



Secura Group Limited and its Subsidiaries
(Company Registration No: 201531866K)

Condensed Interim Financial Statements
For the six months and full year ended 31 December 2022

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SECURA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 201531866K)

1(A) An income statement and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.**CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	Group			Group		
		Six-month period ended			Year ended		
		31 December ("2H")		Increase/ (Decrease) %	31 December ("FY")		Increase/ (Decrease) %
		2022	2021		2022	2021	
S\$'000	S\$'000		S\$'000	S\$'000			
Revenue	2.12	26,975	19,084	41.3	48,637	37,269	30.5
Cost of sales		(23,720)	(16,864)	40.7	(43,725)	(33,035)	32.4
Gross profit		3,255	2,220	46.6	4,912	4,234	16.0
Other operating income	2.13	670	2,324	(71.2)	2,508	4,082	(38.6)
Distribution and selling expenses		(773)	(715)	8.1	(1,551)	(1,350)	14.9
Administrative expenses		(2,477)	(2,221)	11.5	(4,697)	(4,427)	6.1
Finance costs		(47)	(55)	(15.3)	(81)	(143)	(43.7)
Share of results of joint ventures and associates		292	436	(33.1)	421	446	(5.6)
Profit before tax	2.14	920	1,989	(53.7)	1,512	2,842	(46.8)
Income tax expense		(90)	(364)	(75.1)	(223)	(401)	(44.3)
Profit for the period/year		830	1,625	(48.9)	1,289	2,441	(47.2)
Other comprehensive income							
Items that may be classified subsequently to profit or loss							
Foreign currency translation		–	1	–	–	–	–
Share of foreign currency translation of joint ventures and associates		(338)	29	NM	(333)	29	NM
Total comprehensive income for the period/year		492	1,655	(70.3)	956	2,470	(61.3)

NM – Not meaningful

SECURA GROUP LIMITED

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1(b) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION**

	Note	Group		Company	
		As at 31/12/2022 S\$'000	As at 31/12/2021 S\$'000	As at 31/12/2022 S\$'000	As at 31/12/2021 S\$'000
Non-current assets					
Property, plant and equipment	2.6	22,823	23,378	16,619	14,360
Right-of-use assets		997	1,135	–	–
Investment property		–	501	–	2,505
Investment in subsidiaries		–	–	22,284	22,284
Investment in joint ventures		674	688	–	–
Investment in associates		1,516	1,573	–	–
Deferred tax assets		53	–	–	–
		<u>26,063</u>	<u>27,275</u>	<u>38,903</u>	<u>39,149</u>
Current assets					
Inventories		813	705	–	–
Trade and other receivables	2.7	9,046	7,555	16	22
Contract assets		2,794	890	–	–
Prepaid operating expenses		638	384	21	24
Amounts due from subsidiaries		–	–	133	501
Amount due from joint ventures		227	–	–	–
Cash and cash equivalents	2.8	16,490	17,412	9,031	4,770
		<u>30,008</u>	<u>26,946</u>	<u>9,201</u>	<u>5,317</u>
Total assets		<u>56,071</u>	<u>54,221</u>	<u>48,104</u>	<u>44,466</u>
Current liabilities					
Trade and other payables	2.9	5,124	2,881	266	242
Contract liabilities		385	336	–	–
Accrued operating expenses		2,340	1,492	244	195
Lease liabilities	2.10	64	109	–	–
Bank loan	2.10	250	295	250	295
Amount due to subsidiaries		–	–	5,078	1,202
Amount due to joint ventures		–	191	–	–
Income tax payable		465	323	–	–
		<u>8,628</u>	<u>5,627</u>	<u>5,838</u>	<u>1,934</u>
Net current assets		<u>21,380</u>	<u>21,319</u>	<u>3,363</u>	<u>3,383</u>
Non-current liabilities					
Lease liabilities	2.10	756	836	–	–
Bank loan	2.10	2,297	2,531	2,297	2,531
Provision of reinstatement cost		51	122	–	–
Deferred tax liabilities		751	873	–	–
		<u>3,855</u>	<u>4,362</u>	<u>2,297</u>	<u>2,531</u>
Total liabilities		<u>12,483</u>	<u>9,989</u>	<u>8,135</u>	<u>4,465</u>
Net assets		<u>43,588</u>	<u>44,232</u>	<u>39,969</u>	<u>40,001</u>
Equity					
Share capital	2.11	61,644	61,644	61,644	61,644
Merger reserve		(16,291)	(16,291)	–	–
Foreign currency translation reserve		(375)	(42)	–	–
Employee share option reserve		111	396	111	396
Accumulated losses		(1,501)	(1,475)	(21,786)	(22,039)
Total equity		<u>43,588</u>	<u>44,232</u>	<u>39,969</u>	<u>40,001</u>

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- 1(c) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Share capital (S\$'000)	Merger reserve (S\$'000)	Foreign currency translation reserve (S\$'000)	Employee share option reserve (S\$'000)	Accumulated losses (S\$'000)	Non-controlling interests (S\$'000)	Total equity (S\$'000)
At 1 January 2022	61,644	(16,291)	(42)	396	(1,475)	–	44,232
Profit for the year	–	–	–	–	1,289	–	1,289
<u>Other comprehensive income</u>							
Foreign currency translation	–	–	(333)	–	–	–	(333)
Other comprehensive income for the year, net of tax	–	–	(333)	–	–	–	(333)
Total comprehensive income for the year	–	–	(333)	–	1,289	–	956
<u>Contributions by and distributions to owners</u>							
Lapse of equity-settled share options	–	–	–	(285)	285	–	–
Dividend paid on ordinary shares	–	–	–	–	(1,600)	–	(1,600)
At 31 December 2022	61,644	(16,291)	(375)	111	(1,501)	–	43,588
At 1 January 2021	61,644	(16,291)	(71)	389	(2,316)	49	43,404
Profit for the year	–	–	–	–	2,441	–	2,441
<u>Other comprehensive income</u>							
Foreign currency translation	–	–	29	–	–	–	29
Other comprehensive income for the year, net of tax	–	–	29	–	–	–	29
Total comprehensive income for the year	–	–	29	–	2,441	–	2,470
<u>Contributions by and distributions to owners</u>							
Grant of equity-settled share options to employees	–	–	–	7	–	–	7
Dividend paid on ordinary shares	–	–	–	–	(1,600)	–	(1,600)
Elimination of non-controlling interest arising from subsidiary struck off	–	–	–	–	–	(49)	(49)
At 31 December 2021	61,644	(16,291)	(42)	396	(1,475)	–	44,232

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- 1(c) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year. (cont'd)

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Company	Share capital S\$'000	Employee share option reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
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
<u>Contributions by and distributions to owners</u>				
Lapse of equity-settled share options	–	(285)	285	–
Dividend paid on ordinary shares	–	–	(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
<u>Contributions by and distributions to owners</u>				
Grant of equity-settled share options to employees	–	7	–	7
Dividend paid on ordinary shares	–	–	(1,600)	(1,600)
At 31 December 2021	61,644	396	(22,039)	40,001

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1(d) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Operating activities:		
Profit before tax	1,512	2,842
Adjustments for:		
Depreciation of property, plant and equipment and investment property	1,246	1,395
Amortisation of right-of-use assets	108	141
Gain on disposal of property, plant and equipment	(2)	(39)
Interest income	(106)	(80)
Write back of stock obsolescence	-*	(18)
Impairment loss/(write back) of financial assets	4	(13)
Share of results of joint ventures and associates	(421)	(446)
Unrealised exchange loss, net	23	(1)
Finance cost on bank borrowing and finance lease	81	143
Grant of equity-settled share options to employees	-	7
Operating cash flows before working capital changes	2,445	3,931
(Increase)/decrease in inventories	(108)	71
(Increase)/decrease in trade and other receivables and contract assets	(3,373)	38
Increase in prepaid operating expenses	(254)	(110)
(Increase)/decrease in amount due from a joint venture	(417)	283
Increase/(decrease) in trade and other payables and contract liabilities	2,309	(1,335)
Increase in accrued operating expenses	830	509
Cash flows generated from operations	1,432	3,387
Interest income received	106	80
Interest paid	(65)	(143)
Income tax paid	(255)	(55)
Net cash flows generated from operating activities	1,218	3,269
Investing activities:		
Proceeds from disposal of property, plant and equipment	2	39
Purchase of 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 paid on ordinary shares	(1,600)	(1,600)
Payment of principal portion of lease liabilities	(95)	(132)
Repayment of bank loan	(279)	(5,069)
Net cash flows used in financing activities	(1,974)	(6,801)
Net decrease in cash and cash equivalents	(900)	(3,570)
Effect of exchange rate changes on cash and cash equivalents	(22)	(46)
Cash and cash equivalents at 1 January	17,412	21,028
Cash and cash equivalents at 31 December	16,490	17,412

* Less than S\$1,000

Secura Group Limited

Incorporated in the Republic of Singapore

Company Registration No.: 201531866K

2. Notes to the condensed interim financial statements

2.1 Corporate information

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 are located at 38 Alexandra Terrace, Singapore 119932 (“**Alexandra Property**”).

The principal activities of the Company and its subsidiaries (the “**Group**”) are:

- Provision of unarmed security guarding services
- Security printing of value documents, computer forms and stationery
- Provision of secured data solutions, eStatement, eArchiving, security data processing
- Provision of cyber security products, services and solutions, integration and installation of security systems, and distribution of homeland security products
- Provision of training services

2.2 Basis of preparation

The condensed interim financial statements for 2H2022 and FY2022 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for FY2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.3.

The condensed interim financial statements are presented in Singapore dollars which is the Company’s functional currency and all values in the tables are rounded to the nearest thousand (S\$’000), except where otherwise indicated.

2.3 New and amended standards adopted by the Group

A number of amendments to SFRS(I) have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.4 Seasonal operations

The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial period/year.

2.5 Segment and revenue information

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.

2.5 Segment and revenue information (cont'd)

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 in Note 2.15.

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.

2.6 Property, plant and equipment

In FY2022, the Group acquired property, plant and equipment with an aggregate cost of S\$277,000 (FY2021: S\$77,000). During the year, the Group's investment property was transferred to property, plant and equipment due to a change in use of the property to owner-occupied.

2.7 Trade and other receivables

	Group		Company	
	As at 31/12/2022 S\$'000	As at 31/12/2021 S\$'000	As at 31/12/2022 S\$'000	As at 31/12/2021 S\$'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
<i>Add:</i>				
Amounts due from subsidiaries	–	–	133	501
Amounts due from joint ventures	227	–	–	–
Cash and cash equivalents	16,490	17,412	9,031	4,770
Total financial assets carried at amortised cost	25,763	24,967	9,180	5,293

Expected credit loss assessment

The Group provides for 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.

2.8 Cash and cash equivalents

	Group		Company	
	As at 31/12/2022 S\$'000	As at 31/12/2021 S\$'000	As at 31/12/2022 S\$'000	As at 31/12/2021 S\$'000
Fixed 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 fixed deposits with financial institutions was at rates ranging from 0.50% to 4.00% per annum in FY2022 (FY2021: 0.20% to 2.05% per annum). These fixed deposits mature in varying periods.

2.9 Trade and other payables

	Group		Company	
	As at 31/12/2022 S\$'000	As at 31/12/2021 S\$'000	As at 31/12/2022 S\$'000	As at 31/12/2021 S\$'000
Trade payables	2,663	1,211	–	–
Other payables	2,461	1,670	266	242
Trade and other payables	5,124	2,881	266	242
<i>Add:</i>				
Accrued operating expenses	2,340	1,492	244	195
Lease liabilities	820	945	–	–
Bank loan	2,547	2,826	2,547	2,826
Amounts due to subsidiaries	–	–	5,078	1,202
<i>Less:</i>				
Goods and services tax	(818)	(557)	(18)	(24)
Total financial liabilities carried at amortised cost	10,013	7,587	8,117	4,441

2.10 Loans and borrowings

	Group		Company	
	As at 31/12/2022 S\$'000	As at 31/12/2021 S\$'000	As at 31/12/2022 S\$'000	As at 31/12/2021 S\$'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

The above leases and bank loan are secured by machineries, motor vehicles and the Alexandra Property.

2.11 Share capital

	Group and Company			
	As at 31/12/2022		As at 31/12/2021	
	No. of shares	S\$'000	No. of shares	S\$'000
Issued and fully paid ordinary shares				
As at 31 December 2022 and 31 December 2021	400,002,000	61,644	400,002,000	61,644

There were 2,800,000 share options outstanding under the Secura Employee Share Option Scheme as at 31 December 2022 (31 December 2021: 8,400,000 share options). 5,600,000 share options have lapsed following the resignation of a director in FY2022.

As at 31 December 2022 and 31 December 2021, there were no treasury shares held by the Company and there were no subsidiary holdings. There has been no change in the share capital of the Company since the end of the previous period reported on.

2.12 Revenue

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		Group	
	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Major product or service lines				
Sales of services	23,782	16,125	42,703	31,271
Sale of goods	3,193	2,959	5,934	5,998
Total revenue from contract with customers	26,975	19,084	48,637	37,269
Timing of revenue recognition				
Services transferred over time	23,782	16,125	42,703	31,271
Good transferred over time	568	735	1,244	1,531
Good transferred at point in time	2,625	2,224	4,690	4,467
	26,975	19,084	48,637	37,269

For further disaggregation disclosure of revenue from contracts with customers by business segment - refer to paragraph 2.15.

2.13 Other operating income

	Group		Group	
	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Government grant income	287	2,104	1,938	3,566
Interest income	79	33	106	80
Handling fee	75	54	136	129
Gain on disposal of property, plant and equipment	2	1	2	39
Scrap sales	11	6	25	11
Rental income from investment property	14	39	52	75
Income from short-term lease	–	10	–	22
Management fee from a joint venture	–	6	4	12
Bad debts recovered from an associate	–	–	–	50
Others	202	71	245	98
	670	2,324	2,508	4,082

2.14 Profit before tax

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

	Group		Group	
	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Amortisation of right-of-use assets	51	71	108	141
Depreciation of property, plant and equipment and investment property	618	674	1,246	1,395
Directors' fees	124	125	249	250
Employee benefits				
- Wages, salaries and bonuses	16,862	14,005	33,258	27,283
- Central Provident Fund contributions	1,949	1,565	3,587	3,024
- Share-based payments expense	–	–	–	7
- Other short-term benefits	753	512	1,495	1,197
Finance costs				
- Interest expense on bank loan	17	38	35	107
- Interest expense on leases	14	17	30	36
- Interest expense on unwinding of provision for reinstatement cost	16	–	16	–
Provision/(write back) of stock obsolescence	-*	1	-*	(18)
Impairment loss/(write back) of financial assets	4	(2)	4	(13)

* Less than S\$1,000

2.15 Operating segments

The following table provides an analysis of the Group's revenue from external customers based on the products and services where revenue is generated:

Sales revenue by products and services

	Corporate S\$'000	Security Guarding S\$'000	Security Printing S\$'000	Security Technology and Consultancy S\$'000	Cyber Security S\$'000	Elimination S\$'000	Group S\$'000
2H2022							
External customers	–	21,461	2,986	2,310	218	–	26,975
Inter-segment	539	29	–	241	1	(810)	–
Total revenue	539	21,490	2,986	2,551	219	(810)	26,975
Results:							
Interest income	47	–	32	–	–	–	79
Depreciation of property, plant and equipment and investment property	(131)	(83)	(386)	(16)	(2)	–	(618)
Amortisation of right-of-use assets	–	–	(42)	(9)	–	–	(51)
Share of results of joint ventures and associates	–	–	292	–	–	–	292
Segment (loss)/profit	(356)	888	540	(82)	(160)	–	830
Assets:							
Segment assets	25,821	14,992	18,441	2,326	343	(5,852)	56,071
Liabilities:							
Segment liabilities	8,135	6,247	2,664	1,643	510	(6,716)	12,483
2H2021 (Restated)							
External customers	–	15,094	2,676	992	322	–	19,084
Inter-segment	636	–	–	515	11	(1,162)	–
Total revenue	636	15,094	2,676	1,507	333	(1,162)	19,084
Results:							
Interest income	8	–	25	–	–	–	33
Depreciation of property, plant and equipment and investment property	(155)	(44)	(433)	(42)	–	–	(674)
Amortisation of right-of-use assets	–	–	(54)	(17)	–	–	(71)
Share of results of joint ventures and associates	–	–	436	–	–	–	436
Segment (loss)/profit	(255)	2,046	147	(274)	(39)	–	1,625
Assets:							
Segment assets	22,683	10,963	20,120	2,001	261	(1,807)	54,221
Liabilities:							
Segment liabilities	4,464	3,311	2,983	1,353	322	(2,444)	9,989

2.15 Operating segment (cont'd)

	Corporate S\$'000	Security Guarding S\$'000	Security Printing S\$'000	Security Technology and Consultancy S\$'000	Cyber Security S\$'000	Elimination S\$'000	Group S\$'000
FY2022							
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
Segment (loss)/profit	(633)	1,692	471	(69)	(172)	–	1,289
Assets:							
Segment assets	25,821	14,992	18,441	2,326	343	(5,852)	56,071
Liabilities:							
Segment liabilities	8,135	6,247	2,664	1,643	510	(6,716)	12,483
FY2021 (Restated)							
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
Impairment loss on goodwill	–	–	–	–	–	–	–
Segment (loss)/profit	(476)	3,100	191	(217)	(157)	–	2,441
Assets:							
Segment assets	22,683	10,963	20,120	2,001	261	(1,807)	54,221
Liabilities:							
Segment liabilities	4,464	3,311	2,983	1,353	322	(2,444)	9,989

2.15 Operating segment (cont'd)

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:

	FY2022	FY2021
	S\$'000	S\$'000
Non-current assets		
Singapore	24,030	25,172
Taiwan	517	530
Bangladesh	1,516	1,573
	26,063	27,275

Non-current assets presented above consist of property, plant and equipment, right-of-use assets, investment in joint ventures and investment in 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.

2.16 Breakdown of sales

	Group		Increase/ (Decrease)
	FY2022	FY2021	%
	S\$'000	S\$'000	
Sales reported for:			
(a) First half of the financial year	21,662	18,185	19.1
(b) Second half of the financial year	26,975	19,084	41.3
	48,637	37,269	30.5
Profit net of tax:			
(c) First half of the financial year	459	816	(43.8)
(d) Second half of the financial year	830	1,625	(48.9)
	1,289	2,441	(47.2)

Other Information required under the Catalist Rules

3 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors of the Company.

4 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

4A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

5 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group		Group	
	2H2022	2H2021	FY2022	FY2021
Profit attributable to owners of the Company (S\$'000)	830	1,625	1,289	2,441
Weighted average number of shares ('000)	400,002	400,002	400,002	400,002
Basic and diluted EPS based on weighted average number of shares (cents)	0.21	0.41	0.32	0.61

The diluted earnings per share is the same as the basic earnings per share as there were no dilutive instruments.

- 6 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at 31/12/2022	As at 31/12/2021	As at 31/12/2022	As at 31/12/2021
Net asset value (S\$'000)	43,588	44,232	39,969	40,001
Number of shares ('000)	400,002	400,002	400,002	400,002
Net asset value per share (cents)	10.90	11.06	9.99	10.00

- 7 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF THE GROUP'S PERFORMANCE

2H2022 vs 2H2021

Revenue

Revenue increased by 41.3% or S\$7.89 million, from S\$19.08 million in 2H2021 to S\$26.98 million in 2H2022 mainly due to an increase in revenue of (1) S\$6.37 million or 42.2% from the Security Guarding segment, and (2) S\$1.32 million or 133.1% from the Security Technology & Consultancy segment, due to the award of new contracts.

Cost of sales

Cost of sales increased by 40.7% or S\$6.86 million, from S\$16.86 million in 2H2021 to S\$23.72 million in 2H2022, in line with the increase in revenue.

Gross profit

Gross profit increased by 46.6% or S\$1.04 million, from S\$2.22 million in 2H2021 to S\$3.26 million in 2H2022. Gross profit margin increased from 11.6% in 2H2021 to 12.1% in 2H2022 mainly due to the following:

- (1) improvement in gross profit margin from the Security Printing segment due to higher sales, and partially offset by
- (2) decrease in gross profit margin from the Security Guarding segment due to higher deployment costs as a result of the adoption of progressive wage model that increases the payroll cost of security officers.

Other operating income

Other operating income decreased by 71.2% or S\$1.65 million, from S\$2.32 million in 2H2021 to S\$0.67 million in 2H2022. This was due to the end of the Job Support Scheme ("JSS") grant from March 2022 onwards and tapering off of the Job Growth Incentive ("JGI") in 2H2022.

Distribution and selling expenses

Distribution and selling expenses increased marginally by 8.1% or S\$0.06 million, from S\$0.72 million in 2H2021 to S\$0.77 million in 2H2022. This was due to higher commission payout due to the increase in revenue.

Administrative expenses

Administrative expenses increased by 11.5% or S\$0.25 million, from S\$2.22 million in 2H2021 to S\$2.48 million in 2H2022. This was mainly due to additional headcounts to support the Security Guarding segment.

Finance costs

Finance costs largely relates to bank borrowings incurred for financing the acquisition of the Alexandra Property and amortisation of finance leases. Finance costs remained at S\$0.05 million in both 2H2022 and 2H2021.

Share of results of joint ventures and associates

Share of results of joint ventures and associates decreased by 33.1% or S\$0.14 million, from S\$0.44 million in 2H2021 to S\$0.29 million in 2H2022.

Income tax expense

Income tax expense decreased by 75.1% or S\$0.27 million from S\$0.36 million in 2H2021 to S\$0.09 million in 2H2022. This is mainly due to lower profit being recognised in 2H2022 as well as recognition of deferred tax assets for loss making subsidiaries.

Profit attributable to owners of the Company

As a result of the above, profit attributable to owners of the Company decreased by 48.9% or S\$0.79 million from S\$1.63 million in 2H2021 to S\$0.83 million in 2H2022.

FY2022 vs FY2021

Revenue

Revenue increased by 30.5% or S\$11.37 million, from S\$37.27 million in FY2021 to S\$48.64 million in FY2022 mainly due to an increase in revenue of (1) S\$9.28 million or 31.6% from the Security Guarding segment, and (2) S\$2.17 million or 119.1% from the Security Technology & Consultancy segment, due to the award of new contracts.

Cost of sales

Cost of sales increased by 32.4% or S\$10.69 million, from S\$33.04 million in FY2021 to S\$43.73 million in FY2022, in line with the increase in revenue.

Gross profit

Gross profit increased by 16.0% or S\$0.68 million, from S\$4.23 million in FY2021 to S\$4.91 million in FY2022. Gross profit margin decreased marginally from 11.4% in FY2021 to 10.1% in FY2022 mainly due to the decrease in gross profit margin from the Security Guarding segment due to the adoption of progressive wage model that increases the payroll cost of security officers.

Other operating income

Other operating income decreased by 38.6% or S\$1.57 million, from S\$4.08 million in FY2021 to S\$2.51 million in FY2022. This was due to the end of the JSS grant from March 2022 onwards and tapering off of the JGI in FY2022.

Distribution and selling expenses

Distribution and selling expenses increased by 14.9% or S\$0.2 million, from S\$1.35 million in FY2021 to S\$1.55 million in FY2022. This was due to higher commission payout due to the increase in revenue.

Administrative expenses

Administrative expenses increased by 6.1% or S\$0.26 million, from S\$4.44 million in FY2021 to S\$4.70 million in FY2022. The was mainly due to additional headcounts to support the Security Guarding segment.

Finance costs

Finance costs largely relates to bank borrowings incurred for financing the acquisition of the Alexandra Property and amortisation of finance leases. Finance cost decreased by 43.7% or S\$0.06 million, from S\$0.14 million in FY2021 to S\$0.08 million in FY2022 mainly due to full payment of finance leases during the year.

Share of results of joint ventures and associates

This is mainly attributed to the share of profits from the investment in Secura Bangladesh Ltd. Share of results of joint ventures and associates is marginally lower at S\$0.42 million compared to S\$0.45 million in FY2021.

Income tax expense

Income tax expense decreased by 44.3% or S\$0.18 million from S\$0.40 million in FY2021 to S\$0.22 million in FY2022. This is mainly due to lower profit being recognised in FY2022.

Profit attributable to owners of the Company

As a result of the above, profit attributable to owners of the Company decreased by 47.2% or S\$1.1 million from S\$2.44 million in FY2021 to S\$1.29 million in FY2022.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Total assets of the Group of S\$56.07 million as of 31 December 2022 were higher compared to S\$54.22 million as of 31 December 2021. The increase was largely due to the increase in trade and other receivables and contract assets of S\$3.40 million in aggregate, in line with the increase in revenue. The increase was partially offset by the net decrease in cash and cash equivalents of S\$0.92 million and depreciation and amortisation of property, plant and equipment and right-of-use assets of S\$1.35 million.

Total liabilities of the Group of S\$12.48 million as of 31 December 2022 were higher compared to S\$9.99 million as of 31 December 2021. The increase was mainly due to an increase in trade and other payables, contract liabilities and accrued operating expenses of S\$3.14 million in aggregate, in line with the increase in cost of sales. The increase was partially offset by the reduction in bank borrowings and lease liabilities of S\$0.40 million and the decrease in amount due to joint ventures of S\$0.19 million.

Total equity of the Group was S\$43.59 million as of 31 December 2022 compared to S\$44.23 million as of 31 December 2021. The decrease was mainly due to dividends of S\$1.60 million paid to shareholders of the Company in respect of profits for FY2021, partially offset by the profits generated during the period.

REVIEW OF THE GROUP'S CASH FLOWS STATEMENT

The Group generated operating cash flows before working capital changes of S\$2.45 million for FY2022. Net cash used in working capital amounted to S\$1.01 million mainly due to an increase in trade and other receivables and contract liabilities of S\$3.37 million, partially offset by an increase trade and other payables and contract liabilities of S\$2.31 million. Net cash generated from operating activities for FY2022 amounted to S\$1.22 million.

Net cash used in investing activities for FY2022 amounted to S\$0.14 million due to the additions of property, plant and equipment partially offset by dividend received from associate company.

Net cash used in financing activities for FY2022 amounted to S\$1.97 million. This was due to dividend payment of S\$1.60 million, repayment of bank loan of S\$0.28 million and payment of leases of S\$0.10 million.

As at 31 December 2022, the Group's cash and cash equivalents amounted to S\$16.49 million.

8 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement has been previously disclosed.

9 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Though revenue grew by 30.5% in FY2022, gross profit margin declined by 1.3 percentage points mainly due to higher wages as a result of higher deployment costs due to the adoption of a progressive wage model and manpower shortage for the Security Guarding segment.

The overall business environment will be challenging in the face of rising inflation and manpower shortage in the Security Guarding segment. Despite that, the Group continues to review its operational efficiencies and pursues new business opportunities through new products and services offering.

Barring any other unforeseen circumstances, the Group is cautiously optimistic of its business prospect in the current financial year ending 31 December 2023.

10 Dividend

(a) Whether an interim (final) ordinary dividend has been declared (recommended).

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	0.25 cents per ordinary share
Tax rate	Tax exempt (one-tier)

The final dividend in respect of FY2022 (“**Final Dividend**”) is subject to shareholders’ approval at the forthcoming Annual General Meeting (“**AGM**”) of the Company.

(b) Previous corresponding period (cents)

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	0.40 cents per ordinary share
Tax rate	Tax exempt (one-tier)

(c) Date payable

The date of payment of the Final Dividend, if approved by shareholders of the Company at the AGM, will be announced at a later date.

(d) Record date

Subject to shareholders’ approval at the AGM, the record date for the Final Dividend will be announced at a later date.

11 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

Not applicable.

12 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions. During FY2022, the following interested person transactions were entered into by the Group:

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$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 S\$100,000)
Mr. Peter Lim	S\$170,000	–

The interested party transactions were in relation to executive protection services provided to Mr. Peter Lim, a controlling shareholder of the Company.

13 Confirmation by the issuer pursuant to Rule 720(1) of the Listing Manual

The Company has procured the undertakings from all its directors and executive officers as required under Rule 720(1) of the Catalist Rules.

14 Negative confirmation by the board pursuant to Rule 705(5) of the Catalist Rules

Not required for announcement of full year results.

15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by operating segments.

Please refer to Note 7 of this announcement.

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2022 S\$'000	FY2021 S\$'000
Final dividend	1,000*	1,600

* The Final Dividend for FY2022 is recommended by the board of directors of the Company and is subject to the approval of the Company's shareholders at the AGM.

17 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

There are no such persons occupying a managerial position in the Group who is a relative of a director, chief executive officer or substantial shareholder of the Company.

18 Disclosure pursuant to Rule 706A of the Catalyst Rules

- (a) Secura Documation Pte. Ltd., Soverus Consultancy & Services Pte. Ltd and Secura Security Printing Sdn Bhd, the wholly-owned subsidiaries of the Company (the “**Subsidiaries**”), have been placed under members’ voluntary liquidation on 19 December 2022, 19 December 2022 and 14 November 2022, respectively.

The voluntary liquidation of the Subsidiaries is not expected to have any material impact on the net tangible assets or earnings per share of the Group for the financial year ending 31 December 2023.

- (b) To streamline the operations within the Group for greater administrative efficiency, during the year, Soverus Consultancy & Services Pte Ltd, a wholly-owned subsidiary of the Company, transferred its entire shareholding interest in Soverus Kingdom Systems Pte. Ltd. to the Company on 29 November 2022.

- (c) Soverus Technology Pte. Ltd., a wholly-owned subsidiary of the Company, has changed its name to Secura Technology & Consultancy Pte. Ltd. with effect from 17 February 2023.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above-mentioned transactions other than through their respective shareholding interests in the Company (if any).

BY ORDER OF THE BOARD

Kan Kheong Ng
Executive Director and Chief Executive Officer

Melissa Lim
Chief Financial Officer

28 February 2023

*This announcement 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 Catalyst (“**Catalist Rules**”).*

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

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.