



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

Condensed Interim Financial Statements
For the half year ended 30 June 2023

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

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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 | | Increase/ (Decrease) % |
|---|------|-------------------|-------------------|------------------------------|
| | | 1H2023 S\$'000 | 1H2022 S\$'000 | |
| Revenue | 2.12 | 29,472 | 21,662 | 36.1 |
| Cost of sales | | (26,606) | (20,005) | 33.0 |
| Gross profit | | 2,866 | 1,657 | 72.9 |
| Other operating income | 2.13 | 665 | 1,838 | (63.8) |
| Distribution and selling expenses | | (814) | (778) | 4.7 |
| Administrative expenses | | (2,266) | (2,220) | 2.1 |
| Finance costs | | (28) | (34) | (16.8) |
| Share of results of joint ventures and associates | | 188 | 129 | 45.9 |
| Profit before tax | 2.14 | 611 | 592 | 3.3 |
| Income tax expense | | (69) | (133) | (48.0) |
| Profit for the period | | 542 | 459 | 18.2 |
| Other comprehensive income | | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | |
| Share of foreign currency translation of joint ventures and associates | | (45) | 5 | N.M. |
| Total comprehensive income for the period, attributable to owners of the Company | | 497 | 464 | 7.1 |
| Earnings per share (cents per share) | | | | |
| Basic and diluted | 5 | 0.14 | 0.11 | |

N.M: Not meaningful

SECURA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 201531866K)

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 30/06/2023 S\$'000 | As at 31/12/2022 S\$'000 | As at 30/06/2023 S\$'000 | As at 31/12/2022 S\$'000 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 2.6 | 22,374 | 22,823 | 14,125 | 14,204 |
| Right-of-use assets | | 848 | 997 | – | – |
| Investment property | | – | – | 2,370 | 2,415 |
| Investment in subsidiaries | | – | – | 22,284 | 22,284 |
| Investment in joint ventures | | 673 | 674 | – | – |
| Investment in associates | | 1,661 | 1,516 | – | – |
| Deferred tax assets | | 91 | 53 | – | – |
| | | <u>25,647</u> | <u>26,063</u> | <u>38,779</u> | <u>38,903</u> |
| Current assets | | | | | |
| Inventories | | 813 | 813 | – | – |
| Trade and other receivables | 2.7 | 13,082 | 9,046 | 38 | 16 |
| Contract assets | | 4,082 | 2,794 | – | – |
| Prepaid operating expenses | | 1,287 | 638 | 62 | 21 |
| Amount due from subsidiaries | | – | – | 3,031 | 133 |
| Amount due from joint ventures | | – | 227 | – | – |
| Cash and short-term deposits | 2.8 | 11,145 | 16,490 | 6,805 | 9,031 |
| | | <u>30,409</u> | <u>30,008</u> | <u>9,936</u> | <u>9,201</u> |
| Total assets | | <u>56,056</u> | <u>56,071</u> | <u>48,715</u> | <u>48,104</u> |
| Equity and liabilities | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 2.9 | 7,995 | 7,464 | 488 | 510 |
| Contract liabilities | | 463 | 385 | – | – |
| Loans and borrowings | 2.10 | 315 | 314 | 250 | 250 |
| Amount due to subsidiaries | | – | – | 6,991 | 5,078 |
| Amount due to joint ventures | | 172 | – | – | – |
| Income tax payable | | 335 | 465 | – | – |
| | | <u>9,280</u> | <u>8,628</u> | <u>7,729</u> | <u>5,838</u> |
| Net current assets | | <u>21,129</u> | <u>21,380</u> | <u>2,207</u> | <u>3,363</u> |
| Non-current liabilities | | | | | |
| Loans and borrowings | 2.10 | 2,878 | 3,053 | 2,156 | 2,297 |
| Provision of reinstatement cost | | 51 | 51 | – | – |
| Deferred tax liabilities | | 762 | 751 | – | – |
| | | <u>3,691</u> | <u>3,855</u> | <u>2,156</u> | <u>2,297</u> |
| Total liabilities | | <u>12,971</u> | <u>12,483</u> | <u>9,885</u> | <u>8,135</u> |
| Net assets | | <u>43,085</u> | <u>43,588</u> | <u>38,830</u> | <u>39,969</u> |
| Equity | | | | | |
| Share capital | 2.11 | 61,644 | 61,644 | 61,644 | 61,644 |
| Other reserves | | (16,600) | (16,555) | 111 | 111 |
| Accumulated losses | | (1,959) | (1,501) | (22,925) | (21,786) |
| Total equity | | <u>43,085</u> | <u>43,588</u> | <u>38,830</u> | <u>39,969</u> |

SECURA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 201531866K)

- 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 | Other reserves S\$'000 | Accumulated losses S\$'000 | Total equity S\$'000 |
|--|--------------------------|---------------------------|---|--|---------------------------|-------------------------------|-------------------------|
| At 1 January 2023 | 61,644 | (16,291) | (375) | 111 | (16,555) | (1,501) | 43,588 |
| Profit for the period | - | - | - | - | - | 542 | 542 |
| <u>Other comprehensive income</u> | | | | | | | |
| Foreign currency translation | - | - | (45) | - | (45) | - | (45) |
| Other comprehensive income for the period, net of tax | - | - | (45) | - | (45) | - | (45) |
| Total comprehensive income for the period | - | - | (45) | - | (45) | 542 | 497 |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Dividend paid on ordinary shares | - | - | - | - | - | (1,000) | (1,000) |
| At 30 June 2023 | 61,644 | (16,291) | (420) | 111 | (16,600) | (1,959) | 43,085 |
| At 1 January 2022 | 61,644 | (16,291) | (42) | 396 | (15,937) | (1,475) | 44,232 |
| Profit for the period | - | - | - | - | - | 459 | 459 |
| <u>Other comprehensive income</u> | | | | | | | |
| Foreign currency translation | - | - | 5 | - | 5 | - | 5 |
| Other comprehensive income for the period, net of tax | - | - | 5 | - | 5 | - | 5 |
| Total comprehensive income for the period | - | - | 5 | - | 5 | 459 | 464 |
| <u>Contributions by and distributions to owners</u> | | | | | | | |
| Grant of equity-settled share options to employees | - | - | - | (285) | (285) | 285 | - |
| Dividend paid on ordinary shares | - | - | - | - | - | (1,600) | (1,600) |
| At 30 June 2022 | 61,644 | (16,291) | (37) | 111 | (16,217) | (2,331) | 43,096 |

SECURA GROUP LIMITED

(Incorporated in the Republic of Singapore)

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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 2023 | 61,644 | 111 | (21,786) | 39,969 |
| Profit for the period, representing total comprehensive income for the period | – | – | (139) | (139) |
| <u>Contributions by and distributions to owners</u> | | | | |
| Dividend paid on ordinary shares | – | – | (1,000) | (1,000) |
| At 30 June 2023 | 61,644 | 111 | (22,925) | 38,830 |
| At 1 January 2022 | 61,644 | 396 | (22,039) | 40,001 |
| Profit for the period, representing total comprehensive income for the period | – | – | (276) | (276) |
| <u>Contributions by and distributions to owners</u> | | | | |
| Grant of equity-settled share options to employees | – | (285) | 285 | – |
| Dividend paid on ordinary shares | – | – | (1,600) | (1,600) |
| At 30 June 2022 | 61,644 | 111 | (23,630) | 38,125 |

SECURA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 201531866K)

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 STATEMENTS OF CASH FLOWS**

| | Group | |
|---|----------------|----------------|
| | 1H2023 | 1H2022 |
| | S\$'000 | S\$'000 |
| Operating activities: | | |
| Profit before tax | 611 | 592 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment and investment property | 609 | 628 |
| Amortisation of right-of-use assets | 39 | 57 |
| Interest income | (161) | (27) |
| Reversal of impairment loss on financial assets | (6) | – |
| Share of results of joint ventures and associates | (188) | (129) |
| Unrealised exchange loss, net | –* | 25 |
| Finance costs | 28 | 34 |
| Operating cash flows before working capital changes | 932 | 1,180 |
| Decrease in inventories | –* | 119 |
| Increase in trade and other receivables and contract assets | (5,386) | (1,314) |
| Increase in prepaid operating expenses | (649) | (88) |
| Decrease/(increase) in amounts due from/due to joint ventures | 399 | (232) |
| Increase in trade and other payables and contract liabilities | 609 | 1,012 |
| Cash flows used from operations | (4,095) | 677 |
| Interest income received | 161 | 27 |
| Interest paid | (16) | (34) |
| Income tax paid | (227) | (148) |
| Net cash flows (used in)/generated from operating activities | (4,177) | 522 |
| Investing activities: | | |
| Additions to property, plant and equipment | (50) | (85) |
| Dividend received from an associate company | 69 | 131 |
| Net cash flows generated from investing activities | 19 | 46 |
| Financing activities: | | |
| Dividends paid on ordinary shares | (1,000) | (1,600) |
| Payment of principal portion of lease liabilities | (46) | (55) |
| Repayment of bank loan | (141) | (139) |
| Net cash flows used in financing activities | (1,187) | (1,794) |
| Net decrease in cash and short-term deposits | (5,345) | (1,226) |
| Effect of exchange rate changes on cash and short-term deposits | – | (26) |
| Cash and short-term deposits at 1 January | 16,490 | 17,412 |
| Cash and short-term deposits at 30 June | 11,145 | 16,160 |

* 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 the half year ended 30 June (“**1H**”) 2023 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 the financial year ended 31 December (“**FY**”) 2022.

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.

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.

2.5 Segment and revenue information (cont'd)

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 1H2023, the Group acquired property, plant and equipment with an aggregate cost of S\$50,000 (1H2022: S\$85,000).

2.7 Trade and other receivables

| | Group | | Company | |
|---|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 30/06/2023 S\$'000 | As at 31/12/2022 S\$'000 | As at 30/06/2023 S\$'000 | As at 31/12/2022 S\$'000 |
| Trade receivables | 11,968 | 8,046 | – | – |
| Less: Allowance for expected credit loss | (5) | (11) | – | – |
| Total trade receivables | 11,963 | 8,035 | – | – |
| Other receivables | 1,094 | 999 | 24 | 12 |
| Deposits | 25 | 12 | 14 | 4 |
| Total trade and other receivables | 13,082 | 9,046 | 38 | 16 |
| <i>Add:</i> | | | | |
| Amount due from subsidiaries | – | – | 3,031 | 133 |
| Amount due from joint ventures | – | 227 | – | – |
| Cash and short-term deposits | 11,145 | 16,490 | 6,805 | 9,031 |
| Total financial assets carried at amortised cost | 24,227 | 25,763 | 9,874 | 9,180 |

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 short-term deposits

| | Group | | Company | |
|------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 30/06/2023 S\$'000 | As at 31/12/2022 S\$'000 | As at 30/06/2023 S\$'000 | As at 31/12/2022 S\$'000 |
| Fixed deposits | 7,872 | 10,760 | 6,605 | 8,860 |
| Cash and bank balances | 3,273 | 5,730 | 200 | 171 |
| | 11,145 | 16,490 | 6,805 | 9,031 |

Interest on fixed deposits with financial institutions was at rates ranging from 3.10% to 4.00% per annum in 1H2023 (FY2022: 0.50% to 4.00% per annum). These fixed deposits mature in varying periods.

2.9 Trade and other payables

| | Group | | Company | |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 30/06/2023 S\$'000 | As at 31/12/2022 S\$'000 | As at 30/06/2023 S\$'000 | As at 31/12/2022 S\$'000 |
| Trade payables | 2,766 | 2,663 | – | – |
| Other payables | 3,018 | 2,461 | 258 | 266 |
| Accrued operating expenses | 2,211 | 2,340 | 230 | 244 |
| Trade and other payables | 7,995 | 7,464 | 488 | 510 |
| <i>Add:</i> | | | | |
| Loans and borrowings | 3,193 | 3,367 | 2,406 | 2,547 |
| Amount due to subsidiaries | – | – | 6,991 | 5,078 |
| Amount due to joint ventures | 172 | – | – | – |
| <i>Less:</i> | | | | |
| Goods and services tax | (967) | (818) | (16) | (18) |
| Total financial liabilities carried at amortised cost | 10,393 | 10,013 | 9,869 | 8,117 |

2.10 Loans and borrowings

| | Group | | Company | |
|-----------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | As at 30/06/2023 S\$'000 | As at 31/12/2022 S\$'000 | As at 30/06/2023 S\$'000 | As at 31/12/2022 S\$'000 |
| Current: | | | | |
| Lease liabilities | 65 | 64 | – | – |
| Bank loan | 250 | 250 | 250 | 250 |
| | 315 | 314 | 250 | 250 |
| Non-current: | | | | |
| Lease liabilities | 722 | 756 | – | – |
| Bank loan | 2,156 | 2,297 | 2,156 | 2,297 |
| | 2,878 | 3,053 | 2,156 | 2,297 |
| Total loans and borrowings | 3,193 | 3,367 | 2,406 | 2,547 |

The bank loan is secured by a mortgage over the Company's freehold land and building and is repayable over 180 monthly principal instalments ending July 2031. The lease liabilities are secured by the leasehold lands.

2.11 Share capital

| | Group and Company | | | |
|--|--------------------------|----------------|-------------------------|----------------|
| | As at 30/06/2023 | | As at 31/12/2022 | |
| | No. of shares | S\$'000 | No. of shares | S\$'000 |
| Issued and fully paid ordinary shares | | | | |
| As at 30 June 2023 and 31 December 2022 | 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 30 June 2023 (30 June 2022: 2,800,000 share options).

As at 30 June 2023 and 30 June 2022, 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 | |
|---|----------------|----------------|
| | 1H2023 | 1H2022 |
| | S\$'000 | S\$'000 |
| Major product or service lines | | |
| Sales of services | 26,603 | 18,921 |
| Sale of goods | 2,869 | 2,741 |
| Total revenue from contract with customers | 29,472 | 21,662 |
| Timing of revenue recognition | | |
| Services transferred over time | 26,603 | 18,921 |
| Good transferred over time | 520 | 676 |
| Good transferred at point in time | 2,349 | 2,065 |
| | 29,472 | 21,662 |

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

2.13 Other operating income

| | Group | |
|--|-------------------|-------------------|
| | 1H2023 S\$'000 | 1H2022 S\$'000 |
| Government grant income | 371 | 1,649 |
| Interest income | 161 | 27 |
| Handling fee | 70 | 61 |
| Scrap sales | 16 | 14 |
| Rental income from investment property | 5 | 38 |
| Management fee from a joint venture | - | 4 |
| Others | 42 | 45 |
| | 665 | 1,838 |

2.14 Profit before tax

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

| | Group | |
|---|-------------------|-------------------|
| | 1H2023 S\$'000 | 1H2022 S\$'000 |
| Amortisation of right-of-use assets | 39 | 57 |
| Depreciation of property, plant and equipment and investment property | 609 | 628 |
| Directors' fees | 132 | 125 |
| Employee benefits | | |
| - Wages, salaries and bonuses | 20,311 | 16,396 |
| - Central Provident Fund contributions | 2,097 | 1,638 |
| - Other short-term benefits | 1,513 | 742 |
| Finance costs | | |
| - Interest expense on bank borrowings | 16 | 18 |
| - Interest expense on leases | 12 | 16 |
| Reversal of impairment loss on financial assets | (6) | - |

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 |
|--|----------------------|---------------------------------|---------------------------------|---|------------------------------|------------------------|------------------|
| 1H2023 | | | | | | | |
| External customers | – | 25,409 | 2,779 | 1,193 | 91 | – | 29,472 |
| Inter-segment | 582 | 43 | – | 620 | 49 | (1,294) | – |
| Total revenue | 582 | 25,452 | 2,779 | 1,813 | 140 | (1,294) | 29,472 |
| Results: | | | | | | | |
| Interest income | 145 | – | 16 | – | – | – | 161 |
| Depreciation of property, plant and equipment and investment property | (124) | (93) | (366) | (25) | (1) | – | (609) |
| Amortisation of right-of- use assets | – | – | (39) | – | – | – | (39) |
| Share of results of joint ventures and associates | – | – | 188 | – | – | – | 188 |
| Segment (loss)/profit | (139) | 352 | 328 | 120 | (119) | – | 542 |
| Assets: | | | | | | | |
| Segment assets | 26,424 | 19,235 | 18,962 | 2,859 | 363 | (11,787) | 56,056 |
| Liabilities: | | | | | | | |
| Segment liabilities | 9,886 | 10,045 | 2,875 | 2,158 | 607 | (12,600) | 12,971 |
| 1H2022 (Restated) | | | | | | | |
| External customers | – | 17,218 | 2,566 | 1,683 | 195 | – | 21,662 |
| Inter-segment | 540 | 16 | 1 | 102 | 1 | (660) | – |
| Total revenue | 540 | 17,234 | 2,567 | 1,785 | 196 | (660) | 21,662 |
| Results: | | | | | | | |
| Interest income | 6 | – | 21 | – | – | – | 27 |
| Depreciation of property, plant and equipment and investment property | (135) | (72) | (406) | (14) | (1) | – | (628) |
| Amortisation of right-of- use assets | – | – | (48) | (9) | – | – | (57) |
| Share of results of joint ventures and associates | – | – | 129 | – | – | – | 129 |
| Segment (loss)/profit | (276) | 803 | (69) | 13 | (12) | – | 459 |
| Assets: | | | | | | | |
| Segment assets | 20,605 | 13,044 | 19,892 | 1,797 | 300 | (1,972) | 53,666 |
| Liabilities: | | | | | | | |
| Segment liabilities | 4,272 | 4,588 | 2,810 | 1,138 | 373 | (2,611) | 10,570 |

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:

| | 1H2023 | 1H2022 |
|---------------------------|----------------|----------------|
| | S\$'000 | S\$'000 |
| Non-current assets | | |
| Singapore | 23,470 | 24,541 |
| Taiwan | 516 | 536 |
| Bangladesh | 1,661 | 1,613 |
| | 25,647 | 26,690 |

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

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.

Basic earnings per share is computed by dividing the profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the period.

| | Group | |
|---|---------------|---------------|
| | 1H2023 | 1H2022 |
| Profit for the period attributable to owners of the Company (S\$'000) | 542 | 459 |
| Weighted average number of shares ('000) | 400,002 | 400,002 |
| Basic and diluted earnings per share (cents) | 0.14 | 0.11 |

The diluted earnings per share is the same as the basic earnings per share as there were no potential 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 30/06/2023 | As at 31/12/2022 | As at 30/06/2023 | As at 31/12/2022 |
| Net asset value (S\$'000) | 43,085 | 43,588 | 38,830 | 39,969 |
| Number of shares ('000) | 400,002 | 400,002 | 400,002 | 400,002 |
| Net asset value per share (cents) | 10.77 | 10.90 | 9.71 | 9.99 |

- 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

Revenue

Revenue increased by 36.1% or S\$7.81 million, from S\$21.66 million in 1H2022 to S\$29.47 million in 1H2023 mainly due to an increase in revenue of S\$8.19 million or 47.6% from the Security Guarding segment due to the award of new contracts.

Cost of sales

Cost of sales increased by 33.0% or S\$6.60 million, from S\$20.01 million in 1H2022 to S\$26.61 million in 1H2023, in line with the increase in revenue.

Gross profit

Gross profit increased by 72.9% or S\$1.21 million, from S\$1.66 million in 1H2022 to S\$2.87 million in 1H2023. Gross profit margin increased from 7.7% in 1H2022 to 9.7% in 1H2023 mainly due to improvement in gross profit margin from the Security Printing, and Security Technology and Consultancy segment.

Other operating income

Other operating income decreased by 63.8% or S\$1.17 million, from S\$1.84 million in 1H2022 to S\$0.67 million in 1H2023. This was due to the tapering off of the Job Growth Incentive ("JGI") in 1H2023.

Distribution and selling expenses

Distribution and selling expenses increased marginally by 4.7% or S\$0.04 million, from S\$0.78 million in 1H2022 to S\$0.81 million in 1H2023. This was due to higher commission payout due to the increase in revenue.

Administrative expenses

Administrative expenses increased marginally by 2.1% or S\$0.05 million, from S\$2.22 million in 1H2022 to S\$2.27 million in 1H2023. 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\$0.03 million in both 1H2023 and 1H2022.

Share of results of joint ventures and associates

Share of results of joint ventures and associates increased by 45.9% or S\$0.06 million, from S\$0.13 million in 1H2022 to S\$0.19 million in 1H2023. This is mainly attributed to the share of profits from the investment in Secura Bangladesh Ltd.

Income tax expense

Income tax expense decreased by 48.0% or S\$0.06 million, from S\$0.13 million in 1H2022 to S\$0.07 million in 1H2023. This is mainly due to lower non-deductible expenses as well as recognition of partial tax exemption in 1H2023.

Profit attributable to owners of the Company

As a result of the above, profit attributable to owners of the Company increased by 18.2% or S\$0.08 million, from S\$0.46 million in 1H2022 to S\$0.54 million in 1H2023.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Total assets of the Group of S\$56.06 million as of 30 June 2023 were lower compared to S\$56.07 million as of 31 December 2022. The decrease was largely due to the net decrease in cash and short-term deposits of S\$5.35 million and depreciation and amortisation of property, plant and equipment and right-of-use assets of S\$0.65 million in aggregate. The decrease was partially offset by the increase in trade and other receivables and contract assets of S\$5.32 million in aggregate, in line with the increase in revenue.

Total liabilities of the Group of S\$12.97 million as of 30 June 2023 were higher compared to S\$12.48 million as of 31 December 2022. The increase was mainly due to an increase in trade and other payables and contract liabilities of S\$0.61 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\$0.18 million and the decrease in amount due to joint ventures of S\$0.17 million.

Total equity of the Group was S\$43.09 million as of 30 June 2023 compared to S\$43.59 million as of 31 December 2022. The decrease was mainly due to dividends of S\$1.00 million paid to shareholders of the Company in respect of profits for FY2022, 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\$0.93 million for 1H2023. Net cash used in working capital amounted to S\$5.03 million mainly due to an increase in trade and other receivables and contract asset of S\$5.39 million and an increase in prepaid operating expenses of S\$0.65 million, partially offset by an increase in trade and other payables and contract liabilities of S\$0.61 million and an increase in amount due to joint ventures of S\$0.40 million. Net cash used in operating activities for 1H2023 amounted to S\$4.18 million.

Net cash generated from investing activities for 1H2023 amounted to S\$0.02 million due to dividend received from associate company, partially offset by additions of property, plant and equipment.

Net cash used in financing activities for 1H2023 amounted to S\$1.19 million. This was due to dividends payment of S\$1.00 million, repayment of bank loan of S\$0.14 million and payment of leases of S\$0.05 million.

As at 30 June 2023, the Group's cash and short-term deposits amounted to S\$11.15 million.

Secura Group Limited

Incorporated in the Republic of Singapore

Company Registration No.: 201531866K

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.

Our Security Guarding business continues to grapple with a shortage of manpower, primarily due to intense competition in the labour market earlier this year. This shortage has affected our ability to deploy officers efficiently, leading to higher costs of deployment. However, we are actively addressing these issues through recruitment and training initiatives. The initial results are promising and we are already seeing some stabilisation. We remain optimistic that these efforts will lead to further improvements in the second half of the year.

Our Security Printing business is expected to encounter challenges ahead following the recent announcement by the Monetary Authority of Singapore and the Association of Banks in Singapore. The announcement indicates the elimination of corporate cheques by the end of 2025. Although non-corporate cheques will still be in use beyond 2025, the volume is projected to decrease. This shift in the payment landscape is expected to have a substantial impact on our Security Printing business performance.

Our recent acquisition of Onesecure Asia Pte. Ltd. represents a pivotal moment for the Group, signifying a significant milestone. This strategic move is set to expand our cybersecurity service offerings and create new avenues in the Managed Security Service Provider (MSSP) domain. We anticipate that the integration of Onesecure Asia's expertise and resources will further enhance our cybersecurity capabilities, enabling us to provide clients with even more comprehensive and innovative solutions.

Based on the current economic outlook and barring any unforeseen circumstances, the Group continues to maintain a cautious outlook of its business prospects in the current financial year ending 31 December 2023.

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

Nil

(b) (i) Amount per share (cents)

Nil

(ii) Previous corresponding period (cents)

Nil

(c) Whether the dividend is before tax, net of tax or tax exempt.

Not applicable.

(d) Date payable

Not applicable.

(e) Record date

Not applicable.

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

No dividend has been declared or recommended for the current financial period as the Company will only consider declaring a final dividend after the end of each financial year.

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. There is no interested person transaction during the period.

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

To the best knowledge of the board of directors of the Company, nothing has come to the attention of the Board which may render the financial results for 1H2023 of the Group and the Company to be false or misleading in any material aspect.

15 Disclosure pursuant to Rule 706A of the Catalist Rules

There was no acquisition and/or sale of shares by the Company in its subsidiary or associated company during 1H2023 which requires disclosure pursuant to Rule 706A of the Catalist Rules.

BY ORDER OF THE BOARD

Kan Kheong Ng
Executive Director and Chief Executive Officer

Melissa Lim
Chief Financial Officer

10 August 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 Catalist (“**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.