
Dr Ho Tat Kin	100	–	–	100
Kan Kheong Ng	–	100	–	100
Lim Siok Leng(1)	–	100	–	100
Ong Pang Liang	100	–	–	100
Gary Ho Kuat Foong	100	–	–	100
Christina Teo Tze Wei (Zhao Ziwei)	100	–	–	100
Wilson Sam	100	–	–	100

Note:

(1) Resigned on 29 April 2022.

The Company has disclosed the remuneration of each Director and the CEO as a breakdown (in percentage terms) into salary, bonus, directors' fees, variable or performance-related incentive/bonus and benefits-in-kind in bands of $250,000. No other long-term incentives and no termination, retirement or post-employment benefits have been granted to the Directors.

CORPORATE **GOVERNANCE REPORT**

While the Code recommends that the Company should fully disclose the remuneration of each individual Director and the CEO on a named basis, after careful consideration, the Board is of the view that such disclosure would not be in the best interests of the Company or its Shareholders, and that the details disclosed in the table provide an appropriate balance between detailed disclosure and confidentiality in the sensitive area of remuneration. In arriving at its decision, the Board took into consideration the competitive business environment in which the Group operates, and the negative impact such disclosure may have on the Group.

Key Management Personnel Remuneration

The Code requires the remuneration of at least the top five KMP who are not in the capacity of a Director or the CEO within bands of $250,000, to be disclosed. However, the Group only has 3 KMPs who are not a Director or CEO. Accordingly, only the remuneration of the 3 KMPs are disclosed.

The remuneration structure for the Company's top KMP comprises both fixed and variable components. The fixed component is in the form of a base salary, provident fund contributions and other allowances. The variable component is determined annually based on the achievement of specific key performance indicators ("**KPIs**") which are clearly set out for each KMP each financial year and such KPIs comprise both quantitative and qualitative factors.

The Company had also not disclosed the total remuneration paid to its top 3 KMPs (who are not Directors or CEO) on a named basis or in aggregate, having regard to the sensitive and confidential nature of KMPs' remuneration matters and to ensure the Company's competitive advantage in the retention of its KMP.

The Company adopts a remuneration policy for staff comprising a fixed component and a variable component. The fixed component is in the form of a base salary, provident fund contributions and other allowances. The variable component is in the form of a variable bonus that is linked to the Company's and individual's performance. The RC approves the bonus for distribution to staff based on the Company's and individual's performances.

The various components of the remuneration of the Group's KMP (who are not Directors or the CEO) in percentage terms for FY2022 are as follows:

Number of Executives	Base/Fixed Salary (%)	Bonus and other allowances (%)	Total (%)
Below $250,000			
1	84	16	100
1	84	16	100
1	89	11	100

There are no other long-term incentives or termination, retirement, or post-employment benefits for the KMP.

Remuneration of Employees who are Immediate Family Members of a Director, the CEO or a Substantial Shareholder

The Company does not have any employee who is a substantial Shareholder or is an immediate family member of a Director or the CEO or a substantial Shareholder, and whose remuneration exceeds $100,000 in FY2022.

CORPORATE **GOVERNANCE REPORT**

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

The Board is responsible for the governance of risks and the overall internal controls framework. It ensures that Management maintains a sound system of risk management and internal controls to safeguard Shareholders' interests and the Company's assets and determines the nature and extent of the significant risks which the Board is willing to take in achieving the Company's strategic objectives. There is no separate risk committee. The ARC supports the Board in its oversight of the Group's system of internal controls and risk management.

The ARC is in turn advised by the internal auditors who review the adequacy and effectiveness of the material internal controls, including financial, operational, compliance and information technology controls. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the ARC.

During the financial year under review, the ARC reviewed the reports submitted by the internal auditors relating to the audits conducted to assess the adequacy and the effectiveness of the Company's internal control systems put in place. Any non-compliance or lapses in internal controls, together with recommendations for improvement were presented to the ARC. A copy of the report is also issued to the relevant department for its follow-up action. The timely and proper implementation of all required corrective, preventive or improvement measures is closely monitored. In addition, any control weaknesses in financial reporting identified in the course of the statutory audit, if any, are highlighted by the external auditors to the ARC.

The ARC reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company. In addition, the ARC has received and reviewed a formal assurance from (a) the CEO and CFO that the financial records of the Group have been properly maintained and the financial statements in respect of FY2022 give a true and fair view of the Group's operations and finances; and (b) the Business Heads and other KMP who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

While no system can provide absolute assurance against material loss or financial misstatement, the Company's internal financial controls are designed to provide reasonable assurance that assets are safeguarded, the proper accounting records are maintained, and that the financial information used within the business and for publication is reliable. In reviewing these controls, the Directors have had regard to the risks to which the business is exposed, the likelihood of such risks occurring and the costs of protecting against them.

Based on the work performed by the internal auditors, the statutory audit by the external auditors and reviews performed by Management, the Board, with the concurrence of the ARC, is of the opinion that for FY2022 the Company has adequate and effective risk management systems and internal controls in place to mitigate critical and significant risks in the following areas: Financial, Operational, Compliance and Information Technology Risks.

For FY2022, both the Board and the ARC had not identified any material weaknesses in the internal controls and risk management systems of the Group.

CORPORATE **GOVERNANCE REPORT**

Audit and Risk Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The ARC comprises 4 Non-Executive Directors, the majority of whom, including the ARC Chairman, are Independent Directors:

Mr Ong Pang Liang (Chairman)
Dr Ho Tat Kin
Mr Gary Ho Kuat Foong
Mr Wilson Sam

The ARC held 4 meetings in FY2022.

All members of the ARC are Non-Executive Directors. None of the ARC members is a former partner or director of the Company's existing external auditor, Ernst & Young LLP ("**EY**"), within the previous two years or has any financial interest in the auditing firm. All the members of the ARC have relevant accounting and financial management experience and expertise and are hence able to discharge their responsibilities competently. The ARC Chairman, Mr Ong Pang Liang, was the CFO and finance director of companies listed on the Mainboard of the SGX-ST, Mr Gary Ho Kuat Foong is a member of the Institute of Singapore Chartered Accountants and CPA Australia and Mr Wilson Sam is a CFO of a listed company on the Mainboard of the SGX-ST. The ARC has reasonable resources to enable it to discharge its functions effectively.

During the financial year under review, the ARC met the Company's internal and external auditors without the presence of Management to review the accounting, auditing and financial reporting matters. This is to ensure that an effective control environment is maintained in the Group. The ARC also reviews proposed changes in accounting policies and discusses the accounting implications of major transactions. In addition, the ARC also advises the Board regarding the adequacy of the Group's internal controls and the content and presentation of its half-yearly and annual financial statements.

Based on the written terms of reference, the principal functions of the ARC include:

- assisting the Board in the discharge of its responsibilities on financial reporting matters;
- reviewing with the internal and external auditors their plans and reports;
- reviewing the financial statements announcements before submission to the Board for approval;
- reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems;
- reviewing the independence and objectivity of the internal and external auditors and recommending to the Board their appointment or re-appointment as well as their remuneration and terms of engagement;
- meeting with internal and external auditors without the presence of the Management at least annually;

CORPORATE **GOVERNANCE REPORT**

- reviewing and discussing with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- reviewing the financial risk areas, with a view to providing an independent oversight of the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;
- reviewing the cooperation given by the Management to the internal and external auditors;
- reviewing interested person transactions;
- reviewing any potential conflicts of interest and setting out a framework to resolve or mitigate any potential conflict of interest; and
- reviewing and administering the Whistleblowing Policy.

The ARC shall also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which has or is likely to have a material impact on the Group's operating results and/or financial position. Each member of the ARC shall abstain from voting on any resolutions in respect of matters in which he is interested.

Key Audit Matters

The external auditors have set out the key audit matters in respect of FY2022 in the Independent Auditor's Report on pages 42 to 45 of this annual report. The ARC has reviewed and concurred with the basis and conclusions included in the Independent Auditor's Report with respect to the key audit matters.

External Auditors

The Company appoints EY, a firm registered with the Accounting and Corporate Regulatory Authority, for the audit of the Company and all its key subsidiaries. The external auditor provides regular updates and briefings to the ARC on changes to accounting standards and other financial issues to enable the ARC to keep abreast of such changes and their impact on the financial statements.

The ARC discussed with the external auditors the audit plan, and the report on the audit of the year-end financial statements; reviewed the external auditor's management letter and Management's responses thereto; and reviewed the external auditor's objectivity and independence from Management and the Company. In assessing independence, the ARC reviewed the fees and expenses paid to the external auditors, including fees paid for non-audit services during the year. The ARC is of the opinion that the auditor's independence has not been compromised. The ARC has also considered the adequacy of the resources, experience and competency of EY, and has taken into account the Audit Quality Indicators relating to EY at the firm level and on the audit engagement level. Consideration is also given to the experience of the engagement partner and key team members in handling the audit team's ability to work in a cooperative manner with Management whilst maintaining integrity and objectivity and to deliver their services professionally and within agreed timelines. On the basis above, the ARC is satisfied with the standard and quality of work performed by EY.

EY confirmed that the firm has remained as an independent public accountant within the meaning of Rule 12 of the Companies Act 1967 of Singapore and the Accountants (Public Accountants) Rules for the audit of the Group for FY2022.

CORPORATE **GOVERNANCE REPORT**

Accordingly, at the recommendation of the ARC and as approved by the Board, the re-appointment of EY as the external auditors will be tabled for Shareholders' approval at the forthcoming AGM.

A breakdown of the audit and non-audit fees that are charged to the Group by the external auditor for FY2022 is set out below.

Service Category	Fees Paid/Payable ($'000)
Audit services	158
Non-audit services	47
Total fees	**205**

The Group has complied with Rules 712 and 715 of the Catalist Rules on the appointment of audit firms for the Company and the entities in the Group.

Internal Auditors

The Board recognises that it is responsible for maintaining a sound system of internal controls to safeguard Shareholders' investments and the Group's business and assets. The Company's internal audit function has been outsourced to the internal auditor, RSM Risk Advisory Pte Ltd ("**RSM**"). The internal auditor has unfettered access to all the Company's documents, records, properties and personnel, including access to the ARC. The internal auditor reports directly to the ARC.

The ARC approves the hiring, removal, evaluation and compensation of the internal auditor. Procedures are in place for the internal auditor to report, independently on its findings and recommendations to the ARC for review. Management will update the ARC on the status of the remedial action plans. The ARC also reviews and approves the annual internal audit plans and resources to ensure that the internal auditor has adequate resources to perform its functions.

The ARC reviews the adequacy and effectiveness of the internal auditor at least annually to, *inter alia*, ensure (i) that the majority of the identified risks are audited by cycle, (ii) that the recommendations of the internal auditor are properly implemented, and (iii) the effectiveness and independence of the internal auditor.

The internal auditor conducted a review of the effectiveness of the Group's internal controls in FY2022 and no material weaknesses were identified.

For FY2022, the ARC is satisfied that the internal auditor is independent, effective and adequately staffed with persons with the relevant experience and qualifications. The internal auditor is led by a RSM partner who has more than 20 years of audit experience and the team is staffed by suitably qualified and experienced professionals with the relevant qualifications and experience.

The ARC is also satisfied that the internal auditor has met the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

CORPORATE **GOVERNANCE REPORT**

Whistleblowing Policy

The Company is committed to a high standard of corporate governance. In line with this commitment, the Whistleblowing Policy aims to (a) provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoings or concerns, particularly in relation to fraud, governance or ethics, without fear of reprisals when whistleblowing in good faith; and (b) ensure that robust arrangements are in place to facilitate independent investigation of the reported concern and for the appropriate follow up actions to be taken.

The ARC is responsible for oversight and monitoring of whistleblowing.

The Group prohibits discrimination, retaliation or harassment of any kind against a whistleblower (the "**Whistleblower**") who submits a complaint or report in good faith. If a Whistleblower believes that he or she is being subject to discrimination, retaliation or harassment for having made a report under this Policy, he or she should immediately report these facts to the CEO or if the CEO is the subject of the complaint, to the Chairman of the Board. Reporting should be done promptly to facilitate investigation and the taking of appropriate action.

All reports of incidents, including information or evidence provided, on matters relating to whistle blowing will be handled discreetly and every effort will be made to maintain confidentiality of the information provided, within the limits of the law. The identity of the individual making the allegation shall be kept confidential for the protection of the Whistleblower so long as it does not hinder or frustrate any investigation.

The policy which is available on the Company's intranet and employee handbook aims to foster a workplace conducive to open communication regarding the Company's business practices and to protect the employees from unlawful retaliation and discrimination for the proper disclosing or reporting of illegal or unethical conduct in good faith. The policy is also available on the Company's website.

Complaints or suspicions of impropriety can be made by employees and other stakeholders in the form of email, letters or written/verbal reports. Anonymous complaints may also be considered, taking into account factors such as seriousness of the issues raised, the credibility of the concern and the likelihood of confirming the allegation from attributable sources. A dedicated email address and the postal reporting address are published on the Company's website to receive such complaints or reports. For employees, there are various channels for the employees to report any improprieties. All cases reported will be investigated objectively and thoroughly and appropriate action will be taken where warranted. The investigation will be independent of the person concerned with the allegation. A summary of the reports received, investigation results and subsequent actions taken are reported to the ARC on a quarterly basis or when warranted. Under certain circumstances, the ARC will be informed of any complaint, as soon as practicable.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treat all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

CORPORATE **GOVERNANCE REPORT**

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

The Group's corporate governance practices promote fair and equitable treatment of all Shareholders. To facilitate Shareholders' ownership rights, the Company ensures that all material information is disclosed on a comprehensive and timely basis via SGXNET, in particular, information pertaining to the Group's business development and financial performance which could have a material impact on the share price of the Company, so as to enable shareholders to make informed decisions in respect of their investments in the Company.

The Company does not practise selective disclosure. Financial statements and annual reports are announced or issued within the mandatory period. In addition, information deemed to be price-sensitive, including press releases, presentations to analysts, as well as major acquisitions or disposals, is disseminated without delay via announcements on SGXNET.

The Company also maintains a corporate website at www.securagroup.com.sg where the public can access investor-related information about the Group. All announcements made, including financial statements, are published via SGXNET as well as on the Company's website. Shareholders, analysts and the press can contact the Company directly via online submission form on the Company's corporate website or office telephone number.

The Company has appointed an investor relations firm, August Consulting Pte Ltd, to manage communications with its stakeholders and to ensure that their queries and concerns are promptly addressed by the designated members of Management. The contact details of August Consulting Pte Ltd can be found on the corporate information page of the annual report and has procedures in place for responding to investors' queries as soon as possible.

The Company's main dialogue with its Shareholders, which includes institutional and retail investors, takes place at its AGM. Shareholders are encouraged to attend AGMs. The Board and Management, as well as the external auditor attend the AGM to address Shareholders' questions on issues relevant to the Company and resolutions proposed at the AGM. The Chairpersons of the ARC, RC, and NC would be present at the AGM to answer those questions relating to the work of these Board Committees.

Shareholders are informed of general meetings through notices published in the newspaper (if required) and the Company's announcements and press releases via SGXNET as well as through reports/circulars sent to all Shareholders. Separate resolutions are proposed for substantially separate issues at shareholders' meetings for approval unless they are linked, and the reasons and material implications are explained. "Bundling" of resolutions is done only where the resolutions are interdependent and linked so as to form one significant proposal and only where there are reasons and material implications involved. All resolutions are voted by electronic polling. An independent scrutineer is also appointed to count and validate the votes cast at the general meetings. The detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET after the conclusion of the general meetings.

CORPORATE **GOVERNANCE REPORT**

Provision 11.4 of the Code provides that a company's constitution should allow for absentia voting at general meetings of shareholders (such as via mail, e-mail or fax). The Constitution does provide for absentia voting (such as via mail or email). However, as the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, e-mail or fax. Nonetheless, Shareholders can appoint proxies to vote on their behalf if they are not able to attend a general meeting as provided in the Constitution.

Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company, where relevant rules and procedures governing the meetings are clearly communicated. Shareholders can vote in person or appoint not more than 2 proxies to attend, speak and vote on their behalf at general meetings of Shareholders, with the exception that Shareholders such as nominee companies which provide custodial services for securities are able to appoint more than 2 proxies to attend, speak and vote at general meetings notwithstanding the Constitution does not differentiate between the number of proxies which may be appointed by individual Shareholders and by nominee companies.

The forthcoming AGM for FY2022 will be convened and held by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the forthcoming AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions in advance of AGM or during the AGM via an online chat box, addressing of substantial and relevant questions at or prior to the forthcoming AGM and voting by appointing the Chairman of the AGM as proxy or a proxy(ies) to attend and vote electronically during the AGM, will be put in place for the forthcoming AGM.

The Company Secretary prepares minutes of general meetings which include relevant and substantial questions and comments from shareholders and responses from the Board and Management. Minutes of general meetings of Shareholders are published on SGXNET and the Company's website as soon as practicable after such meetings.

The Company holds briefings to present its financial statements for the media and analysts, when requested. Outside of the financial announcement periods, when necessary and appropriate, Management will meet investors and analysts who would like to seek a better understanding of the Group's businesses and operations. This also enables the Group to solicit feedback from the investment community on a range of strategic and topical issues which provide valuable insights to the Company on investors' views. When opportunities arise, the Company conducts media interviews to give Shareholders and the public a better perspective of the Group's businesses, operations and prospects.

Dividend Policy

The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends that the Directors may recommend or declare in respect of any particular financial year or period will be subject to, *inter alia*, the Group's level of earnings, general business and financial condition, results of operations, capital requirements, cash flow, plans for expansion and other factors which the Directors may deem appropriate. In addition, the Company is a holding company and depends upon the receipt of dividends and other distributions from the subsidiaries to pay the dividends.

Any payouts of dividends declared, being interim or final, will be clearly communicated to Shareholders in public announcements on SGXNET when the Company discloses its financial results.

CORPORATE **GOVERNANCE REPORT**

Sustainability Reporting

The Company recognises the importance of sustainability and will be implementing the appropriate policies and programmes. The Company will publish its sustainability report for FY2022 by the end of April 2023, in accordance with Practice Note 7F of the Catalist Rules.

INTERESTED PERSON TRANSACTIONS

Rules 907 and 1204(17) of the Catalist Rules

The Company does not have a general mandate from Shareholders for interested person transactions. The interested person transactions entered into by the Group during FY2022, which were mainly in relation to executive protection services provided to its controlling Shareholder, Mr Lim Eng Hock, were as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $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 $100,000)
Mr Lim Eng Hock	Controlling Shareholder	$170,000	–

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the ARC and the transactions will not be prejudicial to the interests of the Group and its minority Shareholders. To ensure compliance with Chapter 9 of the Catalist Rules, the Board and the ARC, at their meetings, review interested person transactions entered into by the Group (if any).

MATERIAL CONTRACTS

Rule 1204(8) of the Catalist Rules

Save for the service agreement between the Company and the Executive Director, disclosures under the sections "Interested Person Transactions" and the "Directors' Statement" of this annual report and the financial statements of the Group, there were no other material contracts entered into by the Company or its subsidiaries involving the interests of any Director, the CEO or controlling Shareholder which is either subsisting at the end of FY2022 or, if not then subsisting, entered into since the end of FY2021.

CORPORATE **GOVERNANCE REPORT**

DEALINGS IN SECURITIES

Rule 1204(19) of the Catalist Rules

The Company has a policy which prohibits dealings in the Company's securities by all officers of the Company and its subsidiaries, one month prior to the announcement of the Group's half-year and full-year financial statements (hereinafter referred to as the Black-out Period). The policy sets out a code of conduct to provide guidance for the Directors and employees of the Group on their dealings in the Company's securities, as well as the implications of insider trading.

Directors, executive officers and any other persons, as determined by Management, who may possess unpublished material price-sensitive or trade-sensitive information of the Group (relevant persons), are also reminded to observe insider trading laws at all times, and not to deal in the Company's securities when in possession of any price-sensitive or trade-sensitive and confidential information regarding the Group, or on short-term considerations. A reminder will be circulated to Directors, executive officers and relevant personnel of the Company and its subsidiaries before the commencement of each Black-out Period, during which, dealings in the Company's securities are prohibited. All Directors of the Company and its subsidiaries are required to report all dealings to the Company Secretary.

The Company confirms it has complied with the best practice pursuant to Catalist Rules in not dealing in its securities during the Black-out Period for FY2022.

NON-SPONSOR FEES

Rule 1204(21) of the Catalist Rules

There were no non-sponsor fees paid to the Company's sponsor, United Overseas Bank Limited, in FY2022.

FINANCIAL **CONTENTS**

DIRECTORS' **STATEMENT**

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Secura Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2022.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Dr Ho Tat Kin
Kan Kheong Ng
Ong Pang Liang
Gary Ho Kuat Foong
Christina Teo Tze Wei (Zhao Ziwei)
Wilson Sam

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares, or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

The following director, who held office at the end of the financial year, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares and shares option of the Company and related corporations as stated below:

Name of director	Direct interest At beginning of the financial year	At end of the financial year
Ordinary shares of the Company		
Kan Kheong Ng	50,000	50,000

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2023.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or date of appointment if later, or at the end of the financial year.

Share options

The Company adopted a share option scheme known as the Secura Employee Share Option Scheme ("Secura ESOS"), which was approved by a shareholders' resolution passed on 14 January 2016. The Secura ESOS provides an opportunity for the Group's employees and Directors to participate in the equity of the Company.

Details of all the share options to subscribe for ordinary shares of the Company pursuant to the Secura ESOS as at 31 December 2022 are as follows:

Name of directors	Exercise price (S$)	Number of options
Dr Ho Tat Kin	0.25	1,200,000
Ong Pang Liang	0.25	800,000
Gary Ho Kuat Foong	0.25	800,000
Total		2,800,000

DIRECTORS' **STATEMENT**

Share options (continued)

Details of the share options to subscribe for ordinary shares of the Company granted to directors of the Company pursuant to the Secura ESOS are as follows:

Name of directors	Options granted during financial year	Aggregate options granted since commencement of plan to end of financial year	Options cancelled or lapsed since commencement of plan to end of financial year	Aggregate options outstanding as at end of financial year
Lim Siok Leng[1]	–	5,600,000	(5,600,000)	–
Dr Ho Tat Kin	–	1,200,000	–	1,200,000
Ong Pang Liang	–	800,000	–	800,000
Gary Ho Kuat Foong	–	800,000	–	800,000
Total	–	8,400,000	(5,600,000)	2,800,000

[1] The option granted to the director has lapsed following the resignation of the director on 29 April 2022.

These options are exercisable between the periods from 9 May 2017 to 8 May 2026 at the exercise price of $0.25 if the vesting conditions are met.

Since the commencement of the Secura ESOS plans till the end of the financial year:

- No options have been granted to the controlling shareholders of the Company and their associates
- No participant other than the directors mentioned above has received 5% or more of the total options available under the plans
- No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted
- No options have been granted at a discount

Share plan

The Company adopted a performance share plan known as the Secura Performance Share Plan ("Secura PSP"), which was approved by a shareholders' resolution passed on 14 January 2016. The Secura PSP aims to motivate, recognise and reward contributions made by employees.

No performance shares have been granted or awarded pursuant to the Secura PSP since its inception.

Rules of the Secura ESOS and the Secura PSP are set out in the Company's offer document dated 20 January 2016 and are administered by the Remuneration Committee as follows:

Gary Ho Kuat Foong
Dr Ho Tat Kin
Ong Pang Liang

DIRECTORS' **STATEMENT**

Audit committee

The Audit Committee performed the functions specified in the Singapore Companies Act 1967. The functions performed are detailed in the Corporate Governance Report.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Ho Tat Kin
Chairman

Kan Kheong Ng
Director

Singapore
31 March 2023

INDEPENDENT AUDITOR'S **REPORT**

TO THE MEMBERS OF SECURA GROUP LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Secura Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled our responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

INDEPENDENT AUDITOR'S **REPORT**

TO THE MEMBERS OF SECURA GROUP LIMITED

Key audit matters (continued)

Impairment assessment of the Company's investment in subsidiaries

As at 31 December 2022, the Company's carrying amount of investment in subsidiaries amounted to $22.3 million. Management has performed impairment testing on the investment in subsidiaries. The recoverable amounts of these assets are based on the value-in-use method using discounted cash flows which are determined based on a number of significant operational and predictive assumptions such as forecasted revenue, growth rate, profit margin and discount rate. These estimates require significant management's judgement. As such, we consider the impairment assessment of the Company's investments in subsidiaries to be a key audit matter for our audit.

Our audit procedures included, amongst others, obtained an understanding of management's process and methodology in arriving at the recoverable amount of the cash generating unit ("CGU"), subsidiary. We assessed the appropriateness of management's assumptions applied in the discounted cash flow models based on our knowledge of the operations and performances of these assets. This included obtaining an understanding of management's planned strategies and evaluating management's forecasting process by comparing previous forecasts to actual results. We engaged our internal valuation specialists to assist us in reviewing the reasonableness of the discount rates. In addition, we reviewed management's analysis of the sensitivity of the recoverable amounts to reasonably possible changes in the respective assumptions and assessed the reasonableness of the terminal growth rates. We have also assessed the adequacy of the disclosures in the financial statements in Note 3 Significant accounting judgements and estimates and Note 8 Investment in subsidiaries to the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S **REPORT**

TO THE MEMBERS OF SECURA GROUP LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S **REPORT**

TO THE MEMBERS OF SECURA GROUP LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tan Soon Seng.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
31 March 2023

BALANCE **SHEETS**
AS AT 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Assets					
Non-current assets					
Property, plant and equipment	4	22,823	23,378	14,204	14,360
Right-of-use assets	5	997	1,135	–	–
Investment property	6	–	501	2,415	2,505
Intangible assets	7	–	–	–	–
Investment in subsidiaries	8	–	–	22,284	22,284
Investment in joint ventures	9	674	688	–	–
Investment in associates	10	1,516	1,573	–	–
Deferred tax assets	26	53	–	–	–
		26,063	27,275	38,903	39,149
Current assets					
Inventories	11	813	705	–	–
Trade and other receivables	12	9,046	7,555	16	22
Contract assets	22	2,794	890	–	–
Prepaid operating expenses		638	384	21	24
Amounts due from subsidiaries	13	–	–	133	501
Amounts due from joint ventures	14	227	–	–	–
Cash and short-term deposits	16	16,490	17,412	9,031	4,770
		30,008	26,946	9,201	5,317
Total assets		56,071	54,221	48,104	44,466
Equity and liabilities					
Current liabilities					
Trade and other payables	17	7,464	4,373	510	437
Contract liabilities	22	385	336	–	–
Loans and borrowings	18	314	404	250	295
Amounts due to subsidiaries	13	–	–	5,078	1,202
Amounts due to joint ventures	14	–	191	–	–
Income tax payable		465	323	–	–
		8,628	5,627	5,838	1,934
Net current assets		21,380	21,319	3,363	3,383
Non-current liabilities					
Loans and borrowings	18	3,053	3,367	2,297	2,531
Provision for reinstatement cost	19	51	122	–	–
Deferred tax liabilities	26	751	873	–	–
		3,855	4,362	2,297	2,531
Total liabilities		12,483	9,989	8,135	4,465
Net assets		43,588	44,232	39,969	40,001
Equity					
Share capital	20	61,644	61,644	61,644	61,644
Other reserves	21	(16,555)	(15,937)	111	396
Accumulated losses		(1,501)	(1,475)	(21,786)	(22,039)
Total equity		43,588	44,232	39,969	40,001

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
Revenue	22	48,637	37,269
Cost of sales		(43,725)	(33,035)
Gross profit		4,912	4,234
Other operating income	23	2,508	4,082
Distribution and selling expenses		(1,551)	(1,350)
Administrative expenses		(4,697)	(4,427)
Finance costs	24	(81)	(143)
Share of results of joint ventures and associates		421	446
Profit before tax	24	1,512	2,842
Income tax expenses	26	(223)	(401)
Profit for the year		1,289	2,441
Other comprehensive income: item that may be reclassified subsequently to profit or loss			
Share of foreign currency translation of joint ventures and associates		(333)	29
Total comprehensive income for the year		956	2,470
Profit for the year attributable to:			
Owners of the company		1,289	2,441
Profit for the year		1,289	2,441
Total comprehensive income attributable to:			
Owners of the company		956	2,470
Total comprehensive income for the year		956	2,470
Earnings per share (cents per share):			
Basic and diluted earnings per share	27	0.32	0.61

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Attributable to owners of the Company					
	Share capital $'000	Merger reserve $'000 (Note 21(a))	Foreign currency translation reserve $'000 (Note 21(b))	Employee share option reserve $'000 (Note 21(c))	Other reserves $'000	Accumulated losses $'000	Total equity $'000
Group							
At 1 January 2022	61,644	(16,291)	(42)	396	(15,937)	(1,475)	44,232
Profit for the year	–	–	–	–	–	1,289	1,289
Other comprehensive income							
Share of foreign currency translation of joint ventures and associates	–	–	(333)	–	(333)	–	(333)
Other comprehensive income for the year, net of tax	–	–	(333)	–	(333)	–	(333)
Total comprehensive income for the year	–	–	(333)	–	(333)	1,289	956
Contributions by and distributions to owners							
Grant of equity-settled share options to employees (Note 25)	–	–	–	(285)	(285)	285	–
Dividends paid on ordinary shares (Note 28)	–	–	–	–	–	(1,600)	(1,600)
At 31 December 2022	61,644	(16,291)	(375)	111	(16,555)	(1,501)	43,588

STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Attributable to owners of the Company							
	Share capital $'000	Merger reserve $'000 (Note 21(a))	Foreign currency translation reserve $'000 (Note 21(b))	Employee share option reserve $'000 (Note 21(c))	Other reserves $'000	Accumulated losses $'000	Non-controlling interests $'000	Total equity $'000
Group								
At 1 January 2021	61,644	(16,291)	(71)	389	(15,973)	(2,316)	49	43,404
Profit for the year	–	–	–	–	–	2,441	–	2,441
Other comprehensive income								
Share of foreign currency translation of joint ventures and associates	–	–	29	–	29	–	–	29
Other comprehensive income for the year, net of tax	–	–	29	–	29	–	–	29
Total comprehensive income for the year	–	–	29	–	29	2,441	–	2,470
Contributions by and distributions to owners								
Grant of equity-settled share options to employees (Note 25)	–	–	–	7	7	–	–	7
Dividends paid on ordinary shares (Note 28)	–	–	–	–	–	(1,600)	–	(1,600)
Liquidation of a subsidiary	–	–	–	–	–	–	(49)	(49)
At 31 December 2021	61,644	(16,291)	(42)	396	(15,937)	(1,475)	–	44,232

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Share capital $'000	Other reserves $'000 (Note 21(c))	Accumulated losses $'000	Total equity $'000
Company				
At 1 January 2022	61,644	396	(22,039)	40,001
Profit for the year, representing total comprehensive income for the year	–	–	1,568	1,568
Contributions by and distributions to owners				
Grant of equity-settled share options to employees (Note 25)	–	(285)	285	–
Dividends paid on ordinary shares (Note 28)	–	–	(1,600)	(1,600)
At 31 December 2022	61,644	111	(21,786)	39,969
At 1 January 2021	61,644	389	(24,032)	38,001
Profit for the year, representing total comprehensive income for the year	–	–	3,593	3,593
Contributions by and distributions to owners				
Grant of equity-settled share options to employees (Note 25)	–	7	–	7
Dividends paid on ordinary shares (Note 28)	–	–	(1,600)	(1,600)
At 31 December 2021	61,644	396	(22,039)	40,001

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW **STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	2022 $'000	2021 $'000
Operating activities:			
Profit before tax		1,512	2,842
Adjustments for:			
Depreciation of property, plant and equipment and investment property	4,6	1,246	1,394
Amortisation of right-of-use assets	5	109	142
Gain on disposal of property, plant and equipment	23	(2)	(39)
Interest income	23	(106)	(80)
Reversal of allowance for stock obsolescence	11	–*	(18)
Impairment loss/(reversal) on financial assets	12	10	(14)
Share of results of joint ventures and associates		(421)	(446)
Finance costs	24	81	143
Grant of equity-settled share options to employees	25	–	7
Unrealised exchange loss, net		23	–
Operating cash flows before working capital changes		2,452	3,931
(Increase)/decrease in inventories		(108)	71
(Increase)/decrease in trade and other receivables and contract assets		(3,379)	38
Increase in prepaid operating expenses		(254)	(110)
Increase/(decrease) in trade and other payables and contract liabilities		3,140	(826)
(Increase)/decrease in amount due from a joint venture		(418)	283
Cash flows generated from operations		1,433	3,387
Interest received		106	80
Interest paid		(65)	(143)
Tax paid		(256)	(55)
Net cash flows generated from operating activities		1,218	3,269
Investing activities:			
Proceeds from disposal of property, plant and equipment		2	39
Additions to property, plant and equipment		(277)	(77)
Dividend received from an associate company		131	–
Net cash flows used in investing activities		(144)	(38)
Financing activities:			
Dividends on ordinary shares	28	(1,600)	(1,600)
Payment of principal portion of leases liabilities	5	(95)	(132)
Repayment of bank loan	18	(279)	(5,069)
Net cash flows used in financing activities		(1,974)	(6,801)
Net decrease in cash and short-term deposits		(900)	(3,570)
Effect of exchange rate changes on cash and short-term deposits		(22)	(46)
Cash and short-term deposits at 1 January		17,412	21,028
Cash and short-term deposits at 31 December	16	16,490	17,412

* Denotes less than $1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. Corporate information

Secura Group Limited (the "Company") is a limited company incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST).

The registered office and principal place of business of the Company is located at 38 Alexandra Terrace, Singapore 119932.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries, associates and joint ventures are disclosed in Notes 8 to 10 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (SGD or $) and all values are rounded to the nearest thousand ($'000), except where otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

NOTES TO THE **FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.3 **Standards issued but not yet effective**

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements and SFRS(I) Practice Statement 2*: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors*: Definition of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12 *Income Taxes*: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to SFRS(I) 16 *Leases*: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements*: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 **Basis of consolidation and business combinations**

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.4 **Basis of consolidation and business combinations (continued)**

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method unless the business combination involves entities under common control. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interests in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.4 **Basis of consolidation and business combinations (continued)**

(b) Business combinations and goodwill (continued)

Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

– The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.

– No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.

– No additional goodwill is recognised as a result of the combination.

– Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

– The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

2.5 **Transactions with non-controlling interests**

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.6 **Foreign currency**

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.7 **Joint arrangements**

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group recognises its interest in a joint venture as an investment and accounts for the investment using the equity method. The accounting policy for investment in joint venture is set out in Note 2.8.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.8 **Joint ventures and associates**

An associate is an entity over which the Group has the power to participate in the financial and operating policy decisions of the investee but does not have control or joint control of those policies.

The Group accounts for its investments in associates and joint ventures using the equity method from the date on which it becomes an associate or joint venture.

On acquisition of the investment, any excess of the cost of the investment over the Group's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate or joint venture's profit or loss in the period in which the investment is acquired.

Under the equity method, the investment in associates or joint ventures is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates or joint ventures. The profit or loss reflects the share of results of the operations of the associates or joint ventures. Distributions received from joint ventures or associates reduce the carrying amount of the investment. Where there has been a change recognised in other comprehensive income by the associates or joint venture, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associates or joint ventures.

When the Group's share of losses in an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in associate or joint ventures. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount in profit or loss.

The financial statements of the associates or joint ventures are prepared as of the same reporting date as the Company unless it is impracticable to do so. When the financial statements of an associate or joint venture used in applying the equity method are prepared as of a different reporting date from that of the Company, adjustments are made for the effects of significant transactions or events that occur between that date and the reporting date of the Company.

2.9 **Subsidiaries**

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.10 **Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment other than freehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and improvements	–	5-50 years
Plant and machinery	–	3-15 years
Furniture and fittings	–	4-15 years
Office equipment	–	1-10 years
Motor vehicles	–	1-10 years

Freehold land has an unlimited useful life and therefore is not depreciated.

Assets under construction are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.11 **Investment property**

Investment property is owned by the Company to earn rentals, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.12 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Customer relationships

Customer relationships acquired in business combinations are amortised on a straight-line basis over estimated finite useful life of three to five years.

2.13 Impairment of non-financial asset

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.14 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.14 **Financial instruments (continued)**

(b) Financial liabilities (continued)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.15 **Cash and short-term deposits**

Cash and short-term deposits comprise cash at bank and on hand and fixed deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.16 **Impairment of financial assets**

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 150 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.17 **Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

– Raw materials: purchase costs on a first-in first-out basis.

– Finished goods manufactured and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a first-in first-out basis.

– Finished goods purchased: costs are recognised based on weighted average method.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.19 **Employee benefits**

(a) Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to the scheme are recognised as an expense in the period in which the related service is performed.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.19 **Employee benefits (continued)**

(b) Employee share option plans

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The employee share option reserve is transferred to retained earnings upon expiry of the share option.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.20 **Leases – As lessee**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) *Rights-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.13.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.20 **Leases – As lessee (continued)**

(b) ***Lease liabilities***

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) ***Short-term leases and leases of low-value assets***

Group applies the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain an option to purchase of extend. It also applies the lease of low-value assets recognition exemption to lease of office equipment that are considered to be low value. Lease payments relating to these leases are recognised as expense on a straight-line basis over the lease term.

2.21 **Revenue**

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods and services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good to the customer, which is when the customer obtains control of the good and service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.21 **Revenue (continued)**

(a) Security guarding

The Group provides security guarding services to customers over a specified contract period. The performance obligation is satisfied over time as the customers simultaneously receive and consume the benefits of the Group's performance in providing the security service. As the Group's efforts or inputs are expended throughout the performance period, revenue from security guarding services is recognised on a straight-line basis over the specified contract period.

Certain contracts with customers allow the customers to claim liquidated damages if certain conditions are met. The Group will estimate the transaction price and apply the constraint to the estimated transaction price. The Group will not recognise the portion of the revenue that is subject to the constraints until the amount is no longer constrained. The Group will recognise the amount received or receivable that is expected to be returned as a refund liability, representing its obligation to return the customers' consideration.

(b) Security printing

The Group provides customised security printing services through fixed-price contracts. Revenue is recognised when the control over the goods has been transferred to the customer. At contract inception, the Group assesses whether the Group transfers control of the goods over time or at point in time by determining if (a) its performance does not create an asset with alternative use to the Group; and (b) the Group has an enforceable right to payment for performance completed to date.

As the security printing products are customised for each customer, it has no alternative use for the Group, and for certain contracts with customers, the Group has enforceable rights to payment arising from the contractual terms. For these contracts, revenue is recognised over time by reference to the Group's progress towards completing the security printing services.

For certain contracts where the Group does not have enforceable right to payment, revenue is recognised only when the security printing services are completed and delivered to the customers and the customers have accepted it in accordance with the sales contracts.

(c) Sale and installation of technology-related security products

The Group sells and installs technology-related security products for its cyber security, homeland security and digital forensic, system integration and security consultancy businesses. The sale of security products and rendering of installation services are either sold separately or in bundled packages with a standalone selling price for each of the performance obligations.

For the sale of the security products, revenue is recognised upon delivery of the products to the customer and accepted by the customer. For the installation services, revenue is recognised over time, based on the actual costs incurred relative to the total expected costs.

NOTES TO THE **FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.21 **Revenue (continued)**

(d) Security training

The Group provides security training courses to security officers. The performance obligation is satisfied over time as the security officers simultaneously receive and consume the benefits of the Group's performance in providing the security training courses. As the Group's efforts or inputs are expended throughout the performance period, revenue from security training services is recognised on a straight-line basis over the period of the training courses.

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Dividend income

Dividend income is recognised when the Group's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be reliably measured.

(g) Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms. The aggregate cost of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

2.22 **Taxes**

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Summary of significant accounting policies (continued)

2.22 **Taxes (continued)**

(b) Deferred tax (continued)

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

Temporary differences in relation to a right-of-use asset and a lease liability for a specific lease are regarded as a net package (the lease) for the purpose of recognising deferred tax.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.22 **Taxes (continued)**

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

2.23 **Contingencies**

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.24 **Segment reporting**

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge.

The segment managers report directly to the management of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. Summary of significant accounting policies (continued)

2.25 **Share capital and share issuance expenses**

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.26 **Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants related to an asset is presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset. Government grants related to income are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income are presented as a credit in profit or loss under “Other operating income”.

2.27 **Financial guarantee**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

2.28 **Borrowing costs**

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key assumptions concerning the future and other key sources of estimation uncertainty and accounting judgements made at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and the reported amounts of revenue and expenses within the next financial year are discussed below.

Impairment of investment in subsidiaries

The Company's investment in subsidiaries is carried at cost less accumulated impairment. The Company will assess at each reporting date whether there is an indication that the investment may be impaired. If any indication exists, the Company will estimate the future cash flows expected from the subsidiaries at an appropriate discount rate to calculate the present value of the future cash flows.

As at 31 December 2022, the Company's carrying amount of investment in subsidiaries amounted to $22,284,000 (2021: $22,284,000). As part of the requirement under SFRS(I) 1-36 *Impairment of Assets* to perform impairment testing for investment in subsidiaries, management prepared a discounted cash flow model to determine the recoverable value of the cash generating units ("CGUs") subsidiaries with indicators of impairment using the value in use model. The recoverable amounts are determined based on a number of significant operational and predictive assumptions such as forecasted revenue and discount rate which involve significant estimates.

The assumptions applied by management in the determination of value in use for the impairment of investments in CGU subsidiaries are described in more detail in Note 8.

4. Property, plant and equipment

	Freehold land $'000	Buildings and improvements $'000	Plant and machinery $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Group							
Cost							
At 1.1.2021	12,500	15,833	9,966	261	1,722	406	40,688
Additions	–	–	44	4	29	–	77
Disposals	–	–	(133)	(2)	(38)	–	(173)
At 31.12.2021 and 1.1.2022	12,500	15,833	9,877	263	1,713	406	40,592
Additions	–	–	46	–	220	11	277
Disposals	–	–	(37)	–	(22)	–	(59)
Transfer from investment property (Note 6)	–	599	–	–	–	–	599
At 31.12.2022	12,500	16,432	9,886	263	1,911	417	41,409
Accumulated depreciation							
At 1.1.2021	–	5,746	8,414	223	1,418	210	16,011
Depreciation charge for the year	–	697	478	31	136	34	1,376
Disposals	–	–	(133)	(2)	(38)	–	(173)
At 31.12.2021 and 1.1.2022	–	6,443	8,759	252	1,516	244	17,214
Depreciation charge for the year	–	689	377	4	129	34	1,233
Disposals	–	–	(37)	–	(22)	–	(59)
Transfer from investment property (Note 6)	–	111	–	–	–	–	111
Adjustment of provision for reinstatement cost	–	87	–	–	–	–	87
At 31.12.2022	–	7,330	9,099	256	1,623	278	18,586
Net carrying amount							
At 31.12.2021	12,500	9,390	1,118	11	197	162	23,378
At 31.12.2022	12,500	9,102	787	7	288	139	22,823

NOTES TO THE **FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. **Property, plant and equipment (continued)**

	Freehold land $'000	Buildings and improvements $'000	Furniture and fittings $'000	Office equipment $'000	Total $'000
Company					
Cost					
At 1.1.2021	12,500	2,651	106	719	15,976
Additions	–	–	1	1	2
Disposals	–	–	(1)	(12)	(13)
At 31.12.2021 and 1.1.2022	12,500	2,651	106	708	15,965
Additions	–	–	–	21	21
Disposals	–	–	–	(4)	(4)
At 31.12.2022	12,500	2,651	106	725	15,982
Accumulated depreciation					
At 1.1.2021	–	651	92	655	1,398
Depreciation charge for the year	–	162	13	45	220
Disposals	–	–	(1)	(12)	(13)
At 31.12.2021 and 1.1.2022	–	813	104	688	1,605
Depreciation charge for the year	–	151	1	25	177
Disposals	–	–	–	(4)	(4)
At 31.12.2022	–	964	105	709	1,778
Net carrying amount					
At 31.12.2021	12,500	1,838	2	20	14,360
At 31.12.2022	12,500	1,687	1	16	14,204

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. Property, plant and equipment (continued)

Assets pledged as security

The Group's freehold land and building with a carrying amount of $16,123,000 (2021: $16,258,000) are mortgaged to secure the Group's bank borrowing (Note 18).

5. Leases

Group as a lessee

The Group has lease contracts for leasehold lands, office premise, motor vehicles and machineries used in its operations. As at 31 December 2022, leasehold lands have remaining lease term between 11 years and 21 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

(a) Carrying amounts of right-of-use assets

	Leasehold lands $'000	Plant and machinery $'000	Motor Vehicles $'000	Total $'000
At 1 January 2021	1,041	31	205	1,277
Amortisation	(78)	(24)	(40)	(142)
At 31 December 2021 and 1 January 2022	963	7	165	1,135
Amortisation	(77)	(7)	(25)	(109)
Disposal	–	–	(29)	(29)
At 31 December 2022	886	–	111	997

The carrying amount of lease liabilities (included under loans and borrowings) and the movements during the year are disclosed in Note 18.

(b) Lease liabilities

The maturity analysis of lease liabilities is disclosed in Note 32.

(c) Amounts recognised in profit or loss (Note 24)

	2022 $'000	2021 $'000
Amortisation expense of right-of-use assets	109	142
Interest expense on leases liabilities	30	37
Total amount recognised in profit or loss	139	179

(d) Total cash outflow

The Group had total cash outflows for leases of $125,000 (2021: $178,000), which included principal repayments of $95,000 (2021: $132,000).

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5. Leases (continued)

Group as a lessor

In 2021, the Group leased out a portion of its investment property to an external party. The lease term was ended during the current financial year.

The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period are as follows:

	2022 $'000	2021 $'000
Not later than one year	–	32
Later than one year but not later than five years	–	–
	–	32

6. Investment property

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cost				
At beginning of the year	599	599	2,993	2,993
Transfer to property, plant and equipment (Note 4)	(599)	–	–	–
At end of the year	–	599	2,993	2,993
Accumulated depreciation				
At beginning of the year	98	80	488	398
Charge for the year	13	18	90	90
Transfer to property, plant and equipment (Note 4)	(111)	–	–	–
At end of the year	–	98	578	488
Net carrying amount				
At 31 December	–	501	2,415	2,505

The investment property is leased to the subsidiaries within the Group. Accordingly, the leased property is classified as "investment property" in the Company's separate financial statements but classified as "property, plant and equipment" in the Group's consolidated financial statements as the property is owner-occupied from the Group's perspective.

In 2021, the Group has leased out a portion of its freehold property to an external party. During the year, the lease was terminated and the Group's investment property was transferred to property, plant and equipment (Note 4) due to the change in use of the portion of the property to owner-occupied.

In 2021, the Group's investment property with carrying amount of $501,000 was mortgaged to secure the Group's bank borrowing (Note 18). The Company had no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. Investment property (continued)

As at 31 December 2022, the fair value of the investment property is estimated to be approximately $3,570,000 (2021: $2,696,000) for the Company and approximately Nil (2021: $596,000) for the Group based on the income approach. The fair value is estimated using rental cash inflows as the Level 3 inputs of the fair value hierarchy. The highest and best use of the investment property does not differ from its current use.

The direct operating expense (including repairs and maintenance) arising from the investment property during the current financial year is approximately $43,000 (2021: $39,000)

The investment property held by the Company as at 31 December 2022 is as follows:

Description and Location	Existing Use	Tenure
6-storey office tower, 38 Alexandra Terrace, Singapore 119932.	Offices	Freehold

7. Intangible assets

	Cost $'000	Accumulated amortisation and impairment $'000	Net carrying amount $'000
Goodwill	2,382	(2,382)	–
Customer relationships	1,354	(1,354)	–
	3,736	(3,736)	–

Goodwill and customer relationships acquired through business combinations were allocated to the Security Printing segment, which was also the reportable operating segment. The goodwill and customer relationship have been fully impaired in 2020.

8. Investment in subsidiaries

	Company	
	2022 $'000	2021 $'000
Unquoted equity shares at cost	41,634	41,634
Impairment losses	(18,300)	(18,300)
Struck off of subsidiaries	(1,050)	(1,050)
	22,284	22,284

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. Investment in subsidiaries (continued)

Composition of the Group

The Group has the following investment in subsidiaries.

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest % 2022	Effective interest % 2021
Held by the Company				
Soverus Pte. Ltd. ("SPL")[1]	Provision of unarmed security guarding services	Singapore	100	100
Secura Singapore Pte. Ltd. ("SSPL")[1]	Security printing of value documents	Singapore	100	100
Secura Technology & Consultancy Pte. Ltd ("STCPL")[1]	Provision of security technology and consultancy services	Singapore	100	100
Soverus Kingdom Systems Pte. Ltd. ("SKSPL")[1]	Provision of security system integration services	Singapore	100	–[5]
Secura Training Academy Pte. Ltd. ("STAPL")[1][4]	Provision of training services	Singapore	100	100
Red Sentry Pte. Ltd. ("RSPL")[1],[3],[6]	Provision of cyber security products, services and solutions	Singapore	100	100
Soverus Consultancy and Services Pte. Ltd. ("SCSPL")[2]	Provision of security consultancy services and private investigations	Singapore	100[2]	100
Held through Secura Singapore Pte. Ltd.				
Secura Forms Pte. Ltd. ("SFPL")[1]	Printing of computer forms and stationery	Singapore	100	100
Secura Security Printing Sdn. Bhd. ("SSPSB")[2]	Dormant	Malaysia	100[2]	100
Secura Documation Pte. Ltd. ("SDPL")[2]	Provision of secured data solutions, eStatement, eArchiving, security data processing, printing and stationery	Singapore	100[2]	100
Held through Soverus Consultancy and Services Pte Ltd.				
Soverus Kingdom Systems Pte. Ltd. ("SKSPL")[1]	Provision of security system integration services	Singapore	–[5]	100

NOTES TO THE **FINANCIAL STATEMENTS**
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8. Investment in subsidiaries (continued)

Composition of the Group (continued)

(1) Audited by Ernst & Young LLP, Singapore.
(2) Placed under members' voluntary liquidation.
(3) 66.67% held by the Company and 33.33% held by STCPL as at 31 December 2022 and 31 December 2021.
(4) The subsidiary was formerly known as Soverus Technology Pte. Ltd. and the change of name is effective from 17 February 2023
(5) All shares of SKSPL were transferred to the Company during the current financial year
(6) All shares of RSPL held by STCPL were transferred to the Company on 22 March 2023

Key assumptions used in the value in use calculations

The recoverable amounts of the CGU subsidiaries have been determined based on value in use calculation using cash flow projection from financial budget approved by management covering a five-year period. The discount rates applied to the cashflow projections and the forecasted growth rates used to extrapolate cashflows beyond the five-year period are as follow:

	Terminal growth rate		**Pre-tax discount rate**	
	2022	**2021**	**2022**	**2021**
SPL	1%	1%	13.3%	12.6%
SSPL	1%	1%	13.3%	12.6%

Terminal growth rates – The growth rates indicated are estimated by management based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs which are determined by management's expectation of market developments and demands.

Pre-tax discount rates – Discount rates reflect management's estimate of risk specific to each CGU.

Impairment loss/reversal recognised

During the current financial year, an impairment loss of $459,000 (2021: $Nil) was recognised to write down the carrying value of investment in SSPL in the security printing segment to its recoverable amount of $15,233,000 (2021: $15,692,000). The impairment loss was attributed to the reduced offtake of printing services from customers. A reversal of impairment losses of $459,000 (2021: $Nil) was recognised to increase the carrying value of investment in SPL in the security guarding segment to its recoverable amount of $6,751,000 (2021: $6,292,000). The reversal was due to the improvement of business outlook in the security guarding segment.

9. Investment in joint ventures

	Group	
	2022	**2021**
	$'000	**$'000**
Unquoted shares, at cost	587	587
Share of post-acquisition results, including exchange re-alignment	87	101
	674	688

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9. Investment in joint ventures (continued)

Name of joint ventures	Principal activities	Country of incorporation	Effective interest % 2022	Effective interest % 2021
Held through Secura Singapore Pte. Ltd.				
Secura Foremost eMage Pte. Ltd.[(1)]	Printing of pressure seal mailers and sale of pressure seal mailer equipment	Singapore	50	50
Foremost Secura Corporation[(2)]	Printing of cheques and vouchers	Taiwan	50	50

(1) Not audited.

(2) Audited by Deloitte & Touche (Taiwan).

Summarised financial information of the joint ventures and reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Secura Foremost eMage Pte. Ltd.		Foremost Secura Corporation	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Summarised balance sheet				
Assets:				
Current assets	542	385	726	714
Non-current assets	–	–	339	394
Total assets	542	385	1,065	1,108
Liabilities:				
Current liabilities	228	71	30	46
Total liabilities	228	71	30	46
Net assets	314	314	1,035	1,062
Proportion of the Group's ownership	**50%**	**50%**	**50%**	**50%**
Group's share of net assets	157	157	517	531
Carrying amount	157	157	517	531
Summarised statement of comprehensive income				
Revenue	544	189	462	546
Other income	2	1	29	21
Expenses	(547)	(188)	(412)	(513)
(Loss)/profit for the year	(1)	2	79	54
Other comprehensive income	–	–	(106)	34
Total comprehensive income	(1)	2	(27)	88

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10. Investment in associates

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Unquoted shares, at cost	6,591	6,591	6,221	6,221
Share of post-acquisition results, including exchange re-alignment	1,146	1,203	–	–
Less: Impairment losses	(6,221)	(6,221)	(6,221)	(6,221)
	1,516	1,573	–	–

Name of associates	Principal activities	Country of incorporation	Effective interest % 2022	Effective interest % 2021
Held by the Company				
Custodio Technologies Pte. Ltd.(1)	Researcher and developer on information technology and trading in sales of solutions developed	Singapore	19	19
Held through Secura Singapore Pte. Ltd.				
Secura Bangladesh Ltd.(2)	Security printing of value documents	Bangladesh	30	30

(1) Audited by BDO LLP, Singapore.

(2) Audited by Anisur Rahman & Co. Chartered Accountants.

Custodio Technologies Pte. Ltd.

In 2021, Custodio Technologies Pte. Ltd. ("CTPL") entered into an agreement with Custodio Pte. Ltd. ("CPL"), the immediate holding company of CTPL for the advancement of funds with interest rate fixed at LIBOR 6 months plus 0.75% per annum which can be converted into shares of CTPL.

During the financial year ended 31 December 2021, CTPL received a total of US$800,000 with accrued interest of US$7,540 from CPL. These amounts were converted into 51 shares of CTPL which diluted the Company's effective interest in CTPL from 20% in 2020 to 19% in 2021.

Aggregate information about the Group's investments in associates that are not individually material are as follows:

	2022	**2021**
	$'000	**$'000**
Loss for the year	(1,391)	(3,117)
Other comprehensive income	(15)	(19)
Total comprehensive income	(1,406)	(3,136)

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

10. Investment in associates (continued)

Secura Bangladesh Ltd.

Summarised financial information in respect of Secura Bangladesh Ltd and a reconciliation with the carrying amount of the investment in the consolidated financial statements are as follows:

	Secura Bangladesh Ltd. 2022 $'000	Secura Bangladesh Ltd. 2021 $'000
Summarised balance sheet		
Assets:		
Current assets	5,389	4,714
Non-current assets	1,973	1,921
Total assets	7,362	6,635
Liabilities:		
Current liabilities	2,249	1,331
Total liabilities	2,249	1,331
Net assets	5,113	5,304
Proportion of the Group's ownership	**30%**	**30%**
Group's share of net assets	1,534	1,591
Other adjustments	(18)	(18)
Carrying amount	1,516	1,573
Summarised statement of comprehensive income		
Revenue	5,460	4,665
Other income	154	174
Expenses	(4,347)	(3,446)
Profit for the year	1,267	1,393
Other comprehensive income	(933)	42
Total comprehensive income	334	1,435

During the current financial year, the Group is entitled to dividend declared by Secura Bangladesh Ltd. amounting to $157,000 (2021: $43,000). The total cash dividend received during the current financial year amounted to $131,000 (2021:$Nil). As at 31 December 2022, the dividends receivable which is included under trade and other receivables amounted to $69,000 ($2021:$43,000).

NOTES TO THE **FINANCIAL STATEMENTS**

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11. Inventories

	Group	
	2022	2021
	$'000	$'000
Raw materials	454	391
Work-in-progress	166	155
Finished goods	314	291
	934	837
Less: Allowance for stock obsolescence	(121)	(132)
Total inventories at lower of cost and net realisable value	813	705

Movements in allowance for stock obsolescence during the financial year:

	2022	2021
	$'000	$'000
At 1 January	132	174
Charge for the year	2	8
Reversal of allowance	(2)	(26)
Written off	(11)	(24)
At 31 December	121	132

The reversal of allowance was due to the inventories being sold to customers during the financial year.

Inventories amounting to $2,036,000 (2021: $2,887,000) were recognised as an expense in cost of sales during the financial year.

12. Trade and other receivables

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Trade receivables	8,046	6,928	–	–
Less: Allowance for expected credit loss	(11)	(7)	–	–
Total trade receivables	8,035	6,921	–	–
Other receivables	999	581	12	15
Deposits	12	53	4	7
Total trade and other receivables	9,046	7,555	16	22
Add:				
Amounts due from subsidiaries (Note 13)	–	–	133	501
Amounts due from joint ventures (Note 14)	227	–	–	–
Cash and short-term deposits (Note 16)	16,490	17,412	9,031	4,770
Total financial assets carried at amortised cost	25,763	24,967	9,180	5,293

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. Trade and other receivables (continued)

Trade receivables are generally on 30 to 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Expected credit losses ("ECL")

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group Trade receivables	
	2022	**2021**
	$'000	**$'000**
Movement in allowance accounts:		
At 1 January	7	21
Charge for the year	11	1
Reversal of allowance	(1)	(15)
Written off	(6)	–
At 31 December	11	7

Trade receivables are denominated in Singapore Dollars at each reporting date.

13. Amounts due from/(to) subsidiaries

	Company	
	2022	**2021**
	$'000	**$'000**
Loans to subsidiaries	–	230
Amounts due from subsidiaries	1,071	910
Less: Allowance for impairment	(938)	(639)
	133	501
Movement in allowance accounts:		
At 1 January	639	1,298
Charge for the year	417	385
Reversal of allowance	(118)	(1,044)
At 31 December	938	639
Amounts due to subsidiaries	5,078	1,202

Loans to subsidiaries

Loans to subsidiaries were unsecured, bear interest at three month SIBOR + 1.5% per annum. The amounts were denominated in Singapore Dollar and fully settled during the year.

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13. Amounts due from/(to) subsidiaries (continued)

Amounts due from/(to) subsidiaries

Amounts due from/(to) subsidiaries are non-trade related, unsecured, non-interest bearing, repayable upon demand and are to be settled in cash. Amounts due from subsidiaries are denominated in Singapore Dollar.

The Company has assessed that there is a significant increase in credit risk since origination of the amounts due from three (2021: four) of its subsidiaries. Accordingly, the Company has recognised an allowance amounting to $417,000 (2021: $385,000), representing credit losses expected over the remaining life of the exposure, irrespective of the timing of default (i.e. lifetime ECL).

14. Amounts due from/(to) a joint venture

Amounts due from/(to) a joint venture are unsecured, non-interest bearing and are repayable on demand. The amounts are denominated in Singapore Dollar.

15. Amounts due from associates

The amounts due from associates have been fully impaired in the previous years.

In the previous financial year, the Group recovered $50,000 of amounts due from associates.

16. Cash and short-term deposits

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Short-term deposits	10,760	9,099	8,860	3,900
Cash and bank balances	5,730	8,313	171	870
	16,490	17,412	9,031	4,770

Interest on short-term deposits with financial institutions are at rates ranging from 0.50% to 4.00% (2021: 0.20% to 2.05%) per annum. These short-term deposits mature in varying periods.

The Group has no significant cash and short-term deposits denominated in foreign currencies as at 31 December 2022 and 2021.

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17. Trade and other payables

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Trade payables	2,663	1,211	–	–
Other payables	2,461	1,670	266	242
Accrued operating expenses	2,340	1,492	244	195
Trade and other payables	7,464	4,373	510	437
Add:				
Loans and borrowings (Note 18)	3,367	3,771	2,547	2,826
Amounts due to subsidiaries (Note 13)	–	–	5,078	1,202
Less:				
GST payable	(818)	(557)	(18)	(24)
Total financial liabilities carried at amortised costs	10,013	7,587	8,117	4,441

Trade and other payables

These amounts are non-interest bearing. Trade and other payables are normally settled on 30 to 90 days' terms.

Trade payables denominated in foreign currencies at each reporting date are as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Euro	33	103
United States Dollar	130	77

Reclassification and comparative figures

During the year, to conform to the current year's presentation, the Group and the Company have grouped the Accrued operating expenses of $1,492,000 (1 January 2021: $983,000) and $195,000 (1 January 2021: $130,000) respectively as at 31 December 2021 to Trade and other payables. Accordingly, the Trade and other payables as at 31 December 2021 presented on the balance sheets of the Group and the Company are stated as $4,373,000 (1 January 2021: $5,043,000) and $437,000 (1 January 2021: $371,000) respectively.

NOTES TO THE **FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. Loans and borrowings

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Current:				
Lease liabilities	64	109	–	–
Bank loan	250	295	250	295
	314	404	250	295
Non-current:				
Lease liabilities	756	836	–	–
Bank loan	2,297	2,531	2,297	2,531
	3,053	3,367	2,297	2,531
Total loans and borrowings	3,367	3,771	2,547	2,826

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes			
	1.1.2022	Cash flows	Accretion of interests	Termination of lease	Other	31.12.2022
	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities						
– current	109	(125)	30	(30)	80	64
– non-current	836	–	–	–	(80)	756
Bank loan						
– current	295	(279)	–	–	234	250
– non-current	2,531	–	–	–	(234)	2,297
	3,771	(404)	30	(30)	–	3,367

			Non-cash changes			
	1.1.2021	Cash flows	Accretion of interests	Termination of lease	Other	31.12.2021
	$'000	$'000	$'000	$'000	$'000	$'000
Lease liabilities						
– current	132	(167)	37	–	107	109
– non-current	943	–	–	–	(107)	836
Bank loan						
– current	833	(833)	–	–	295	295
– non-current	7,062	(4,236)	–	–	(295)	2,531
	8,970	(5,236)	37	–	–	3,771

The 'Other' column includes the reclassification of non-current portion of loans and borrowings due to passage of time.

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18. Loans and borrowings (continued)

Bank loan

In 2021, the Group refinanced its bank loan with a new facility agreement with interest fixed at 1.30% per annum for the first and second year and thereafter, 2.25% below the bank's commercial financing rate.

The bank loan is secured by a mortgage over the Company's freehold land and building (Note 4 and Note 6) and is repayable over 180 monthly principal instalments ending July 2031.

Reclassification and comparative figures

During the year, to conform to the current year's presentation, the Group have grouped the Current and Non-Current Lease liabilities of $109,000 (1 January 2021: $132,000) and $836,000 (1 January 2021: $943,000) respectively as at 31 December 2021 to Loans and borrowings. Accordingly, the Current and Non-Current Loans and borrowings as at 31 December 2021 presented on the balance sheet of the Group are stated as $404,000 (1 January 2021: $965,000) and $3,367,000 (1 January 2021: $8,005,000) respectively.

19. Provision for reinstatement cost

Provision for reinstatement cost is estimated based on the best estimate of the expenditure required to dismantle and restore a leasehold building back to its original condition.

20. Share capital

	Group and Company			
	2022		2021	
	No. of shares	$'000	No. of shares	$'000
Issued and fully paid ordinary shares				
At 1 January and 31 December	400,002,000	61,644	400,002,000	61,644

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

21. Other reserves

(a) Merger reserve

Merger reserve represents the difference between the consideration transferred and the share capital of the subsidiary under common control accounted for by applying the pooling of interest method.

(b) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Employee share option reserve

Employee share option reserve represents the equity-settled share options granted to employees.

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22. Revenue

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines.

	Group	
	2022	**2021**
	$'000	**$'000**
Major product or service lines		
Sales of services	42,703	31,271
Sale of goods	5,934	5,998
Total revenue from contract with customers	48,637	37,269
Timing of revenue recognition		
Services transferred over time	42,703	31,271
Good transferred over time	1,244	1,531
Good transferred at point in time	4,690	4,467
	48,637	37,269

Further disaggregation of revenue from contracts with customers by business segment is disclosed in Note 30.

(b) Contract balances

Information about receivables and contract assets and liabilities from contracts with customers is disclosed as follows:

	Group		
	31 December		1 January
	2022	**2021**	**2021**
	$'000	**$'000**	**$'000**
Receivables from contracts with customers (Note 12)	8,035	6,921	6,659
Contract assets	2,794	890	198
Contract liabilities	385	336	492

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date. Contract assets are transferred to receivables when the rights become unconditional. The contract assets balance increased at the end of the current financial year as the Group provided more services and transferred more goods ahead of the agreed payment schedules.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers. Contract liabilities are recognised as revenue as the Group performs under the contract.

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22. Revenue (continued)

(b) Contract balances **(continued)**

(i) Significant changes in contract assets are explained as follows:

	2022 $'000	2021 $'000
Contract assets reclassified to receivables	890	205

(ii) Significant changes in contract liabilities are explained as follows:

	2022 $'000	2021 $'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	300	296

23. Other operating income

	2022 $'000	2021 $'000
Government grant income	1,938	3,566
Handling fee	136	129
Interest income	106	80
Rental income from investment properties	52	75
Scrap sales	25	11
Gain on disposal of property, plant and equipment	2	39
Income from short-term lease	–	22
Management fee from a joint venture	4	12
Bad debts recovered from an associate (Note 15)	–	50
Others	245	98
	2,508	4,082

Government grants income include Special Employment Credit ("SEC"), Wages Credit Scheme ("WCS"), Job Growth Incentive ("JGI") and Job Support Scheme ("JSS"). SEC was introduced by the Singapore Government to support employers as well as to raise the employability of older low-wage Singaporeans. WCS was introduced to help businesses in Singapore to adjust to the rising wage costs in a tight labour market with the objective to allow businesses to free up resources to make investments in productivity and to share the productivity gains with their employees. JSS was to provide wage support to employers to help them retain local employees during the period of economic uncertainty. JGI was to provide wage subsidies to the Group for new hires from September 2020 onwards. It was introduced as a response to the COVID-19 pandemic to support the hiring of local workforce.

NOTES TO THE **FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

24. Profit before tax

The following items have been included in arriving at profit before tax:

	2022 $'000	2021 $'000
Audit fees:		
– Auditor of the Company	158	165
– Other auditors	25	25
Non-audit fees:		
– Auditor of the Company	47	60
– Other auditors	16	–
Amortisation of right-of-use assets (Note 5)	109	142
Depreciation of property, plant and equipment and investment property (Note 4, 6)	1,246	1,394
Directors' fees	249	250
Employee benefits (Note 25)	38,340	31,511
Finance costs		
– Interest expense on bank borrowings	35	107
– Interest expense on leases	30	37
– Interest expense on unwinding of provision for reinstatement cost	16	–
Impairment loss/(reversal) on financial assets	10	(14)
Reversal of allowance for inventory obsolescence (Note 11)	–	(18)

25. Employee benefits (including directors)

	2022 $'000	2021 $'000
Wages, salaries and bonuses	33,258	27,283
Central Provident Fund contributions	3,587	3,024
Share-based payments expense	–	7
Other short-term benefits	1,495	1,197
	38,340	31,511

Employee share option plan

Secura Employee Share Option Scheme

Under the Secura Employee Share Option Scheme ("ESOS"), 18,400,000 share options were granted to the Group's Directors during the financial year ended 31 December 2016. The exercise price of the options is $0.25. The options are vested over five years in the following proportions:

Year 1	15%
Year 2	15%
Year 3	20%
Year 4	20%
Year 5	30%

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

25. Employee benefits (including directors) (continued)

Employee share option plan (continued)

Secura Employee Share Option Scheme (continued)

The contractual life of each option granted is 10 years and will expire on 8 May 2026. There are no cash settlement alternatives.

There has been no options granted or cancellation or modification to the ESOS during 2021 and 2022.

Movement of share options during the financial year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the financial year:

	2022		2021	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at 1 January	8,400,000	0.25	8,400,000	0.25
– Forfeited	(5,600,000)	0.25	–	–
Outstanding at 31 December	2,800,000	0.25	8,400,000	0.25
Exercisable at 31 December	2,800,000	0.25	8,400,000	0.25

Fair value of share options granted

The fair value of the share options granted under the ESOS is estimated at the grant date using a Black Scholes pricing model, taking into account the terms and conditions upon which the share options were granted. The weighted average fair value of options granted in 2016 was $0.042. It takes into account historical dividends, share price covariance of the Company to predict the distribution of relative share performance.

First year of vesting commenced 1 year from the date of grant.

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The weighted average remaining life of the options is 3.36 years (2021: 4.36 years).

NOTES TO THE **FINANCIAL STATEMENTS**

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26. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2022 and 2021 are:

	2022 $'000	2021 $'000
Current income tax		
– current year	425	307
– over provision in respect of previous years	(27)	(36)
	398	271
Deferred income tax		
– withholding tax on undistributed retained earnings of an associate	(54)	168
– origination and reversal of temporary differences	(121)	(112)
– under provision in respect of previous years	–	74
	(175)	130
Income tax expense recognised in profit or loss	223	401

Relationship between tax expense and profit before tax

A reconciliation between tax expense and the product of profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2022 and 2021 is as follows:

	2022 $'000	2021 $'000
Profit before tax	1,512	2,842
Tax at statutory rate of 17% (2021: 17%)	257	483
Adjustments:		
Income not subject to taxation	(54)	(224)
Non-deductible expenses	89	114
(Over)/under provision in respect of previous years:		
– current income tax	(27)	(36)
– deferred income tax	–	74
Effect of partial tax exemption	(52)	(80)
Benefits from previously unrecognised capital allowances	–	(45)
Deferred tax assets not recognised relating to tax losses	104	30
Withholding tax on undistributed retained earnings of an associate	(54)	168
Tax effect of different tax rate in other countries	–	1
Share of results of joint ventures and associates	(71)	(76)
Others	31	(8)
Income tax expense recognised in profit or loss	223	401

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. Income tax expense (continued)

Deferred income tax

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority. The amounts, after such offsets, are disclosed on the balance sheet as follows:

	Group	
	2022	**2021**
	$'000	**$'000**
Deferred tax assets	53	–
Deferred tax liabilities	(751)	(873)
Net deferred tax liabilities	(698)	(873)

Deferred income tax as at 31 December relates to the following:

	Group			
	Balance sheet		Income statement	
	2022	**2021**	**2022**	**2021**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax liabilities				
Acquisition of subsidiaries	(420)	(448)	(28)	(28)
Differences in depreciation	(213)	(273)	(60)	(64)
Grant receivables	(131)	(82)	49	–
Withholding tax on undistributed retained earnings of an associate	(114)	(168)	(54)	168
	(878)	(971)		
Amount offset against deferred tax assets	127	98		
Deferred tax liabilities	(751)	(873)		
Deferred tax assets				
Provisions and other temporary differences	127	62	(65)	63
Unutilised tax capital allowance	53	36	(17)	(9)
	180	98		
Amount offset against deferred tax liabilities	(127)	(98)		
Deferred tax assets	53	–		
Net deferred tax liabilities	(698)	(873)		
			(175)	130

The deferred tax liabilities balance includes an amount of $114,000 (2021: $168,000) which relates to withholding taxes that would be payable on the undistributed earnings of an overseas associate when remitted to the holding company in Singapore.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. Income tax expense (continued)

Unrecognised capital allowances, unutilised tax losses, and other temporary differences

At the end of the financial year ended 31 December 2022, the Group has unutilised capital allowances and unutilised tax losses of approximately $2,169,000 (2021: $2,137,000) and $829,000 (2021: $613,000), respectively that are available for offset against future taxable profits of the Group, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these balances is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation.

Unrecognised temporary differences relating to investment in a joint venture

At the end of the reporting period, no deferred tax liability (2021: $Nil) has been recognised for withholding taxes that would be payable on the undistributed earnings of the Group's overseas joint venture as the Group has determined that undistributed earnings of the joint venture will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to approximately $147,000 (2021: $98,000). The deferred tax liability is estimated to be $47,000 (2021: $21,000).

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements as at 31 December 2022 (Note 28).

27. Earnings per share

Basic earnings per share are calculated by dividing profit net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing profit net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	2022	**2021**
Earnings per ordinary share ("EPS"):		
Profit for the year attributable to owners of the Company ('000)	1,289	2,441
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	400,002	400,002
Earnings per ordinary share – Basic and diluted (cents)	0.32	0.61

There were 2,800,000 (2021: 8,400,000) share options granted to directors under the ESOS which have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

NOTES TO THE **FINANCIAL STATEMENTS**

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28. Dividends

	2022 $'000	2021 $'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
First and final one-tier tax exempt dividend for 2021: $0.4 cents per share (2020: $0.4 cents per share)	1,600	1,600
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
First and final one-tier tax exempt dividend for 2022: $0.25 cents per share (2021: $0.4 cents per share)	1,000	1,600

29. Related party disclosures

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	2022 $'000	2021 $'000
Income		
Management fee from a joint venture	4	12
Income from short-term leases to a joint venture	–	22
Sale to a joint venture	596	659
Expenses		
Purchases from a joint venture	29	64

(b) *Compensation of key management personnel*

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company, directly, or indirectly.

	2022 $'000	2021 $'000
Short-term employee benefits	1,019	1,025
Central Provident Fund contributions	46	42
Total compensation paid to key management personnel	1,065	1,067
Comprise amounts paid to:		
Directors of the Company	573	808
Other key management personnel	492	259
	1,065	1,067

29. Related party disclosures (continued)

(b) *Compensation of key management personnel* (continued)

Directors' interest in employee share option plan

None of the directors exercised their options for ordinary shares of the Company during the financial year.

30. Segment information

Business segments

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services offered. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

During the year, the Group has undertaken an exercise to streamline its segment reporting structure by merging the existing two segments under Homeland Security and Digital Forensic and System Integration, Security Consultancy and Security Training into one segment under Security Technology and Consultancy.

The new segment is in line with the manner in which the business units are reviewed and evaluated. Accordingly, the Group has restated previously reported segment information.

The Group's main business segments are as follows:

(a) Corporate
(b) Security Guarding
(c) Security Printing
(d) Security Technology and Consultancy
(e) Cyber Security

The revenue of the above segments is derived mainly from the provision of services rendered except for the security printing and cyber security segment, where the revenue is mainly derived from the sale of goods.

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30. Segment information (continued)

	Corporate $'000	Security Guarding $'000	Security Printing $'000	Security Technology and Consultancy $'000	Cyber Security $'000	Elimination $'000 (Note A)	Total $'000
Year ended 31 December 2022							
Revenue:							
External customers	–	38,679	5,552	3,993	413	–	48,637
Inter-segment	1,079	45	1	343	2	(1,470)	–
Total revenue	1,079	38,724	5,553	4,336	415	(1,470)	48,637
Results:							
Interest income	53	–	53	–	–	–	106
Depreciation of property, plant and equipment and investment property	(266)	(155)	(792)	(30)	(3)	–	(1,246)
Amortisation of right-of-use assets	–	–	(90)	(18)	–	–	(108)
Share of results of joint ventures and associates	–	–	421	–	–	–	421
Impairment loss on investment in a subsidiary (Note 8)	(459)	–	–	–	–	459	–
Reversal of impairment loss on investment in a subsidiary (Note 8)	459	–	–	–	–	(459)	–
Segment (loss)/profit	(633)	1,692	471	(69)	(172)	–	1,289
Assets:							
Segment assets, representing total assets	25,821	14,992	18,441	2,326	343	(5,852)	56,071
Liabilities:							
Segment liabilities, representing total liabilities	8,135	6,247	2,664	1,643	510	(6,716)	12,483

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

30. Segment information (continued)

	Corporate $'000	Security Guarding $'000	Security Printing $'000	Security Technology and Consultancy $'000	Cyber Security $'000	Elimination $'000 (Note A)	Total $'000
Year ended 31 December 2021 (Restated)							
Revenue:							
External customers	–	29,397	5,504	1,823	545	–	37,269
Inter-segment	1,272	–	1	1,282	24	(2,579)	–
Total revenue	1,272	29,397	5,505	3,105	569	(2,579)	37,269
Results:							
Interest income	21	–	59	–	–	–	80
Depreciation of property, plant and equipment and investment property	(311)	(106)	(895)	(82)	(1)	–	(1,395)
Amortisation of right-of-use assets	–	–	(108)	(33)	–	–	(141)
Share of results of joint ventures and associates	–	–	446	–	–	–	446
Segment (loss)/profit	(476)	3,100	191	(217)	(157)	–	2,441
Assets:							
Segment assets, representing total assets	22,683	10,963	20,120	2,001	261	(1,807)	54,221
Liabilities:							
Segment liabilities, representing total liabilities	4,464	3,311	2,983	1,353	322	(2,444)	9,989

Note A: Inter-segment sales, interest income, assets and liabilities are eliminated on consolidation.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

30. Segment information (continued)

Geographical information

Revenue is solely generated from operations in Singapore.

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

	2022 $'000	2021 $'000
Non-current assets		
Singapore	24,030	25,171
Taiwan	517	531
Bangladesh	1,516	1,573
	26,063	27,275

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets, investment property, investments in joint ventures and associates. During the year, the Group's investment property was transferred to property, plant and equipment due to the change in use of the property to owner-occupied.

31. Contingent liabilities

The Company has undertaken to provide continuing financial support to its subsidiaries to enable the subsidiaries, which are in net current liabilities positions, to operate as a going concern for a period of at least twelve months from the date of the financial statements of the subsidiaries.

The Group has provided a corporate guarantee of $Nil (2021: $16,680) to a bank for bankers guarantee on lease entered into by a subsidiary.

32. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, foreign currency risk, liquidity risk and interest rate risk. The board of directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. It is, and has been throughout the financial years, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

NOTES TO THE **FINANCIAL STATEMENTS**
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial risk management objectives and policies (continued)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 150 days when they fall due, which is derived based on the Group's historical information. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

– Projected industry default rates

– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Company and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when debtor fails to make contractual payments more than 150 days past due.

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments for more than 150 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. In analysing the expected credit losses, the Group also incorporates forward looking information based on the forecasted gross domestic product and economic conditions.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial risk management objectives and policies (continued)

(a) Credit risk (continued)

Trade receivables (continued)

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix:

	2022		2021	
	Gross carrying amount $'000	Loss allowance provision $'000	Gross carrying amount $'000	Loss allowance provision $'000
Current	4,261	–	3,586	–
Less than 30 days	2,396	–	2,309	–
31 days to 60 days	1,165	–	479	–
61 days to 90 days	137	–	141	–
More than 90 days	87	11	413	7
	8,046	11	6,928	7

Information regarding loss allowance movement of trade receivables are disclosed in Note 12 (Trade and other receivables).

Other receivables

The Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Credit risk concentration profile

There are no significant concentrations of credit risk within the Group.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. As part of its overall liquidity management, the Group monitors and maintains a level of cash and short-term deposits and standby credit facilities deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	One year or less $'000	One to five years $'000	More than five years $'000	Total $'000
2022				
Financial assets:				
Trade and other receivables	9,046	–	–	9,046
Amounts due from joint ventures	227	–	–	227
Cash and short-term deposits	16,490	–	–	16,490
Total undiscounted financial assets	25,763	–	–	25,763
Financial liabilities:				
Trade and other payables	6,646	–	–	6,646
Lease liabilities	90	359	516	965
Bank loan	356	1,464	1,162	2,982
Total undiscounted financial liabilities	7,092	1,823	1,678	10,593
Total net undiscounted financial assets/(liabilities)	18,671	(1,823)	(1,678)	15,170
2021				
Financial assets:				
Trade and other receivables	7,555	–	–	7,555
Cash and short-term deposits	17,412	–	–	17,412
Total undiscounted financial assets	24,967	–	–	24,967
Financial liabilities:				
Trade and other payables	2,324	–	–	2,324
Accrued operating expenses	1,492	–	–	1,492
Lease liabilities	122	464	516	1,102
Bank loan	332	1,829	1,152	3,313
Financial guarantee contract	17	–	–	17
Total undiscounted financial liabilities	4,287	2,293	1,668	8,248
Total net undiscounted financial assets/(liabilities)	20,680	(2,293)	(1,668)	16,719

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

Company	One year or less $'000	One to five years $'000	More than five years $'000	Total $'000
2022				
Financial assets:				
Trade and other receivables	16	–	–	16
Amounts due from subsidiaries	133	–	–	133
Cash and short-term deposits	9,031	–	–	9,031
Total undiscounted financial assets	9,180	–	–	9,180
Financial liabilities:				
Trade and other payables	492	–	–	492
Bank loan	356	1,464	1,162	2,982
Amounts due to subsidiaries	5,078	–	–	5,078
Total undiscounted financial liabilities	5,926	1,464	1,162	8,552
Total net undiscounted financial assets/(liabilities)	3,254	(1,464)	(1,162)	628
2021				
Financial assets:				
Trade and other receivables	22	–	–	22
Amounts due from subsidiaries	501	–	–	501
Cash and short-term deposits	4,770	–	–	4,770
Total undiscounted financial assets	5,293	–	–	5,293
Financial liabilities:				
Trade and other payables	218	–	–	218
Accrued operating expenses	195	–	–	195
Bank loan	332	1,829	1,152	3,313
Amounts due to subsidiaries	1,202	–	–	1,202
Total undiscounted financial liabilities	1,947	1,829	1,152	4,928
Total net undiscounted financial assets/(liabilities)	3,346	(1,829)	(1,152)	365

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

32. Financial risk management objectives and policies (continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

The Group does not expect any significant effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instrument at the end of the financial year.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 50 (2021: 50) basis points lower/higher with all other variables held constant, the Group's profit before taxation would have been $13,000 higher/lower (2021: $14,000 higher/lower), arising mainly as a result of lower/higher interest expense on floating interest rate.

33. Capital management

The Group manages its capital structure by a balanced mix of debt and equity. Necessary adjustments are made on the capital structure considering the factor vis-à-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. No changes were made in the objectives, policies or processes during the years ended 31 December 2022 and 31 December 2021.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, trade and other payables, accrued operating expenses, lease liabilities, bank loan, amount due to a joint venture less cash and short-term deposits. Total capital is calculated as total equity plus net debt.

		Group	
		2022	**2021**
	Note	**$'000**	**$'000**
Trade and other payables	17	7,464	4,373
Loans and borrowings	18	3,367	3,771
Less: Cash and short-term deposits	16	(16,490)	(17,412)
Net cash		(5,659)	(9,268)
Total equity		43,588	44,232
Total capital		37,929	34,964
Gearing ratio		–*	–*

* Not applicable as the Group is in a net cash position at the end of the reporting period

NOTES TO THE **FINANCIAL STATEMENTS**

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34. Fair value of financial instruments

Financial instruments whose carrying amounts approximates fair value

Cash and short-term deposits, other receivables and payable balances (including amounts due to/from subsidiaries and joint ventures) approximate their fair values due to the short-term nature of these balances.

The carrying amounts of the trade receivables and trade payables approximate their fair values as they are subject to normal trade credit terms.

The carrying amount of interest-bearing loans and borrowings are reasonable approximation of fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

35. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 31 March 2023.

STATISTICS OF **SHAREHOLDINGS**

AS AT 13 MARCH 2023

No of issued shares	–	400,002,000 shares
No of treasury shares held	–	Nil
No of subsidiary holdings held	–	Nil
Class of shares	–	Fully paid ordinary shares
Voting rights	–	1 vote per ordinary share

Shareholdings Held in Hands of Public

Based on information available to the Company as at 13 March 2023, approximately 51.59% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Catalist Rules is complied with.

ANALYSIS OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1	0.06	63	0.00
100 – 1,000	511	32.36	494,900	0.12
1,001 – 10,000	341	21.60	2,063,400	0.52
10,001 – 1,000,000	691	43.76	83,167,737	20.79
1,000,001 and above	35	2.22	314,275,900	78.57
	1,579	100.00	400,002,000	100.00

TOP 20 SHAREHOLDERS

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	KESTREL INVESTMENTS PTE LTD	165,928,900	41.48
2	CITY DEVELOPMENTS LIMITED	27,294,900	6.82
3	DBS NOMINEES (PRIVATE) LIMITED	17,595,800	4.40
4	TAN KAH HENG (CHEN JIAXING)	17,206,700	4.30
5	CHIEW POH CHENG	9,862,000	2.47
6	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	9,707,900	2.43
7	PHILLIP SECURITIES PTE LTD	5,549,500	1.39
8	TAN INSURANCE BROKERS PTE LTD	5,000,000	1.25
9	RAFFLES NOMINEES (PTE.) LIMITED	4,305,600	1.08
10	TAN CHOR KHER TERRY	3,890,000	0.97
11	LIM TIEN LOCK CHRISTOPHER	3,445,900	0.86
12	HSBC (SINGAPORE) NOMINEES PTE LTD	3,327,500	0.83
13	TAN WEE HAN	3,168,000	0.79
14	MORPH INVESTMENTS LTD	2,650,000	0.66
15	OCBC SECURITIES PRIVATE LIMITED	2,586,000	0.65
16	LIM & TAN SECURITIES PTE LTD	2,508,500	0.63
17	ANG HAO YAO (HONG HAOYAO)	2,470,700	0.62
18	LAI WENG KAY	2,426,600	0.61
19	IFAST FINANCIAL PTE. LTD.	2,376,700	0.59
20	LOCK WAI HAN	2,032,000	0.51
		293,333,200	**73.34**

STATISTICS OF **SHAREHOLDINGS**

AS AT 13 MARCH 2023

SUBSTANTIAL SHAREHOLDERS

Name of substantial shareholders	Direct interest	%	Deemed interest	%
Kestrel Investments Pte Ltd	165,928,900	41.48	–	–
Lim Eng Hock[(1)]	–	–	165,928,900	41.48
City Developments Limited	27,294,900	6.82	–	–
Hong Leong Investment Holdings Pte Ltd[(2)]	–	–	27,294,900	6.82

(1) Lim Eng Hock has a direct interest in the entire issued share capital of Kestrel Investments Pte Ltd and is deemed interested in the 165,928,900 shares held by Kestrel Investments Pte Ltd by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore ("**SFA**").

(2) Hong Leong Investment Holdings Pte Ltd is deemed interested in the 27,294,900 shares held by City Developments Limited by virtue of Section 4 of the SFA.

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Secura Group Limited (the "**Company**") will be held by way of electronic means on **Thursday, 27 April 2023 at 2.00 p.m.** to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2022 ("**FY2022**") together with the Auditors' Report thereon. **Resolution 1**

2. To declare a final one-tier tax exempt dividend of 0.25 Singapore cents per share for FY2022. **Resolution 2**

3. To re-elect Mr Ong Pang Liang, a Director retiring pursuant to Article 93 of the constitution of the Company ("**Constitution**"). **Resolution 3**
   (Refer to explanatory note (i) provided)

4. To re-elect Mr Kan Kheong Ng, a Director retiring pursuant to Article 93 of the Constitution. **Resolution 4**

   (Refer to explanatory note (ii) provided)

5. To approve the payment of Directors' fees of up to $339,000 for the financial year ending 31 December 2023, payable quarterly in arrears. (2022: $249,000) **Resolution 5**

6. To re-appoint Ernst & Young LLP as the auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions with or without any modifications as ordinary resolutions:

7. **Authority to allot and issue shares in the capital of the Company** **Resolution 7**
   (Refer to explanatory note (iii) provided)

   That pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Act**") and Rule 806 of the Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), the board of directors of the Company ("**Directors**") be authorised and empowered to:

   (a) (i) issue shares ("**Shares**") in the Company whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this resolution was in force,

NOTICE OF **ANNUAL GENERAL MEETING**

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution) to be issued pursuant to this resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company ("**Shareholders**") shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this resolution, after adjusting for:

    (a) new Shares arising from the conversion or exercise of any convertible securities;

    (b) new Shares arising from exercise of share options or vesting of share awards; and

    (c) any subsequent bonus issue, consolidation or subdivision of Shares.

    Adjustments in accordance with sub-paragraph (2)(a) or (2)(b) are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution;

(3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

8. **Authority to grant options and/or awards and to allot and issue Shares under the Secura Employee Share Option Scheme and/or the Secura Performance Share Plan (collectively, the "Share-Based Incentive Plans")** **Resolution 8**
(Refer to explanatory note (iv) provided)

That pursuant to Section 161 of the Act, the Directors be authorised and empowered to grant options and/or awards and to allot and issue, from time to time, such number of Shares as may be required to be issued upon the exercise of options granted by the Company and/or upon release of awards granted by the Company under the Share-Based Incentive Plans, whether granted and/or awarded during the subsistence of this authority or otherwise, provided always that the aggregate number of Shares to be issued pursuant to the Share-Based Incentive Plans shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier.

NOTICE OF **ANNUAL GENERAL MEETING**

9. **Renewal of the Share Buyback Mandate** **Resolution 9**
(Refer to explanatory note (v) provided)

That:

(a) for the purposes of Section 76C and 76E of the Act, the exercise by the Directors of all of the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) (each an "**Market Purchase**") on the SGX-ST; and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Act and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earlier of:

(i) the date on which the next AGM is held or required by law to be held; or

(ii) the date on which purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by Shareholders in a general meeting,

in this resolution:

"**Maximum Limit**" means that number of issued Shares representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period (as hereinafter defined), in which event the total number of issued Shares shall be taken to be the number of the issued Shares as altered (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time);

NOTICE OF **ANNUAL GENERAL MEETING**

"**Relevant Period**" means the period commencing from the date of the passing of this resolution and expiring on the date the next AGM is held or is required by law to be held, whichever is earlier, after the date of this resolution; and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (hereinafter defined); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

where:

(1) "**Average Closing Market Price**" means the average of the closing market prices of the Shares traded on the SGX-ST over the last 5 Market Days (a "**Market Day**" being a day on which the SGX-ST is open for trading in securities), on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-Market Days; and

(2) "**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(c) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution.

By Order of the Board

Ngiam May Ling
Company Secretary

Singapore, 12 April 2023

NOTICE OF **ANNUAL GENERAL MEETING**

Explanatory Notes:

(i) *Ordinary Resolution 3*
Mr Ong Pang Liang will, upon re-election as a Director, remain as the Chairman of the Audit and Risk Committee and a member of the Nominating and Remuneration Committees. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

(ii) *Ordinary Resolution 4*
Mr Kan Kheong Ng will, upon re-election as a Director, remain as the Executive Director and Chief Executive Officer. Mr Kan holds approximately 0.01% of the issued share capital of the Company.

Additional information on Mr Ong Pang Liang and Mr Kan Kheong Ng, which is required under Rule 720(5) of the Catalist Rules, is set out on pages 113 to 117 in the Company's FY2022 annual report ("**Annual Report 2022**").

(iii) *Ordinary Resolution 7,* if passed, will empower the Directors, effective until the conclusion of the next AGM, or the date by which the next AGM is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a pro rata basis to Shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or shares options or vesting of share awards and any subsequent bonus issue, consolidation or subdivision of Shares. These adjustments are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this resolution. As at the date of this notice of AGM, the Company does not have any treasury shares or subsidiary holdings.

(iv) *Ordinary Resolution 8,* if passed, will empower the Directors, effective until the conclusion of the next AGM, or the date by which the next AGM is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares pursuant to the exercise of options granted and/or shares to be awarded under the Share-Based Incentive Plans up to a number not exceeding in aggregate 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

(v) *Ordinary Resolution 9,* if passed, will empower the Directors from the date of the passing of the resolution until the earlier of the date of the next AGM, or the date by which the next AGM is required by law to be held, to purchase or otherwise acquire, by way of Market Purchases or Off-Market Purchases, up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of passing of the resolution on the terms of the Share Buyback Mandate as set out in the Letter to Shareholders dated 12 April 2023 ("**Letter**"), unless such authority is earlier revoked or varied by Shareholders at a general meeting.

The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of the Shares pursuant to the Share Buyback Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this notice of AGM as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares. Illustrative financial effects of the Share Buyback Mandate based on the audited financial statements of the Group for FY2022 and certain assumptions, are set out in paragraph 2.8 of the Letter.

Notes:

(1) The Company will be conducting its AGM by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this notice of AGM will not be sent to members. This notice will be sent to members by electronic means via publication on the Company's website at https://www.securagroup.com.sg/news/, and on the SGX's website at https://www.sgx.com/securities/company-announcements.

(2) The Company is not providing for physical attendance by Shareholder at the AGM. A Shareholder who wishes to exercise his/her/its voting rights at the AGM may:

(a) (where the member is an individual) vote "live" via electronic means at the AGM, or (whether the member is an individual or a corporate) appoint a proxy(ies) (other than the Chairman of the AGM) to vote "live" via electronic means at the AGM on his/her/its behalf; or

(b) (whether the member is an individual or a corporate) appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.

(3) A member who is not a relevant intermediary is entitled to appoint not more than two proxies. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

A member who is a relevant intermediary is entitled to appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's instrument appointing a proxy(ies) appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Act.

(4) A proxy need not be a Shareholder. The Chairman of the AGM, as proxy, need not be a Shareholder.

NOTICE OF **ANNUAL GENERAL MEETING**

(5) The instrument appointing a proxy(ies) must be submitted to the Company in the following manners:

(a) if submitted personally or by post, be lodged at the registered office of the Company at 38 Alexandra Terrace, Singapore 119932; or

(b) if submitted electronically, be submitted:

(i) via email to the Company at agm@securagroup.sg; or

(ii) via the online process through the pre-registration website https://conveneagm.sg/secura2022.

In each case, by **Monday, 24 April 2023, 2.00 p.m.** (being 72 hours before the time appointed for the holding of the AGM).

A Shareholder who wishes to submit an instrument appointing a proxy(ies) must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above or via the pre-registration website.

Shareholders are strongly encouraged to submit completed proxy forms electronically via email or via the pre-registration website.

(6) **Submission of questions in advance**

A Shareholder who wishes to raise any matters at the AGM must submit such matters or any questions related to the AGM either (i) via electronic means to the Company, through the Company's pre-registration website at https://conveneagm.sg/secura2022; (ii) by post lodged with the Company's registered office at 38 Alexandra Terrace, Singapore 119932; or (iii) by email to agm@securagroup.sg, no later than **Wednesday, 19 April 2023, 2.00 p.m.** (being at least 7 calendar days after the publication of the Notice of AGM). Shareholders may also submit their questions during the AGM via an online chat box.

The Company will endeavour to address all substantial and relevant questions relating to the agenda of the AGM received from the Shareholders before the deadline of **Wednesday, 19 April 2023, 2.00 p.m.** by publishing the responses on the SGXNET and the Company's website by **Friday, 21 April 2023, 2.00 p.m.**, being at least 72 hours prior to the closing date and time for the lodgement of the proxy forms (via an announcement on SGXNET and the Company's website) or at the AGM. During the AGM itself, the Company will endeavour to address as many substantial and relevant questions related to the Ordinary Resolutions to be tabled at the AGM for approval.

When the Shareholder sends in his/her questions through electronic means or by post, the Shareholder should provide the Company with the following details.

- full name (as per CDP/SRS/Scrip-based records);
- NRIC/Passport/UEN number;
- contact number and email address; and
- the manner in which the Shareholder holds his/her/its Shares (e.g. via CDP or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its Shareholder status. Minutes of the AGM will thereafter be published on SGXNET and the Company's website within one month after the date of the AGM.

(7) **CPF and SRS Investors:**

(a) may vote "live" at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

(b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes by **Tuesday, 18 April 2023, 2.00 p.m.** Singapore time.

For the avoidance of doubt, CPF and SRS investors will not be able to appoint third party proxy(ies) (i.e., persons other than the Chairman of the AGM) to vote "live" at the AGM on their behalf.

(8) The Annual Report 2022 has been published and is accessible at the Company's website https://www.securagroup.com.sg/news_type/financial-reports/ and also available on the SGX's website at https://www.sgx.com/securities/company-announcements.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and/or representatives appointed for the AGM and/or any adjournment thereof and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM and/or any adjournment thereof, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where a member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

Mr Ong Pang Liang and Mr Kan Kheong Ng will be seeking re-election at the forthcoming annual general meeting of the Company to be convened on 27 April 2023 ("**AGM**") (collectively, the "**Retiring Directors**").

Pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**"), the information relating to Retiring Directors as required under Appendix 7F of the Catalist Rules, is as set out below:

	MR ONG PANG LIANG	**MR KAN KHEONG NG**
Date of appointment	16 October 2015	01 February 2019
Date of last re-appointment (if applicable)	12 June 2020	20 April 2021
Age	63	67
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Ong as an Independent Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Ong has abstained from the deliberations of the Board pertaining to his re-election. Mr Ong is considered an Independent Director and will, upon re-election, continue to serve as the Independent Director, Chairman of the Audit and Risk Committee and a member of the Nominating and Remuneration Committees.	The re-election of Mr Kan as an Executive Director was recommended by the Nominating Committee and approved by the Board, after taking into consideration his qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company. Mr Kan has abstained from the deliberations of the Board pertaining to his re-election. Mr Kan will, upon re-election, continue to serve as the Executive Director of the Company and Chief Executive Officer.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive
Job title (e.g. Lead ID, AC Chairman, AC member etc.)	• Independent Director • Chairman of the Audit and Risk Committee • Member of the Nominating and Remuneration Committees	• Chief Executive Officer
Professional qualifications	• Bachelor of Business Administration, National University of Singapore	• Bachelor of Business Administration, Royal Melbourne Institute Technology
Working experience and occupation(s) during the past 10 years	**Present** • Independent Director of Thomson Medical Group Limited • Director, Bluewater Investments Pte Ltd • Director, Valencia Club de Futbol, S.A.D	**Present** • Executive Director and Chief Executive Officer of Secura Group Limited • Executive Director of TMC Life Sciences Berhad
	2012 – 2019 Non-Executive Director, Avarga Ltd	**2012 – 2019** Executive Director, Fastrack Autosports (Iskandar) Pte Ltd

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	MR ONG PANG LIANG	MR KAN KHEONG NG
	2010 – 2012 Finance Director, Avarga Ltd	**2009 – 2012** Managing Director, Prestige Division of Wearness Automotive Pte Ltd
Shareholding interest in the listed issuer and its subsidiaries	None	50,000 ordinary shares in the Company
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# ** "Principal Commitments" has the same meaning as defined in the Code – "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments* *# These fields are not applicable for announcement of appointments pursuant to Rule 704(8)*	**Past directorship (for the last 5 years)** • Avarga Limited • UPP Industries Pte Ltd • UPP Greentech Pte Ltd • Avarga Investment Pte Ltd • RSP Holdings Pte Ltd **Present directorship:** • Thomson Medical Group Limited (listed entity) • Bluewater Investments Pte Ltd • Valencia Club de Futbol S.A.D	**Past directorship (for the last 5 years)** • Soverus Group Pte Ltd • Secura Malaysia Sdn Bhd • Secura Security Printing Sdn Bhd **Present directorship:** • Soverus Pte Ltd • Secura Singapore Pte Ltd • Secura Forms Pte Ltd • Secura Documation Pte Ltd • Soverus Kingdom Systems Pte Ltd • Soverus Consultancy & Services Pte Ltd • Secura Technology & Consultancy Pte Ltd • Foremost Secura Corporation • Secura Foremost eMage Pte Ltd • Secura Training Academy Pte Ltd • Red Sentry Pte Ltd • Fastrack Autosports (Iskandar) Pte Ltd • Wellington College International Regional Management Pte Ltd • Fastrack Iskandar Sdn Bhd • Fastrack JV (Iskandar) Limited • Best Blend Sdn Bhd • BB Waterfront Sdn Bhd • TMC Life Sciences Berhad (listed entity) • BB Waterfront Sdn Bhd • IVF Technologies Sdn Bhd • TMC Biotech Sdn Bhd • TMC Lifestyle Sdn Bhd • Thomson Hospital Sdn Bhd • TMC Properties Sdn Bhd • Thomson TCM Sdn Bhd • TMC Care Sdn Bhd • TMC Women's Specialist Holdings Sdn Bhd **Other principal commitment:** • Executive Director of TMC Life Sciences Berhad

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	MR ONG PANG LIANG	MR KAN KHEONG NG
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	MR ONG PANG LIANG	MR KAN KHEONG NG
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION ON **DIRECTORS SEEKING RE-ELECTION**

	MR ONG PANG LIANG	MR KAN KHEONG NG
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

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PROXY FORM

SECURA GROUP LIMITED
(Company Registration No. 201531866K)
(Incorporated in the Republic of Singapore)

IMPORTANT:
For investors holding shares in Secura Group Limited through relevant intermediaries (as defined under Section 181 of the Companies Act 1967 of Singapore), including CPF/SRS investors, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their relevant intermediary as soon as possible to specify voting instructions. CPF/SRS investors should approach their respective CPF Agent Banks or SRS Operators at least 7 working days before the annual general meeting of the Company (the "**AGM**" or the "**Meeting**") (i.e. **by Tuesday, 18 April 2023, 2.00 p.m.**) to ensure that their votes are submitted.

PERSONAL DATA PRIVACY
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of AGM dated 12 April 2023.

*I/We (Name) ______________________________ (NRIC/Passport/UEN No.) ______________

of (Address) ____

being a *member/members of Secura Group Limited (the "**Company**"), hereby appoint:

Name:	**NRIC/Passport no.**	**Proportion of shareholdings**	
		No. of Shares	**%**
Address:	**Email address^**		

*and/or (delete as appropriate)

Name:	**NRIC/Passport no.**	**Proportion of shareholdings**	
		No. of Shares	**%**
Address:	**Email address^**		

^Appointed proxy(ies) (other than the Chairman of the Meeting) will be prompted via email (within 2 business days after the Company's receipt of a validly completed and submitted proxy form) to pre-register at the pre-registration website at https://conveneagm.sg/secura2022 in order to access the "live" audio-visual webcast or "live" audio-only stream of the AGM proceedings.

as my/our proxy/proxies to attend, speak and vote for me/us on my/our behalf at the AGM to be convened and held by way of electronic means on **Thursday, 27 April 2023 at 2.00 p.m.** and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against, or to abstain from voting on, the Resolutions to be proposed at the AGM as indicated (√) in the spaces provided hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the AGM and at any adjournment thereof.

No.	**Resolutions relating to:**	**For***	**Against***	**Abstain***
Ordinary business				
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022 ("**FY2022**") together with the Auditor's Report thereon			
2	Payment of final one-tier tax exempt dividend of 0.25 Singapore cents per share for FY2022			
3	Re-election of Mr Ong Pang Liang as a director of the Company ("**Director**")			
4	Re-election of Mr Kan Kheong Ng as a Director			
5	Directors' fees amounting up to $339,000 for the financial year ending 31 December 2023, payable quarterly in arrears			
6	Re-appointment of Ernst & Young LLP as auditors of the Company			
Special business				
7	Authority to allot and issue shares in the capital of the Company ("**Shares**")			
8	Authority to grant options and/or awards and to allot and issue Shares under the Secura Employee Share Option Scheme and/or the Secura Performance Share Plan			
9	Renewal of the Share Buyback Mandate			

** Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a Resolution, please indicate with a (√) in the "For" or "Against" box provided. Alternatively, please indicate the number of votes as appropriate. If you wish your proxy/proxies to abstain from voting on a Resolution, please indicate with a (√) in the "Abstain" box provided. Alternatively, please indicate the number of shares that your proxy/proxies is/are directed to abstain from voting. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.*

Dated this ________ day of ________________ 2023

Total number of Shares held in:

____
Signature(s) of Member(s) or Common Seal

IMPORTANT: Please read the notes overleaf before completing the Proxy Form

Notes:

1. A shareholder will not be able to attend the AGM in person and can only participate in the AGM via electronic means. Alternative arrangements relating to the attendance at the AGM have been put in place to allow shareholders to electronically access the AGM by (a) watching the AGM proceedings via "live" audio-visual webcast or listening to the AGM proceedings via "live" audio-only stream, (b) submitting questions to the Chairman of the AGM in advance or during the AGM via an online chat box, and/or (c) by voting "live" via electronic means at the AGM or appointing a proxy(ies) to attend and vote electronically during the AGM. This proxy form may be accessed at the Company's website at https://www.securagroup.com.sg/news/ and at the SGX's website at https://www.sgx.com/securities/company-announcements. A shareholder may also appoint a proxy(ies) via the online process through the pre-registration website which is accessible at https://conveneagm.sg/secura2022. In appointing the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

   Completion and return of the instrument appointing the Chairman of the AGM or an individual as proxy(ies) will not prevent a shareholder from attending and voting via electronic means at the AGM if he/she/it subsequently wishes to do so, provided that in the event of such attendance by the shareholder via electronic means, the relevant instrument submitted by the shareholder shall be deemed to be revoked.

2. CPF/SRS investors who wish to appoint the Chairman of the AGM as proxy should contact their respective CPF Agent Banks or SRS operators by **Tuesday, 18 April 2023, 2.00 p.m.**, **being 7 working days** before the AGM to submit his/her voting instructions.

3. A shareholder should insert the total number of shares held in the proxy form. If the shareholder has Shares entered against his/her name in the Depository Register maintained by The Central Depository (Pte) Limited ("**CDP**"), he/she should insert that number of Shares. If the shareholder has Shares registered in his/her name in the Register of Shareholder of the Company, he/she should insert that number of Shares. If the shareholder has Shares entered against his/her name in the said Depository Register and registered in his/her name in the Register of Shareholder, he/she should insert the aggregate number of Shares. If no number is inserted, this proxy form will be deemed to relate to all the Shares held by the shareholder.

4. This proxy form (together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof) must be submitted to the Company in the following manner:

   (a) if submitted personally or by post, be lodged at the registered office of the Company at 38 Alexandra Terrace, Singapore 119932; or

   (b) if submitted electronically, be received by the Company at agm@securagroup.sg or via the online process through the pre-registration website https://conveneagm.sg/secura2022.

   in either case, not later than **Monday, 24 April 2023, 2.00 p.m.**, being not less than 72 hours before the time appointed for holding the AGM.

   Members are strongly encouraged to submit completed proxy forms electronically via email or via the pre-registration website.

5. The proxy form must be executed under the hand of the appointor or of his attorney duly authorised in writing or if the appointer is a corporation, it must be executed either under its common seal or under the hand of an officer or attorney so authorised.

6. Where the proxy form is signed on behalf of the appointor by an attorney or a duly appointed officer, the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney must (failing previous registration) be deposited with the proxy form, failing which the proxy form may be treated as invalid.

7. The Company shall be entitled to reject a proxy form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the shareholder, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by CDP to the Company.

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CORPORATE **DIRECTORY**

BOARD OF DIRECTORS

Dr Ho Tat Kin
(Chairman and Independent Director)

Mr Kan Kheong Ng
(Executive Director and Chief Executive Officer)

Mr Ong Pang Liang
(Independent Director)

Mr Gary Ho Kuat Foong
(Independent Director)

Ms Christina Teo Tze Wei (Zhao Ziwei)
(Independent Director)

Mr Wilson Sam
(Non-Executive and Non-Independent Director)

AUDIT AND RISK COMMITTEE

Mr Ong Pang Liang
Chairman

Mr Gary Ho Kuat Foong
Member

Dr Ho Tat Kin
Member

Mr Wilson Sam
Member

NOMINATING COMMITTEE

Dr Ho Tat Kin
Chairman

Mr Ong Pang Liang
Member

Mr Gary Ho Kuat Foong
Member

Ms Christina Teo Tze Wei (Zhao Ziwei)
Member

REMUNERATION COMMITTEE

Mr Gary Ho Kuat Foong
Chairman

Dr Ho Tat Kin
Member

Mr Ong Pang Liang
Member

COMPANY SECRETARY

Ms. Ngiam May Ling
(LLB (Hons))

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

INDEPENDENT AUDITOR

Ernst & Young LLP
One Raffles Quay
North Tower Level 18
Singapore 048583

Partner-in-charge: Mr Tan Soon Seng
(a member of the Institute of Singapore Chartered Accountants}
Appointed since financial year ended 31 December 2020

SPONSOR

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

INVESTOR RELATIONS

August Consulting Pte. Ltd.
101 Thomson Road
#30-02 United Square
Singapore 307591
Tel: +65 6733 8873
Email: ir@securagroup.sg

REGISTERED OFFICE

38 Alexandra Terrace
Singapore 119932
Tel: +65 6813 9500
Fax: +65 6813 9629
Website: www.securagroup.com.sg

SECURA
GROUP LIMITED

SECURA BUILDING 38 ALEXANDRA TERRACE SINGAPORE 119932
TEL: (65) 6813 9500 FAX: (65) 6813 9629
WWW.SECURAGROUP.COM.SG

2022 SECURA GROUP LIMITED ANNUAL REPORT
COMPANY REGISTRATION NO. 201531866K.
INCORPORATED IN THE REPUBLIC OF SINGAPORE ON 14 AUGUST 2015