SECURA GROUP LIMITED

SECURING OUR FUTURE

Cyber Security ◆ Homeland Security ◆ Systems Integration
Security Guarding ◆ Security Printing ◆ Security Consultancy
Executive Protection ◆ Event Security ◆ Private Investigation

Annual Report 2015

CONTENTS

This Annual Report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Annual Report.

This Annual Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume 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 Khong Choun Mun, Managing Director and Head, Equity Capital Markets, and Mr Chia Beng Kwan, Senior Director, Equity Capital Markets at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.

CORPORATE PROFILE

Secura Group Limited ("**Secura Group**") is a leading provider of an integrated suite of security products, services and solutions. The Group was formed through a merger of the Secura group of companies and the Soverus group of companies.

The Secura group of companies has been providing security printing services since 1976 and owns one of the largest cheque printing businesses in Singapore. The Soverus group of companies provides security services including security guarding, cyber security, homeland security, security consultancy and other security products and services.

As a security agency with an established track record, the Group has consistently been awarded 'A' Grading (Excellent) by the Police Licensing & Regulatory Department from 2012 to 2016. The Group has a well-diversified customer base comprising more than 550 customers in various industries, including multinational corporations, financial institutions and government agencies.

SECURA GROUP LIMITED

Merger of Two Groups

SOVERUS® Security Solutions

SECURA

Soverus group of companies
Provides security guarding, cyber security, homeland security and other services

Secura group of companies
Provides security printing services

OUR BUSINESS

Security Printing

As one of the largest cheque printing businesses in Singapore, we have close to 40 years of experience in providing security printing services of value documents, with anti-counterfeit features. Certified ISO 9001:2008 and ISO 27001:2005, our products include:

- Bank cheques and passbooks
- Parking coupons
- Postage stamps
- Educational certificates
- Cash vouchers
- Machine-readable betting slips

Security Guarding

We are a premium Grade ‘A’ security agency in Singapore providing unarmed, manned security guarding services for commercial premises, data centres, embassies, hotels, schools, hospitals, government buildings, high value industrial premises and residential properties.

To enhance the quality of our services, we have implemented several measures to motivate and equip our security guards with the right knowledge and technology. We have our own proprietary visitor management system software which automates the data entry process for visitor registration. We also have a 24-hour command centre using CCTVs and 3G streaming to supervise our security guards, as well as using RFID (Radio-frequency identification) technology to ensure our security guards perform their patrols dutifully.

Cyber Security

Started in January 2015, our cyber security business is engaged in the provision of cyber security consultancy, products and professional services, as well as the resale of our partners' cyber security products.

Our partners include the following leading IT security enterprises:
- Mojo Networks (Wireless AP/WIPS)
- Heat Software (Endpoint Security)
- Dell Software (Privileged Access Management)
- WatchGuard (Unified Threat Management Firewall)
- SkyBox (Netwok Risk Analytic)
- Log Rhythm (Security Information Event Management)
- Rapid7 (Vulnerability Assessment & Penetration Testing)
- CyberArk (Privileged Access Management)
- FireEye (Advanced Persistent Threats Solutions)

Homeland Security

We distribute state-of-the-art homeland security products for Morpho Detection, LLC, a US-based defence and security multinational. The products we distribute include baggage and narcotics screening systems, radiation detection devices and other border control products. We are the appointed distributor for Morpho homeland security products in Singapore, Cambodia and Laos.

Other Security Services

- We offer a whole suite of customised security systems solutions and services for the protection of individuals and companies, mainly in access control as well as surveillance and premises security.

- We also provide security consulting, risk assessment, tender management and project management services.

- Our team of highly-trained executive protection and events security officers are also engaged to secure the safety of wealthy individuals, celebrities, embassies and events management companies.

- We also undertake private investigation and professional surveillance services, including static, mobile and electronic surveillance, covering corporate investigation and business intelligence, intellectual property rights, pre-employment checks and employee fraud, amongst others.

AWARDS

SOVERUS GROUP

2016 — **Singapore SME 1000 Company**
Ranked 662th

2015 — **Singapore Enterprise 50 Awards**
Ranked 17th

2015 — **Midas Touch Asia Enterprise Awards 2015**
Platinum

2015 — **NTUC May Day Awards 2015**
Plaque of Commendation

2015 — **Singapore SME 1000 Company**
Emerging 2015

2014 — **Singapore Enterprise 50 Awards**
Ranked 19th

2012 — **Singapore Prestige Brand Award**
Winner for SPBA Most Promising Brands 2012

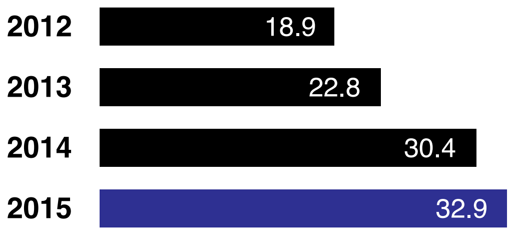
SECURA GROUP

ISO 9001:2008 I ISO 27001:2005

FINANCIAL HIGHLIGHTS

(Based on pro forma combined financial information)
Financial year ended 31 December

REVENUE (S$'m)



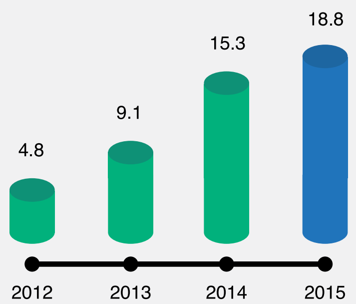
NET PROFIT (S$'m)

	2012	2013	2014	2015
Net profit (before adjustments)	2.4	2.6	8.2	3.5
Non-recurring gains/ (expenses)			5.0[1]	(0.7)[2]
Adjusted net profit	2.4	2.6	3.2	4.2

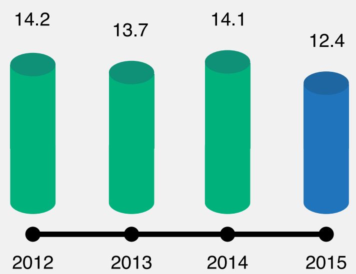
[1] One-off net gain of S$5.0 million from disposal of the Lok Yang Property in FY2014.
[2] Listing expenses of S$0.7 million in relation to the Restructuring Exercise and the IPO in FY2015.

REVENUE GROWTH BY BUSINESS SEGMENTS

SECURITY GUARDING (S$'M)

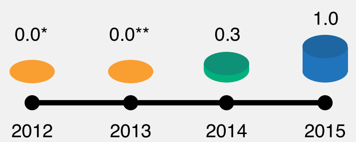


SECURITY PRINTING (S$'M)



CYBER SECURITY, TECHNOLOGY AND SYSTEMS INTEGRATION (S$'M)

*S$10,000
**S$36,000



SECURITY CONSULTANCY AND SERVICES (S$'M)

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

On behalf of the Board of Directors of Secura Group, we are pleased to present our inaugural annual report for the financial year ended 31 December 2015 (**"FY2015"**).

We would like to express our appreciation to all investors for your support during our Initial Public Offering (**"IPO"**) in January this year. Our offering of 112 million new shares, which attracted applications from institutional investors and retail investors, was 2.2 times subscribed. Priced at S$0.25 a share, we raised a total of S$28 million.

We are proud to have scored two 'firsts' with our IPO in the local stock market. We are the *first* IPO with detachable warrants to be launched in Singapore, and also the *first* listed company that offers a fully integrated suite of security products and services from security guarding to cyber security and homeland security. Notably, in less than two months after our IPO, we were selected to join the FTSE ST Catalist index.

Unique Strengths in an Evergreen Industry

Security is an evergreen industry. In times of peace, we need security to safeguard our assets and maintain stability. In times of trouble, we depend on security even more to protect lives and property from destruction and damage. The Secura Group is built on several unique strengths which make us well-positioned to go far in the security industry and harness the opportunities it presents.

Our unique business model is built on two established businesses and two growth drivers. Our two established businesses – security printing and security guarding – form the backbone of the Secura Group, providing the stability and the recurrent income stream on which we build our future growth.

We are one of the leaders in the security printing business in Singapore, having operated for over 35 years. Our security guarding business has grown rapidly over the last five years to its current headcount of close to 700 security officers. In the short time that we have been operational, we have won numerous awards and accolades in recognition of our achievements and contributions to the security guarding industry.

While we continue to grow our established businesses, we have identified and ventured into two business areas which we believe will further drive our growth momentum – cyber security and homeland security.

With the adoption of the Internet of Things (**"IoT"**) and the move towards smart cities, organisations are increasingly susceptible to cyber-attacks. We launched our cyber security business in January 2015, and within a year, we have secured several enterprise clients and achieved significant growth in sales of cyber security related products and professional services.

For homeland security, we have been appointed a distributor for Morpho Detection, LLC, (**"Morpho"**) in Singapore, Cambodia and Laos. Morpho is a US-based defence and security multinational company specialising in state-of-the-art homeland security products. Some of the Morpho products that we distribute include explosives and narcotics trace detection systems.

Financial Performance Review

Buoyed by our strong reputation in the security guarding business, and our new businesses of cyber and homeland security, the Group delivered a set of robust results for FY2015. Our net profit after tax grew 11.4% year-on-year (**"y-o-y"**) to S$3.5 million compared to S$3.2 million (excluding a one-off net gain of S$5.0 million from a property sale) in the same period last year (**"FY2014"**).

The net profit growth was achieved on the back of an 8.3% y-o-y growth in revenue to S$32.9 million, largely driven by new contracts in security guarding, and contributions from the new business of cyber security.

Rewarding Shareholders

In view of this set of positive results, the Board of Directors has recommended a first and final tax-exempt cash dividend of 0.3 Singapore cents per share, which is expected to be paid on 25 May 2016.

Outlook and Future Plans

The Singapore government has recently announced plans to upgrade Singapore's capability to counter terrorism which will include expanding CCTV coverage across the island, and launching a new national programme called SG Secure to organise and train people to protect Singapore from terror attacks.

In anticipation of the rising security threats in Singapore and the region, Secura has already started several initiatives that will position us well for the opportunities we see in the growing security business. For a start, we are building a new 24-hour command centre with remote CCTV surveillance and video analytic capabilities, which will offer cost effective solutions for clients that want to step up their round-the-clock monitoring.

As a strong proponent of upskilling and training, we have spent $300,000 on 19,000 hours of training for our security officers in FY2015. We are also developing a training academy to conduct courses for our own security officers and those from third-parties to better equip them to carry out their duties competently and raise the standard of professionalism in the guarding industry.

Our strong team of consultants have also been helping building and estate owners to better design their security infrastructure to mitigate risks of attacks and crime in Singapore and the region.

Our state-of-the-art explosive and narcotics detectors from Morpho are increasingly being deployed at various checkpoints. In particular, we are very excited about Morpho's lightweight and ultra-portable radiation detection and identification device called the SourceID, for which we are the sole distributor in Singapore, Cambodia and Laos. This is the first of its kind in the commercial world which is able to identify multiple radioactive sources simultaneously with directional capabilities. Though we will only be launching it in Asia in the middle of 2016, we have already received strong interest and enquiries.

In addition to physical security, Secura is one of very few companies in Singapore which has the unique ability to mitigate, mediate and respond to intrusions in the cyber space as well. To this end, we will be focusing on building our cyber security capabilities this year.

We are already in the process of setting up a research and development unit which will be developing customised cyber security solutions, as well as increasing our value-add to customers by building up our core competency in systems integration. We expect this to be up and running by the fourth quarter of 2016.

For security printing, we will be upgrading our equipment with bar-code scanning systems and cheque printing finishing systems.

With these planned investments in the various business segments, we are confident we will be able to utilise the best opportunities in the growing security business and create a positive impact on our bottomline in the immediate future.

In Appreciation

Our success over the past years has been the efforts of our various stakeholders and we would like to take this opportunity to thank them.

Being a people-driven business, our staff has been instrumental to the success of the Group. Your hard work and commitment has helped build a strong reputation for the Group. Thank you for going the extra mile and achieving the results we have today.

We wish to thank our fellow Board members for providing the company with strong guidance and professional counsel. We are also grateful to our business partners and suppliers for supporting the business. We value our relationships and hope to work even more closely in the coming year. To our customers, thank you for your continued support and confidence in us.

Finally, we wish to thank our shareholders for choosing to believe in Secura Group and its future. We look forward to a long relationship with you.

Dr Ho Tat Kin
Chairman and Independent Director

Mr Paul Lim Choon Wui
Chief Executive Officer and Executive Director

OPERATIONS AND FINANCIAL REVIEW

The Secura Group comprising Secura group of companies (SSPL Group) and Soverus group of companies (SGPL Group), is only formed subsequent to 31 December 2015. The unaudited pro forma combined financial information of the Secura Group is compiled from the financial information of the Company as well as SSPL Group and SGPL Group for FY2015. The unaudited pro forma combined financial information of the Secura Group for FY2014 is extracted from our Offer Document dated 20 January 2016. Please refer to Appendix A of this Annual Report for the unaudited pro forma combined financial information of the Secura Group for FY2014 and FY2015.

Overview

For FY2015, Secura Group's profit net of tax grew 11.4% to S$3.5 million compared to S$3.2 million, excluding one-off net gain of S$5.0 million from a sale of property in FY2014.

Pro Forma Combined Statements of Comprehensive Income

Revenue:
- Security guarding rose 22.7% to S$18.8 million
- Cyber security rose more than 3 times to S$1.0 million
- Security printing decreased by 12.3% to S$12.4 million

Other Operating Income:
- Government Grants under the Wage Credit Scheme, Special Employment Credit and Temporary Employment Credit rose in FY2015
- FY2014 had a one-off net gain of S$5.0 million from a property sale

Administrative Expenses:
Increases arising mainly from:
- Provision for impairment of receivables due from associate
- Foreign exchange loss for Secura Malaysia
- Severance compensation to employees of Secura Malaysia

Shares of Results of Joint Ventures and Associate:
- Higher profit contribution from Secura Taiwan and Secura Bangladesh

Income Tax Expense:
- Increase in taxable Government Grants

Profit Net of Tax:
- Excluding one-off net gain of S$5.0 million in FY2014, net profit rose 11.4% to S$3.5 million in FY2015

S$'000	FY2015	FY2014	Δ (%)
Revenue	**32,924**	**30,410**	**8.3**
Cost of Sales	(26,611)	(23,584)	12.8
Gross Profit	**6,313**	**6,826**	**(7.5)**
Other Operating Income	4,195	6,742[1]	(37.8)
Distribution and Selling Expenses	(955)	(1,055)	(9.5)
Administrative Expenses	(4,935)	(4,372)	12.9
Listing Expenses	(653)	-	nm
Share of Results of Joint Ventures and Associate	137	123	11.4
Profit Before Tax	**4,102**	**8,264**	**(50.4)**
Income Tax Expense	(568)	(93)	>100
Profit Net of Tax	**3,534**	**8,171**	**(56.7)**

nm: not meaningful

[1] Other operating income included a one-off net gain on disposal of the Lok Yang Property of S$5.0 million.

Pro Forma Combined Balance Sheet

Current Assets:
- S$2.1 million increase in trade and other receivables mainly due to Government Grants receivable of S$1.8 million in FY2015
- S$0.2 million decrease in inventories resulting from better inventory management

Non-current Assets:
- S$0.7 million decrease in property, plant and equipment from depreciation charged during the year
- S$0.3 million decrease in trade and other receivables attributable to repayment of loans from the director and the timing of maturity of fixed deposits pledged for performance bonds placed for Security Guarding contracts
- S$0.1 million increase on higher profit contribution from associate

Current Liabilities:
- S$5.0 million decrease in dividend payables resulting from progressive payment during the year
- S$0.5 million decrease in accrued operating expenses resulting from the winding down of Secura Malaysia
- S$1.7 million increase in trade and other payables mainly for purchases made towards the end of the year as well as for professional fees for the Restructuring Exercise and the IPO

Non-current Liabilities:
- Increase in finance leases of motor vehicles
- Increase in deferred tax liabilities from the recognition of Government Grant receivable and accelerated capital allowance

Total Equity:
- Increase in current year's retained profits of S$3.5 million to S$5.1 million

S$'000	As at 31 Dec 2015	As at 31 Dec 2014
Current Assets	16,265	14,568
Non-current Assets	10,827	11,817
Total Assets	**27,092**	**26,385**
Current Liabilities	13,080	16,486
Non-current Liabilities	434	4
Total Liabilities	**13,514**	**16,490**
Net Assets	**13,578**	**9,895**
Share Capital	8,365	8,365
Retained Earnings	5,073	1,539
Reserve	140	(9)
Total Equity	**13,578**	**9,895**

Pro Forma Combined Statements of Cash Flow

Net Cash from Operating Activities:

- Include S$0.5 million used in working capital due to increase in trade and other receivable, prepaid operating expense and decrease in accrued operating expenses
- Partially offset by decline in inventories and increase in trade and other payables

Net Cash from Investing Activities:

- Payment of S$0.5 million for the acquisition of property, plant and equipment
- Partially offset by proceeds from disposal of property, plant and equipment and dividend income from a joint venture company of S$0.2 million

Net Cash from Financing Activities:

- Increase in fixed deposits placed for performance bonds of S$0.2 million, dividend payment of S$5.0 million, which was offset by receipts of S$0.2 million from a director for repayment of loan

S$'000	FY2015	FY2014
Cash flows from operations	5,258	2,388
Net cash flows (used in) / generated from investing activities	(308)	4,108
Net cash flows used in financing activities	(5,008)	(5,105)
Net (decrease)/ increase in cash and cash equivalents	**(58)**	**1,391**
Cash and cash equivalents at beginning of year	6,188	4,797
Exchange rate differences	(11)	-
Cash and cash equivalents at end of year	**6,119**	**6,188**

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility (**"CSR"**) is an important pillar of our business as we strongly believe that by giving back, we not only ensure the sustainable growth of our organisation, but that of the community we are a part of. Through our various initiatives, we are dedicated to making a positive difference to the lives of our employees, stakeholders and society at large.

Security Supervisor Othman Bin Daud

"The children are very happy and appreciative of the bursaries from the company. There are many extra-curriculum in school which means more money needed. The bursaries can help us buy books and uniforms and pay for other school expenses, which is definitely useful as I am the sole breadwinner."

Giving the Best to our Employees

- **Bursaries**

Since 2012, we have been awarding bursaries to the children of our employees, particularly, our security officers. Twice a year, we award bursaries to those in kindergarten all the way to tertiary level. Our bursaries are presented in special ceremonies by government leaders, including a cabinet minister. In the last three years, from 2012 to 2015, we have given out bursaries totalling almost $60,000, benefiting 227 officers and their 413 children.

- **Other Benefits**

We also provide our staff with various telecommunications, medical, dental benefits, as well as insurance coverage for our security officers and vouchers for their children.

Making a Difference to the Community

Being in the security business, ensuring the well-being of the community in which we live in goes hand in hand with our business. We strive to make a positive impact on the lives of people in the community through various activities, sponsorships and donations. Our community projects include:

Singapore Anti-Narcotics Association (SANA) Charity Golf & Dinner 2015
2 September 2015
We supported SANA's Charity Golf in 2015. The funds raised were used for anti-drug programmes that provide counselling, aftercare and re-integration of drug-offenders, as well as drug prevention education programmes.

Project Intan 2015
3 September 2015
Project Intan 2015 is a charity initiative to raise funds for children from distressed and broken families, which was attended by Minister for Social and Family Development, Mr Tan Chuan-Jin.

BNP Paribas CSR Outreach 2015
12 December 2015
For the third consecutive year, we participated in the annual CSR event for BNP Paribas in collaboration with the Queenstown Constituency Office. The event saw the distribution of food and basic necessities to 600 needy households. We supported the activity by providing our fleet of vehicles and drivers.

BOARD OF DIRECTORS

Dr Ho Tat Kin
Chairman and Independent Director

Dr Ho Tat Kin was appointed to our Board on 16 October 2015. Dr Ho was the deputy director of the Japan-Singapore Institute of Software Technology, a project between the Japanese and Singapore governments to transfer Japanese technology to Singapore from 1982 to 1990. He was subsequently promoted to director of the Japan-Singapore Institute of Software Technology in 1991, and remained in office till 1997.

Between 1989 and 1999, Dr Ho served as the chairman of the Toa Payoh Town Council (and, later, the Bishan-Toa Payoh Town Council) and was responsible for supervising the management staff of the town council. In 1984, Dr Ho was elected as a member of parliament of Singapore, and remained in office till 2001. From 2010 to 2013, Dr Ho served as the executive chairman of Rowsley Ltd and was responsible for the day-to-day management of the company's business operations.

Dr Ho graduated from the University of Singapore with a Bachelor of Science (Honours) in 1966. He also received a Japan International Co-operation Agency (Post-graduate) Certificate (Teachers on Computer Science) completed at Yamanashi University-Tokyo University in 1975, a Master of Science in Technological Economics from the University of Stirling, United Kingdom, in 1980, and a Doctor of Philosophy from the University of Stirling, United Kingdom, in 1982. Dr Ho is also a life member of the Institute of Physics of Singapore and received a Distinguished Science Alumni award from the National University of Singapore in 2011.

Mr Paul Lim Choon Wui
Executive Director and Chief Executive Officer

Mr Paul Lim Choon Wui was appointed to our Board on 14 August 2015. Mr Lim joined our Group in February 2010. Since then, he has expanded our service offerings from security consultancy services to a comprehensive range of security products, services and solutions, including cyber security solutions, homeland security products and services, security guarding, security systems, executive protection and events security and private investigations.

Prior to joining our Group, Mr Lim held various positions in the Singapore Police Force between 1990 to 2010, including key appointments such as commander of Tanglin Police Division and deputy director of various departments at the Police Headquarters.

Mr Lim is an Executive Council Member of Small and Medium Enterprises and an ordinary member of the Singapore Institute of Directors. He is also a certified security professional of the Security Association (Singapore).

Mr Lim was awarded the Singapore Police Force overseas scholarship in 1990 and graduated from the University of Cambridge with a Bachelor of Arts (Honours) in 1993. He also obtained a Master of Arts from the University of Cambridge in 1997. In 2002, he obtained a Master in Public Management from the Lee Kuan Yew School of Public Policy of the National University of Singapore under a Singapore Police Force postgraduate scholarship.

Ms Lim Siok Leng

Executive Director, Chief Financial Officer and General Manager (Security Printing) (Covering)

Ms Lim Siok Leng was appointed to our Board on 16 October 2015. Ms Lim has been serving with our Group for over 20 years. She is responsible for overseeing the overall operations of the security printing business as well as the finance and accounting functions of our Group.

Ms Lim began her career in Hofer Communications (Pte) Ltd as a finance manager in 1986. In 1995, she joined the Secura group of companies as a finance and administrative manager, progressing to the position of financial controller in 2002. Between 2002 and 2015, Ms Lim was responsible for the overall finance functions and accounting matters of the Secura group of companies, including implementation of internal controls and compliance with regulatory requirements.

Ms Lim was later appointed as managing director of the Secura group of companies in 2015, and her area of responsibility was expanded to include overseeing the company's performance, implementation of company policies and developing strategic plans.

Ms Lim graduated from the National University of Singapore in 1986 with a Bachelor of Accountancy. She has been an associate of the Institute of Singapore Chartered Accountants since 1995.

Mr Tan Wee Han

Non-Executive, Non-Independent Director

Mr Tan Wee Han was appointed to our Board on 16 October 2015. Mr Tan is currently the chief executive officer of MENU Pte Ltd and an executive director of Kestrel Investments Pte. Ltd., our Controlling Shareholder. Prior to joining Kestrel Investments Pte. Ltd. and MENU Pte Ltd, Mr Tan began his career at Pepperl + Fuchs Pte Ltd, where he worked as a sales engineer from 1989 to 1991. From 1991 to 1998, he was a regional manager for Parker Hannifin Singapore Private Limited, where he was responsible for sales of motion and control products in Asia. In 1998, he founded Crystal Wines Pte Ltd and was managing director until 2012.

Mr Tan obtained a Diploma in Electronics and Communication Engineering from Singapore Polytechnic in 1987. He also obtained both a Diploma in Marketing Management from Ngee Ann Polytechnic and a Diploma in Marketing from the Chartered Institute of Marketing, United Kingdom, in 1993. In 1998, he received a Master of Business Administration from the University of Dubuque, U.S.

Mr Lock Wai Han

Non-Executive, Non-Independent Director

Mr Lock Wai Han was appointed to our Board on 16 October 2015. Mr Lock was an executive director and the group chief executive officer of Rowsley Ltd until 1 January 2016. Prior to joining Rowsley Ltd in 2013, Mr Lock served in the public sector from 1986 to 2010, during which he held several key appointments, including commissioner of Immigration & Checkpoints Authority of Singapore, director of the Criminal Investigation Department of the Singapore Police Force and deputy secretary of the Ministry of Information, Communications & the Arts of Singapore. In 2010, Mr Lock left the public sector to join CapitaMalls Asia Limited as its chief corporate officer. In 2011, he was reassigned as deputy chief executive officer (PRC) and appointed as general manager of the North-East region, and was responsible for overseeing CapitaMalls Asia Limited's portfolio of more than 50 retail malls and mixed developments in the PRC. He was appointed as chief executive officer of CapitaMalls Asia Limited's PRC operations on 2011 and remained in office till 2013.

Mr Lock was awarded the Singapore Police Force overseas scholarship in 1986 and graduated from the University of Cambridge with a Bachelor of Arts in Engineering in 1989. He also received a Master of Arts in Engineering from the University of Cambridge in 1993 and a Master of Science in Management from the Leland Stanford Junior University in 1999.

Mr Gary Ho Kuat Foong

Independent Director

Mr Gary Ho Kuat Foong was appointed to our Board on 16 October 2015. Mr Ho has over 35 years of experience in corporate management and finance. He began his career as a tax officer with the Australian Tax Office in 1977, where he worked till 1979. From 1980 to 1992, Mr Ho was the sole-proprietor of Gary Ho & Associates in Australia. From 1980 to 1999, he was the sole proprietor of G. Ho & Associates, a financial and management planning consultancy firm. He was appointed a non-executive director of Asiamedic Limited from 1999 to 2000, before being appointed as an executive director and chief financial officer of Asiamedic Limited from 2000 to 2001. From May 2002 to December 2002, he was a director of Manchester United Food & Beverage (Asia) Pte Ltd.

Mr Ho left the corporate world between 2003 and 2006. Since 2006, he has been appointed as a director of various companies.

Mr Ho graduated with a Bachelor of Science as well as a Bachelor of Commerce from the University of Western Australia in 1975 and 1977, respectively. Mr Ho is also a member of the Institute of Singapore Chartered Accountants, as well as a certified practising accountant of CPA Australia.

Mr Ong Pang Liang

Independent Director

Mr Ong Pang Liang was appointed to our Board on 16 October 2015. Mr Ong has over 25 years of experience in banking and finance. From 1983 to 1984, Mr Ong worked as a funding officer at Singapore-Japan Merchant Bank Limited. From 1984 to 1986, he worked as a foreign exchange trader at Merrill Lynch International Bank. He then became assistant vice president for foreign exchange trading at Security Pacific National Bank, where he worked from 1986 to 1988. From 1988 to 2000, Mr Ong served as the managing director and head of foreign exchange at Bank of America, Singapore Branch, and from 2000 to 2002, he moved to Shanghai, the PRC, to become the managing director and general manager of Bank of America, Shanghai Branch. From 2002 to 2003, he served as a proprietary trader at Phillip Capital Group, and from 2004 to 2007, he was the head of treasury at Bangkok Bank, Singapore Branch. From 2008 to 2010, he served as the chief financial officer of Rowsley Ltd.

In 2010, Mr Ong was appointed as executive director of UPP Holdings Pte Ltd, where he remained in office until 2012. Mr Ong was a non-executive director of UPP Holdings Limited from 2012 to 2015 and is currently a non-executive, independent director of UPP Holdings Limited.

Mr Ong graduated from the National University of Singapore in 1983 with a Bachelor of Business Administration.

EXECUTIVE OFFICERS

Mr Chew Oon Ping
General Manager (Security Consultancy and Services)

Mr Chew Oon Ping has been with our Group since 2013. He is responsible for developing and implementing business strategies and managing the overall operations of our security consultancy and services business.

Prior to joining our Group, Mr Chew began his career as an assistant project consultant at Decorial Pte Ltd in 2001, where he worked till 2006. In 2006, he joined Certis CISCO Security Pte Ltd, where he worked as an account manager until 2008. From 2008 to 2009, Mr Chew became the marketing manager for National Parks Board, and from 2009 to 2013, he was a senior manager at AETOS Security Management Pte Ltd, where he was responsible for providing professional key account management and customer support to assigned government accounts.

Mr Chew graduated from the University of Western Sydney in 2003 with a Bachelor of Business Administration.

Mr Goh Ching Hua Kelvin
General Manager (Security Guarding)

Mr Goh Ching Hua Kelvin joined our Group in 2013 as a business development manager and was promoted to general manager of Soverus Pte. Ltd. in 2014. Mr Goh is responsible for managing the overall operations, and sales and marketing strategies of our security guarding business. He is also involved in planning the recruitment strategies for our security officers, together with Ms Pek Geok Ling, our Head of Human Resources.

Prior to joining our 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 detections systems, electronics access control systems and car park barrier systems. From 2009 to 2010, he was a sales manager at Security Distribution and Consultancy Pte Ltd, before taking on the role of a manager of business development and strategic planning 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.

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

Ms Ong Guat Ling
General Manager (Security Technology)

Ms Ong Guat Ling joined our Group in 2015 and is responsible for business development and oversight of Cyber Security, Technology and Systems Integration. This includes promoting the sales of our cyber security products and services and our homeland security products, as well as keeping abreast of new products, trends and technologies relevant to our security technology and systems integration business.

Prior to joining our Group, Ms Ong began her career as a banquet sales manager for York Hotel in 1992. In 1995, she left York Hotel to join Computer Associates Pte Ltd as a marketing assistant. From 1997 to 1999, Ms Ong was a marketing communications manager at ACCPAC Software International Pte Ltd. From 1999 to 2001, she was an account manager at Azure Technologies Pte Ltd before moving back to ACCPAC Software International Pte Ltd in 2001 as a business partner account manager for Malaysia, Thailand and Vietnam. In 2004, Ms Ong joined Marasi International Pte Ltd, an information technology products and trading company, as a sales representative and in 2008, she was promoted to business development manager and was responsible for managing existing clients and acquiring new accounts. She became general manager in 2011 and was responsible for all matters relating to sales and operations, including managing the profit and loss accounts, sales forecasts and client management.

Ms Ong completed the Singapore-Cambridge General Certificate of Education Advanced Level examinations in 1991.

Ms Pek Geok Ling
Head of Human Resources

Ms Pek Geok Ling is our Head of Human Resources. She joined our Group in 2014 and is responsible for the full spectrum of human resources activities of our Group, including recruitment, selection, compensation and benefits, employee training and development, performance management and staff welfare.

Prior to joining our Group, Ms Pek began her career as an operations executive at Intraco Foods Pte Ltd in 2002. In 2003, she moved to Singhealth Polyclinics, where she worked as a clinic executive till 2005. From 2005 to 2007, Ms Pek was a human resources executive at Fujitsu Asia Pte Ltd, where she was responsible for managing recruitment and general human resources administration. From 2007 to 2008, she was a human resources executive at the National Healthcare Group Pte Ltd, and from 2008 to 2010, she was a senior human resources executive at the Defence Science and Technology Agency. From 2010 to 2011, she was a senior human resources executive at Arvato Digital Services Pte Ltd, where she was responsible for the end-to-end recruitment life-cycles of internal clients. From 2013 to 2014, she served as a senior human resources executive at the Agency for Integrated Care Pte Ltd, and was responsible for partnering with hiring managers to develop recruitment strategies and increase focus on performance management.

Ms Pek graduated from the National University of Singapore in 2001 with a Bachelor of Business Administration.

The Board of Directors (the "Board") of Secura Group Limited (the "Company") and, together with its subsidiaries, (the "Group") recognises the importance of corporate governance and the offering of high standards of accountability to the shareholders of the Company. Good corporate governance establishes and maintains a legal and ethical environment in the Group to protect the interests of the shareholders and to maximise long-term shareholders' value.

This report outlines the corporate governance framework and practices adopted by the Company since its listing on Catalist on 28 January 2016, with reference to the Code of Corporate Governance 2012 (the "Code") issued by the Monetary Authority of Singapore on 2 May 2012 and the disclosure guide (the "Disclosure Guide") issued by the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Group has complied substantially with the principles and guidelines of the Code. Where there are deviations from the recommendations of the Code, we have provided the reasons and explanations in relation to the Company's practices, where appropriate.

Principle 1: The Board's Conduct of Affairs

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

The Board has adopted a set of internal guidelines specifying matters requiring the Board's approval. These include, among others, approval of the Group's strategic plans, major investment and funding proposals, review of annual budget and financial performance of the Group and appointment of Directors and key office holders.

Functions of the Board are carried out directly by the Board or through committees of the Board, which have been set up to support its work, with written terms of reference. In this regard, board committees, namely the Nominating Committee ("NC"), Remuneration Committee ("RC") and Audit Committee ("AC") have been constituted to assist the Board in the discharge of specific responsibilities. Further information on the roles and responsibilities of the NC, RC and AC are provided below.

The Board will meet on a quarterly basis or more frequently, when required. The Constitution of the Company has provided for telephonic and video-conference meetings.

As the Company was listed on Catalist on 28 January 2016, there were no Board and/or Board committees meeting in the financial year ended 31 December 2015 ("FY2015"). Nonetheless, the Board attended various verification and due diligence meetings, together with the other professional advisers involved in the initial public offering ("IPO") of shares in the share capital of the Company (where applicable), for the purpose of verifying the information contained in the Company's offer document dated 20 January 2016.

Formal appointment letter setting out the directors' duties and obligations has been issued to each newly appointed director. The Directors have attended relevant training and have been 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 business. The Company also conducts visits 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. The Company encourages its Directors to undergo further relevant training, if necessary, to update themselves on the relevant new laws, regulations and changing commercial risks, from time to time.

The attendance of Directors at the recent Board and Board Committee meetings held after the Company's listing on the Catalist in 2016 is as follows:

Name	**Board Meeting**	**AC Meetings**	**NC Meetings**	**RC Meetings**
No. of meeting held post listing	**1**	**1**	**1**	**1**
Name of Directors	**Number of meetings attended post listing**			
Dr. Ho Tat Kin (Chairman)	1	1	1	1
Paul Lim Choon Wui	1	N.A.	N.A.	N.A.
Lim Siok Leng	1	N.A.	N.A.	N.A.
Tan Wee Han	1	N.A.	1	N.A.
Lock Wai Han	1	1	N.A.	N.A.
Ong Pang Liang	1	1	1	1
Gary Ho Kuat Foong	1	1	1	1

Principle 2: Board Composition and Guidance

The Board comprises seven Directors, two of whom are Executive Directors. Of the five Non-Executive Directors, three are Independent Directors. Memberships of the Board Committees are as follows:

Board Composition Table

Name	**Date of Appointment**	**Board Membership**	**AC**	**NC**	**RC**
Dr. Ho Tat Kin	16 October 2015	Independent Director and Chairman	Member	Chairman	Member
Paul Lim Choon Wui	14 August 2015	Executive Director and CEO	–	–	–
Lim Siok Leng	16 October 2015	Executive Director and CFO	–	–	–
Tan Wee Han	16 October 2015	Non-Executive and Non-Independent Director	–	Member	–
Lock Wai Han	16 October 2015	Non-Executive and Non-Independent Director	Member	–	–
Ong Pang Liang	16 October 2015	Independent Director	Chairman	Member	Member
Gary Ho Kuat Foong	16 October 2015	Independent Director	Member	Member	Chairman

As the number of independent directors make up at least one-third of the Board, the Company complies with the guideline on the proportion of independent directors on the Board. In addition, as our Independent Directors were appointed in October 2015, none of them has served on the Board for more than nine years.

The independence of each Independent Non-executive Director is assessed at least annually by the NC, adopting the Code's definition. All the Independent Directors have been determined to be independent, with each individual Director concerned abstained from the review of his own independence.

As highlighted in the Company's offer document dated 20 January 2016:

(i) none of our Independent Directors or any of their immediate family members has been employed by our Group;

(ii) none of our Independent Directors or any of their immediate family members has accepted any significant compensation for the provision of services from our Group;

(iii) none of our Independent Directors or any of their immediate members is a shareholder of, partner in, or a director or executive officer of any entity which has significant transactions with our Group, In addition, there has not been any transactions of any nature between our Group and Independent Directors or their associates; and

(iv) none of our Independent Directors or any of their associates is related to any of our Controlling Shareholder, Directors or Executive Officers.

Each year, the Board reviews its size, taking into account, *inter alia*, the scope and nature of the Group's business and operations and the benefits of all aspects of diversity, including but not limited to gender, age, educational background and professional experience in order to provide the Board access to an appropriate range and balance of skills, experience and backgrounds.

All Directors are professionals in their own fields, together they bring to the Board multiple skill sets, relevant competencies, and attributes to discharge the functions of the Board and Board Committees, and respond to challenges facing the Group. At present, the Board has one (1) female Executive Director, namely, Ms Lim Siok Leng.

The current board size of seven members is considered appropriate for the Company, taking into account the nature and scope of the Company's operations. In addition, the Board believes that the current composition provides an appropriate balance of skills, experience, gender and knowledge which facilitates effective decision making. The Directors hold core competencies such as accounting and finance, business and management as well as industry knowledge.

Principal 3: Chairman and Chief Executive Officer

Dr. Ho Tat Kin is the Chairman of the Company. The Chairman sets the tone of the Board meetings to encourage participation and constructive discussions on the agenda topics. He leads the Board in its discussions and deliberations, facilitates effective contribution by Directors and ensures the timeliness of information flow between the Board and management.

Mr Paul Lim Choon Wui is the CEO. The CEO plays an instrumental role in setting the strategic direction of the Group and ensuring that its organisational objectives are achieved. He oversees the day-to-day management of the Group with the support of the CFO.

The Chairman of the Board and the CEO are not related to each other.

Principle 4: Board Membership

The NC comprises four Directors, the majority of whom, including the NC Chairman, are Independent Directors:-

Dr. Ho Tat Kin (Chairman)
Tan Wee Han
Ong Pang Liang
Gary Ho Kuat Foong

The NC holds at least one NC meeting each financial year.

Principal functions of the NC include:-

- making recommendations to the Board on appointment of new Directors and Executive Officers, including nominations of Directors for re-election in accordance with the Company's Constitution;

- reviewing and approving any new employment of persons related to the Directors and Substantial Shareholders and proposed terms of their employment;

- determining the independence of Directors;

- reviewing and deciding whether or not 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;

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

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

- determining and recommending to the Board the maximum number of listed company board representations which any Director may hold; and

- developing a process for evaluation of the performance of the Board, its committees and 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 balance and diversity of skills required to support the Company's business activities and strategies as well as qualification, experience and attributes of prospective candidate.

Pursuant to the listing of the Company on the Catalist, it will adopt a comprehensive and detailed process in 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.

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 Company's Constitution requires that newly appointed Directors by the Board retire at the next Annual General Meeting ("AGM") following his/her appointment. One-third of the Board is to retire from office at every subsequent AGM. Director over the age of 70 years who was re-appointed pursuant to Section 153(6) of the Companies Act, Chapter 50 which was then in force will hold office until the conclusion of the forthcoming AGM.

All retiring Directors are eligible and have offered themselves for re-election.

Accordingly, the NC has recommended that all Directors be nominated for re-election at the forthcoming AGM.

No member of the NC participated in deliberations or decisions on recommendations for his own re-nomination to the Board.

The NC had reviewed the multiple-board seats held by the Directors and their confirmations that they are able to devote sufficient time and attention to the matters of the Group and noted that the Directors had attended various verification and due diligence meetings in relation to the IPO. The NC is satisfied that Directors have been able to devote sufficient time and resources to the affairs of the Company. As such, the Board does not think that it is necessary to set the maximum number of listed board representations that any Director may hold as all the Directors are able to devote to the Company's affairs in light of their commitments.

Principle 5: Board Performance

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

The assessment parameters include, among others, attendance at meetings of the Board and Board Committees, contributions and participation at meetings and ability to make informed decisions.

Each Director will evaluate the performance of the Board taking into account a set of performance criteria which includes, *inter alia*, Board composition and size, shareholders' access to information, Board processes, Board effectiveness, Board standards of conduct and financial performance indicators.

Performance of individual Directors is observable through devotion of 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.

In view of the recent constitution of the Board and Board Committees, the performance evaluation will be conducted at the end of the financial year ending 31 December 2016 when Directors have had the opportunity to work together.

Principle 6: Access To Information

In order to ensure that the Board is able to fulfil its responsibilities, management provides Directors with periodic updates of the latest developments in the Group, management accounts, reports and other financial information. Detailed board papers are provided to the Directors before the scheduled meetings so as 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.

At each quarterly Board meetings, the Executive Directors and management brief the Non-Executive Directors on the state of the Group's business, finance and risks. The Non-Executive Directors are also briefed on the key developments in the security printing and security services industry.

The Directors are informed and are aware that they may take 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 had also attended the Board and Board Committee meetings and is responsible to ensure that established procedures and all relevant statues and regulations which are applicable to the Company are complied with.

Principal 7: Procedure for Developing Remuneration Policies
Principal 8: Level and mix of Remuneration
Principle 9: Disclosure on Remuneration

The RC comprises three Independent directors namely:-

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

The RC holds at least one meeting each financial year.

Principal functions of the RC include:-

- reviewing and recommending to the Board, a framework for determining executive remuneration including the remuneration of the CEO and key management personnel;

- reviewing the remuneration of key management personnel and employees related to our Directors, CEO or substantial shareholders, if any, to ensure that their remuneration packages are in line with staff remuneration guidelines

- administering the Secura Employee Share Option Scheme and Secura Performance Share Plan (collectively, the "Share-Based Incentive Plans");

- reviewing and approving each award as well as the total awards under each plan in accordance to the rules governing each plan. Including awards to Directors and each key management personnel; and

- reviewing and recommending to the Board, a framework of remuneration (including directors' fees) for non-executive Directors of the Company.

The Group's remuneration policy is to provide competitive remuneration packages to reward, retain and motivate high levels of performance. In setting remuneration packages, the Company 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.

Only Executive Directors have service agreements. The service agreements entered into between the Company and Executive Directors on 20 January 2016 are for an initial period of three years, renewable thereafter on a yearly basis and may be terminated by either party giving not less than 90 days written notice. Each of our Executive Directors and key management personnel is entitled to, *inter alia*, a base salary and performance related incentives linked to the financial performance of the Group and the individual's performance, which is assessed based on their respective performance indicators.

In structuring and reviewing the remuneration packages, the RC seeks to align the interests of Directors and key management 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 key management. The RC reviews the remuneration received by the Executive Directors based on the financial performance of the Group. The Executive Directors reviews the remuneration of key management based on the staff remuneration guidelines to ensure that their remuneration packages commensurate with their respective job scope and responsibilities. The RC is satisfied that the performance conditions for the Executive Directors and key management personnel for FY2015 were met. Non-Executive Directors receive directors' fees for their services. Each Non-Executive Director receives a basic fee and additional fees for serving on a committee. The fees are determined by the Board, taking into account the effort, time spent and responsibilities of the Director.

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

All revisions to the remuneration packages of the Directors and key management personnel are subject to the review by and recommendation of the RC and the approval of the Board. Directors' fees are further subject to the approval of shareholders at the AGM. Where necessary, the RC could seek external professional advice on remuneration matters of Directors and key management personnel. The RC did not seek any external professional advice in FY2015.

In reviewing the service contracts of the Executive Directors and key management, the RC will take in consideration the Company's obligations in the event of termination of these service contracts, to ensure that such service contracts contain fair and reasonable termination clauses which are in line with industry norms and practices.

The Company had adopted 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.

No share options and performance shares have been granted and/or awarded during FY2015.

The breakdown of remuneration paid to or accrued to each Director of the Company for FY2015 is as follows:

Directors	**Fees %**	**Salary # %**	**Bonus %**	**Other Benefits %**	**Total %**
Between S$250,000 to S$500,000					
Paul Lim Choon Wui	–	89.6%	8.5%	1.9%	100.0%
Below S$250,000					
Lim Siok Leng	–	85.7%	14.1%	0.2%	100.0%
Dr. Ho Tat Kin	100.0%	–	–	–	100.0%
Ong Pang Liang	100.0%	–	–	–	100.0%
Gary Ho Guat Foong	100.0%	–	–	–	100.0%
Tan Wee Han	100.0%	–	–	–	100.0%
Lock Wai Han	100.0%	–	–	–	100.0%

Refer to basic salary and CPF contribution by employer

The Company has disclosed each Director's and the CEO's remuneration as a breakdown (in percentage terms) into fixed salary, variable or performance related incentives/bonuses, benefits-in-kind and share-based incentives. No other long-term incentives and no termination, retirement or post-employment benefits have been granted to the Directors. The Company has disclosed each Director's and CEO's remuneration in bands of S$250,000. The Company believes it is not in the best interest of the Company to disclose the remuneration details in view of the confidentiality and sensitivity of such information in a small and medium enterprise environment.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Directors key Management in exceptional circumstances of misstatement of financial results, or of misconduct resulting in reputational damage and/or financial loss to the Group. The Executive Director and CEO and key Management owe fiduciary duties to the Company and the Company should be able to avail itself to remedies against the Executive Director and key Management in the event of such breach of their fiduciary duties.

The aggregate remuneration received by the key management personnel (who are not Directors or the CEO) for FY2015 was S$406,148 and in each case, below S$250,000. The various components of the remuneration of the Group's key management personnel (who are not Directors or the CEO) in percentage terms are as follows:

Key Management Personnel	**Salary** %	**Variable Bonus** %	**Allowances and Other Benefits**	**Total** %
Below S$250,000				
Goh Ching Hua Kelvin	78.4%	16.6%	5.0%	100.0%
Chew Oon Ping Derek	82.3%	7.2%	10.5%	100.0%
Ong Guat Ling	91.7%	8.3%	–	100.0%
Pek Geok Ling	85.5%	14.5%	–	100.0%

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

The remuneration of employees who are immediate family members of our Directors or substantial shareholders will be reviewed annually by our RC to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increments and/or promotions for these employees who are immediate family members of our Directors or substantial shareholders will also be subject to the review of our RC. In addition, any new employment of employees who are immediate family members of our Directors or substantial shareholders and the proposed terms of their employment will be subject to the review and approval of our NC. In the event that a member of our RC or NC is related to the employee under review, he will abstain from the review.

The remuneration of employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds S$50,000 during FY2015 are as follows:-

Between S$50,000 to S$100,000		
Name	Designation	Relationship
Wong Wei Kong, Victor	Logistics & Purchasing Manager	Brother-in-law of Paul Lim Choon Wui (CEO and Executive Director)

Principle 10: Accountability

The Company has adopted quarterly results reporting. News releases and quarterly results announcements are published through SGXNET in an effort to provide the shareholders of the Company with a balanced and understandable assessment of the Company's performance, position and prospects on a quarterly basis.

Management provides the Board with appropriately detailed management accounts and explanation on a quarterly basis, which in the Board's opinion is currently sufficient to present a balanced and understandable assessment of the Group's performance, position and prospects.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risks and the overall internal control 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.

Management is responsible to the Board for the design, implementation and monitoring of the Company's risk management and internal control systems and to provide the Board with a basis to determine the Company's level of risk exposure, risk tolerance and risk policies.

The Group had engaged KPMG Services Pte Ltd ("Internal Auditor"), to conduct a review and assessment of pertinent business processes and operations, including:

(i) procurement and payables;

(ii) vendor management;

(iii) sales management;

(iv) credit management;

(v) cash management;

(vi) human resources and payroll processing;

(vii) contract management;

(viii) inventory management;

(ix) fixed assets management; and

(x) compliance with SGX listing requirements.

The Group has agreed to all the recommendations and procedures to address the internal control weaknesses highlighted by the Internal Auditor in their report. Based on the follow-up review performed by the Internal Auditor, the Group has fully implemented corrective actions to address significant or "high risk" issues identified from the initial review. No material exceptions were noted by Internal Auditor in their follow up review of the implementation of the recommendations highlighted.

The AC reviews with the external auditor, as part of their statutory audit, the adequacy and effectiveness of the Company's internal controls relevant to the preparation of financial statements.

Based on the internal control policies and procedures established and maintained by the Group, work performed by the external and internal auditor, and reviews performed by the management, the Board with the concurrence of the AC is of the view that the internal controls of the Group addressing financial, operational, compliance and information technology risks, and risk management systems are adequate and effective as at 31 December 2015.

The Board has also received assurances from the CEO and the CFO that the Group's risk management and internal control systems in place are adequate and effective in addressing the material risks of the Group in its current business environment including financial, operational, compliance and information technology risks and also that the financial records have been properly maintained and the financial statements give a true and fair view of the Group's business operations and finances.

The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

Whistle Blowing Policy

The Company has put in place a whistle-blowing framework ("Whistle Blowing Policy") endorsed by the AC where the employees of the Group or any other person may, in confidence, raise concerns about possible corporate improprieties on matters of financial reporting or other matters. A dedicated secured email address (ac@securagroup.sg) has been set up to allow whistle-blowers to contact the AC directly.

Details of the Whistle Blowing Policy and arrangements have been made available to all employees of the Group. The AC ensures that independent investigations and any appropriate follow-up actions are carried out.

Principle 12: Audit Committee

The AC comprises four directors, the majority of whom, including the AC Chairman, are Independent Directors:-

Ong Pang Liang (Chairman)
Dr. Ho Tat Kin
Lock Wai Han
Gary Ho Kuat Foong

The AC meets at least four times a year.

Principal functions of the AC include:

- assisting the Board in the discharge of its responsibilities on financial and reporting matters;
- reviewing with the internal and external auditors their plans and reports;
- reviewing the quarterly results announcements, annual budget and annual financial statements before submission to the Board for approval;
- reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of the internal controls and procedures addressing financial, operational, information technology and compliance risks;
- reviewing the independence and objectivity of the internal and external auditor and recommending to the Board their appointment or re-appointment;
- meeting with external auditor without presence of management at least annually;
- reviewing and discussing with the internal and external auditor 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 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 auditor;
- 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 in relation to the Whistle Blowing Policy.

In addition to the duties listed above, the AC shall also commission an annual internal controls audit until such time that it is satisfied that the internal controls of the Group are sufficiently robust and effective in mitigating any key internal control weaknesses the Group may have. Prior to decommissioning such annual internal controls audit, the Board shall report to the Sponsor and Issue Manager and the SGX-ST the basis for deciding to decommission the annual internal controls audit, as well as the measures taken to rectify the key weaknesses in and/or strengthen the internal controls of the Group. Thereafter, the AC shall commission such audits as and when it deems fit for the purposes of satisfying itself that the internal controls of the Group have remained robust and effective. Upon the completion of an internal control audit, the Board shall make the appropriate disclosures via SGXNET of any weaknesses in the Group's internal controls which may be material or of a price sensitive nature, as well as any follow-up actions to be taken by the Board.

The AC 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 our Group's operating results and/or financial position. Each member of our AC shall abstain from voting on any resolutions in respect of matters in which he is interested.

The AC keeps abreast of changes to accounting standards and issues which have a direct impact on financial statements through the report presented by the external auditor on the scope and results of the external audit, and through their discussions with the external auditor.

The AC had met with the external auditor, Ernst & Young LLP, without the presence of the management to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audit and the independence and objectivity of the auditor.

The AC has undertaken a review of all non-audit services that are provided by the external auditor and is satisfied that the provision of such services has not affected the independence of the external auditor. The audit and non-audit fees that are charged to the Group by the external auditor amounted to $140,000 and $20,000 respectively. In addition, fees billed in FY2015 in connection with the IPO of the Company amounted to $120,000.

Having undertaken a review of the non-audit services provided during the year, the AC remains confident that the objectivity and independence of the external audits are not in any way impaired by reason of the non-audit services which they provide to the Group as these services were provided solely in connection with the Company's IPO. The AC has recommended to the Board the nomination of Ernst & Young LLP for re-appointment as the Company's external auditor at the forthcoming AGM.

The Group has complied with Rules 712 and 715 of the Catalist Rules on the appointment of auditing firms for the Company, subsidiaries and significant associated companies.

Principle 13: Internal Audit

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 KPMG Services Pte Ltd. The AC approves the hiring, removal, evaluation and compensation of the internal auditor. The internal auditor reports directly to the chairman of the AC. The AC 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 AC reviews the adequacy and effectiveness of the internal audit function at least annually to, *inter alia*, ensure that (i) the majority of the identified risks are audited by cycle, (ii) the recommendations of the internal auditor are properly implemented, and (iii) the effectiveness and independence of the internal auditor.

The AC is 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.

Principle 14: Shareholder Rights and Responsibilities
Principle 15: Communication with Shareholders
Principle 16: Conduct of Shareholder Meetings

The Group's corporate governance practices promote fair and equitable treatment of all the Company's 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 results and annual reports are announced or issued within the mandatory period. In addition, information deemed to be price-sensitive is disseminated without delay via announcements on SGXNET.

Shareholders are informed of general meetings through notices published in the newspaper and the Company's announcements and press releases via SGXNET as well as through reports/circulars sent to all shareholders. They 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. The Company's Constitution allows each shareholder to appoint proxies to vote and attend general meetings on his behalf.

Directors, including the chairpersons of the Board and the respective committees are present at the annual general meetings to answer shareholders' questions. The external auditor, sponsor and other professionals (as necessary) will also be present. Minutes of general meetings, which include relevant and substantial questions and comments from shareholders and response from the Board and management, are available to shareholders upon written request.

The Company holds briefings to present its financial results for the media and analysts, when requested. Outside of the financial announcement periods, when necessary and appropriate, management will meet investors and analysts who like to seek a better understanding of the Group's business 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 its shareholders and the public a better perspective of the Group's business, operations and prospects.

The Company has appointed an investor relations firm to manage communications with its stakeholders and to ensure that their queries and concerns are promptly addressed by the relevant management personnel. The contact details of the investor relations firm is provided in the corporate information page of the annual report. The investor relations firm have procedures in place for responding to investors' queries as soon as possible.

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.

The Board has recommended a final (one-tier tax exempt) dividend of Singapore 0.3 cent per ordinary share for FY2015 for approval by shareholders at this AGM.

Dealings in Securities

Rule 1204(19) of the Catalist Rules

The Company has adopted a Code of Best Practices to provide guidance to all Directors and employees of the Group. The internal compliance code set out a code of conduct to provide guidance for the Directors and employees of the Group on their dealings with the Company's securities, as well as the implications of insider trading.

The Company has advised its Directors and all employees not to deal in the Company's securities during the period commencing two weeks prior to the announcement of the Company's financial results for the first three quarters of the financial year, one month prior to the announcement of full-year results and ending on the date of the announcement of the results. The Company has also reminded its Directors and employees not to deal in the Company's securities on short-term considerations.

The Company has complied with its Code of Best Practices.

Interested Person Transactions

The Company does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Catalist Rules.

Interested person transactions carried out during FY2015 are as follows:-

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
Lim Eng Hock	$459,000	–

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

Material Contracts

Rule 1204(8) of the Catalist Rules

Save for the service agreements between the Company and the Executive Directors and 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 material contracts entered into by the Company or any of its subsidiaries involving the interest of any Director, CEO or controlling shareholder of the Company which are still subsisting as at 31 December 2015.

Non-sponsor Fees

Rule 1204(21) of the Catalist Rules

With reference to Rule 1204(21) of the Catalist Rules, there was no non-sponsor services rendered by the Company's sponsor, United Overseas Bank Limited, to the Group in FY2015.

Use of Proceeds From Initial Public Offering ("IPO")

Rule 1204(22) of the Catalist Rules

The net proceeds from the IPO due to the Company, is S$26.2 million.

The following table sets out the breakdown of the use of net proceeds from the IPO due to the Company as at the date of this Annual Report:

Purpose	Allocation of Net Proceeds (as disclosed in the Offer Document) (S$'000)	Net Proceeds utilised as at the date of this Annual Report (S$'000)	Balance of Net Proceeds as at the date of this Annual Report (S$'000)
Expand security guarding business	9,300	–	9,300
Expand cyber security, technology and systems integration business	5,500	–	5,500
Enhance and upgrade security printing equipment	1,000	–	1,000
Corporate infrastructure improvements	4,000	–	4,000
General working capital purposes	6,400	(4,800)	1,600
	26,200	(4,800)	21,400

The directors hereby present their statement to the members together with the audited financial statements of Secura Group Pte. Ltd. (the "Company") for the financial period from 14 August 2015 (date of incorporation) to 31 December 2015.

Opinion of the directors

In the opinion of the directors,

(i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Company for the financial period from 14 August 2015 (date of incorporation) to 31 December 2015; 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:

Paul Lim Choon Wui	(appointed on 14 August 2015)
Lim Siok Leng	(appointed on 16 October 2015)
Gary Ho Kuat Foong	(appointed on 16 October 2015)
Tan Wee Han	(appointed on 16 October 2015)
Lock Wai Han	(appointed on 16 October 2015)
Ong Pang Liang	(appointed on 16 October 2015)
Dr. Ho Tat Kin	(appointed on 16 October 2015)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial period 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 in, or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial period, had, according to the register of directors' shareholdings, required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and its related corporations as stated below:

	Direct interest	
Name of director	**Date of incorporation**	**At end of the financial period**
Ordinary shares of the Company		
Paul Lim Choon Wui	100	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial period and 21 January 2016.

Share Options

The Company has 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.

No share options have been granted pursuant to the Secura ESOS since its inception.

Share Plan

The Company has 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 prospectus dated 20 January 2016 and are administered by the Administration Committee comprising members of the Nominating Remuneration Committees as follows:-

Dr. Ho Tat Kin
Ong Pang Liang
Gary Ho Kuat Foong
Tan Wee Han

Auditor

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

On behalf of the board of directors:

Paul Lim Choon Wui
Director

Lim Siok Leng
Director

Singapore
1 April 2016

Report on the Financial Statements

We have audited the accompanying financial statements of Secura Group Limited (the "Company"), set out on pages 34 to 46, which comprise the balance sheet of the Company as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Company for the financial period from 14 August 2015 (date of incorporation) to 31 December 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and of the financial performance, changes in equity and cash flows of the Company for the financial period from 14 August 2015 (date of incorporation) to 31 December 2015.

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 have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore
1 April 2016

As at 31 December 2015

	Note	2015 $
ASSETS		
Current assets		
Prepayments		41,600
Cash and cash equivalents	4	100
		41,700
EQUITY AND LIABILITIES		
Current liabilities		
Other payables	5	646,187
Accrued operating expenses	5	121,229
		767,416
Net liabilities		(725,716)
Equity		
Share capital	6	100
Accumulated losses		(725,816)
Total deficit		(725,716)
Total equity and liabilities		41,700

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

	Note	14.8.2015 to 31.12.2015
		$
Administrative expenses		73,311
Listing expenses		652,505
Loss before tax	7	725,816
Income tax expense	8	–
Loss for the financial period, representing total comprehensive income for the period		725,816
Loss per share ($ per share):		
Basic and diluted earnings per share	13	7,258

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

For the financial period from 14 August 2015 (date of incorporation) to 31 December 2015

	Share capital (Note 6)	Retained earnings	Equity, total
	$	$	$
At 14 August 2015 (date of incorporation)	100	–	100
Loss for the financial period, representing total comprehensive income for the period	–	(725,816)	(725,816)
At 31 December 2015	100	(725,816)	(725,716)

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

For the financial period from 14 August 2015 (date of incorporation) to 31 December 2015

	Note	14.8.2015 to 31.12.2015
		$
Operating activities		
Loss before tax	7	(725,816)
Changes in working capital		
Increase in prepayments		(41,600)
Increase in other payables		646,187
Increase in accrued operating expenses		121,229
Total changes in working capital		725,816
Net cash flows from operating activities		–
Net increase in cash and cash equivalents		–
Cash and cash equivalents at 14 August 2015 (date of incorporation)		100
Cash and cash equivalents at 31 December		100

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

1. Corporate information

Secura Group Pte. Ltd. (the "Company") is a private limited company incorporated and domiciled in Singapore. The Company was incorporated on 14 August 2015. On 15 October 2015, Mr. Paul Lim Choon Wui transferred 100 shares to Kestrel Investments Pte. Ltd. ("Kestrel") at $100 and Kestrel became the sole shareholder of the Company.

The registered office and principal place of business of the Company is No. 8, Pioneer Road North, Singapore 628460.

The principal activity of the Company is investment holding.

On 14 January 2016, the Company was converted into a public limited company and is listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST"). With effect from 14 January 2016, the name of the Company was changed from Secura Group Pte. Ltd. to Secura Group Limited.

Restructuring exercise

On 13 January 2016, the Company entered into a sale and purchase agreement with the shareholders of Soverus Group Pte. Ltd. ("SGPL") and Secura Singapore Pte. Ltd. ("SSPL") to acquire 100% equity interest in SGPL and its subsidiaries ("SGPL group") and SSPL and its subsidiaries ("SSPL group") for a consideration of $2,110,000 and $9,652,000, respectively, paid in full with the allotment and issuance of 287,999,900 new shares of the Company to the shareholders (the "Restructuring Exercise").

Following the restructuring exercise, the Company became the sole shareholder of SGPL and SSPL with effect from 16 January 2016.

In connection with the Initial Public Offering ("IPO") of the Company, 112,000,000 Invitation Shares were issued at $0.25 each, with 224,000,000 free detachable warrants. Each warrant carries the right to subscribe for one converted share at the exercise price of $0.35 for each converted share, on the basis of two warrants for every one Invitation Share.

The exercise period of the warrants commences on 26 January 2016 for a period of three years and expires on 25 January 2019.

The IPO raised gross proceeds and net proceeds of $28,000,000 and $26,200,000 respectively.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

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 "$").

2. Summary of significant accounting policies (continued)

2.2 *Standards issued but not yet effective*

The Company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017

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

2.3 *Foreign Currency*

(a) **Functional currency**

The financial statements are presented in Singapore Dollars, which is also the functional currency of the Company.

(b) **Transactions and balances**

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency 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 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 date when fair value was determined.

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.

2.4 *Financial instruments*

(a) **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. Summary of significant accounting policies (continued)

2.4 *Financial instruments (continued)*

(a) **Financial assets (continued)**

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 and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit and loss are subsequently measured at amortised cost using the effective interest rate 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. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.5 *Impairment of financial assets*

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. Summary of significant accounting policies (continued)

2.5 *Impairment of financial assets (continued)*

Financial assets carried at amortised cost (continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.6 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand.

2.7 *Provisions*

Provisions are recognised when the Company 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.

2.8 *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 by the end of the reporting period, in the country where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss. 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.

2. Summary of significant accounting policies (continued)

2.8 *Taxes (continued)*

(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.

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 interests in 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.

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.

2. Summary of significant accounting policies (continued)

2.9 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.

3. Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

4. Cash and cash equivalents

	2015
	$
Cash on hand, representing total loans and receivables	100

5. Other payables

	2015
	$
Amount due to related parties	646,187
Add: Accrued operating expenses	121,229
Total financial liabilities carried at amortised cost	767,416

These amounts are non-trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

6. Share capital

	2015	
	No. of shares	$
Issued and fully paid:		
At 14 August 2015 (date of incorporation)/31 December 2015	100	100

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.

6. Share capital (continued)

Subsequent to 31 December 2015, the Company issued an aggregate of 287,999,900 shares amounting to $11,762,000 as consideration for the acquisition of SGPL group and SSPL group pursuant to the Restructuring Exercise in connection with the IPO of the Company. Consequently, the share capital of the Company increased to $11,762,100 comprising 288,000,000 shares.

In connection with the IPO of the Company, 112,000,000 Invitation Shares were issued at $0.25 each, with 224,000,000 free detachable warrants. Each warrant carries the right to subscribe for one converted share at the exercise price of $0.35 for each converted share, on the basis of two warrants for every one Invitation Share.

The exercise period of the warrants commences on 26 January 2016 for a period of three years and expires on 25 January 2019.

The IPO raised gross proceeds and net proceeds of $28,000,000 and $26,200,000 respectively.

7. Loss before tax

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

	14.08.2015 to 31.12.2015
	$
Directors' fees	25,000

8. Income tax expense

The reconciliation between income tax expense and the product of loss before tax multiplied by the applicable corporate tax rate for the period ended 31 December 2015 is as follows:

	14.8.2015 to 31.12.2015
	$
Loss before tax	725,816
Tax at statutory tax rate of 17%	123,389
Adjustment:	
- Non-deductible expenses	(123,389)
	–

9. Related party transactions

(a) ***Significant transactions between the Company and related parties***

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

	14.8.2015 to 31.12.2015 $
Payment made on behalf of the Company by related parties	646,187

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

Key management personnel comprise the directors of the Company. Except for the directors' fees disclosed in Note 7, the directors received no remuneration from the Company for the financial period ended 31 December 2015.

10. Financial risk management objectives and policies

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risk is liquidity risk. The policies for managing this risk are summarised below. The Company does not hold or issue derivative financial instruments.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. Upon the completion of the Restructuring Exercise and the IPO, the Group's objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

The Company monitors its liquidity risk and maintains an adequate level of cash and cash equivalents to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial liabilities at the end of the reporting period based on contractual undiscounted repayments obligations:

	Less than one year 2015 $
Financial liabilities:	
Other payables	646,187
Accrued operating expenses	121,229
Total undiscounted financial liabilities	767,416

11. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial period ended 31 December 2015.

12. Dividends

Proposed but not recognised as a liability as at 31 December:

	2015 **$**
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting	
- First and final tax exempt (one-tier) dividend for 2015: 0.3 cents on post IPO share capital comprising 400,000,000 ordinary shares	1,200,000

13. Loss per share

Basic and diluted loss per share are calculated by dividing the loss for the year attributable to owner of the Company by the weighted average number of ordinary shares of the Company.

Diluted loss per share is the same as basic loss per share as there were no potential dilutive ordinary shares existing for the financial period ended 31 December 2015.

14. Events occurring after the reporting period

Subsequent to 31 December 2015, the Company issued an aggregate of 287,999,900 shares amounting to $11,762,000 as consideration for the acquisition of SGPL group and SSPL group pursuant to the Restructuring Exercise in connection with the IPO of the Company. Consequently, the share capital of the Company increased to $11,762,100 comprising 288,000,000 shares.

In connection with the IPO of the Company, 112,000,000 Invitation Shares were issued at $0.25 each, with 224,000,000 free detachable warrants. Each warrant carries the right to subscribe for one converted share at the exercise price of $0.35 for each converted share, on the basis of two warrants for every one Invitation Share.

The exercise period of the warrants commences on 26 January 2016 for a period of three years and expires on 25 January 2019.

15. Comparative figures

The financial statements of the Company cover the financial period from 14 August 2015 (date of incorporation) to 31 December 2015. This being the first set of financial statements, there are no comparative figures.

16. Authorisation of financial statements for issue

The financial statements for the financial period from 14 August 2015 (date of incorporation) to 31 December 2015 were authorised for issue in accordance with a resolution of the directors on 1 April 2016.

Appendix A
Unaudited Pro Forma Combined Financial Information for the Financial Year Ended 31 December 2015

As at 31 December 2015 and 2014

	Note	2015	2014
		$'000	$'000
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,350	10,034
Goodwill on consolidation	5	18	18
Investments in joint ventures	7	456	470
Investment in associate	8	445	366
Deferred tax asset	24	142	171
Trade and other receivables	11	416	758
		10,827	11,817
Current assets			
Inventories	10	1,085	1,294
Trade and other receivables	11	8,560	6,426
Tax recoverable		203	231
Prepaid operating expenses		270	161
Amount due from an associate	12	–	233
Amount due from a joint venture	13	28	35
Cash and cash equivalents	14	6,119	6,188
		16,265	14,568
Total assets		27,092	26,385
EQUITY AND LIABILITIES			
Current liabilities			
Trade and other payables	15	2,931	1,280
Deferred revenue		523	334
Accrued operating expenses		1,161	1,663
Finance lease	28	47	–
Bank loan	16	–	1
Amount due to a joint venture	13	51	45
Amount due to shareholder	17	3,000	3,000
Income tax payable		418	265
Dividend payable		4,949	9,898
		13,080	16,486
Net current assets/(liabilities)		3,185	(1,918)
Non-current liabilities			
Finance lease	28	75	–
Deferred tax liabilities	24	359	4
		434	4
Net assets		13,578	9,895
Equity			
Share capital	18	8,365	8,365
Retained earnings		5,073	1,539
Foreign currency translation reserve	19	140	(9)
Total equity		13,578	9,895

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

	Note	2015 $'000	2014 $'000
Revenue	20	32,924	30,410
Cost of sales		(26,611)	(23,584)
Gross profit		6,313	6,826
Other operating income	21	4,195	6,742
Distribution and selling expenses		(955)	(1,055)
Administrative expenses		(4,935)	(4,372)
Listing expenses		(653)	–
Share of results of joint ventures and associate		137	123
Profit before tax	22	4,102	8,264
Income tax expense	24	(568)	(93)
Profit net of tax		3,534	8,171
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		116	31
Share of foreign currency translation of joint venture		4	–
Share of foreign currency translation of associate		29	–
Total comprehensive income for the year		3,683	8,202
Earnings per share (cents per share):			
Basic and diluted earnings per share	25	0.88	2.04

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

	Note	Share Capital (Note 18)	Foreign currency translation reserve	Retained earnings	Total equity
		$'000	$'000	$'000	$'000
Group					
2015					
At 1 January 2015		8,365	(9)	11,437	19,793
Dividends on ordinary shares	26	–	–	(9,898)	(9,898)
At 1 January 2015, as adjusted after taking into account pro forma adjustments relating to interim dividends for the financial year ended 31 December 2015		8,365	(9)	1,539	9,895
Profit net of tax		–	–	3,534	3,534
Foreign currency translation		–	116	–	116
Share of foreign currency translation of joint venture		–	4	–	4
Share of foreign currency translation of associate		–	29	–	29
Other comprehensive income for the year, net of tax		–	149	–	149
Total comprehensive income for the year		–	149	3,534	3,683
At 31 December 2015		8,365	140	5,073	13,578
2014					
At 1 January 2014		8,365	(40)	8,215	16,540
Profit net of tax		–	–	8,171	8,171
Other comprehensive income		–	31	–	31
Total comprehensive income for the year		–	31	8,171	8,202
Dividends on ordinary shares:					
- paid during the year	26	–	–	(4,949)	(4,949)
- declared subsequent to 31 December 2014*	26	–	–	(9,898)	(9,898)
At 31 December 2014		8,365	(9)	1,539	9,895

* **Pro forma adjustments relating to dividends**

Dividends subsequent to 31 December 2014 relating to FY2015 (Note 2.1).

Subsequent to 31 December 2014, in April 2015, Secura Singapore Pte. Ltd. declared FY2015 interim dividends totalling 70 cents per share and amounting to S$4.9 million to its then existing shareholders.

In October 2015, Secura Singapore Pte. Ltd. declared FY2015 interim dividends totalling 70 cents per share and amounting to S$4.9 million to its then existing shareholders. This dividend was subsequently paid in FY2016.

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

	Note	2015 $'000	2014 $'000
Operating activities			
Profit before tax		4,102	8,264
Adjustments for:			
Depreciation of property, plant and equipment	4	1,149	1,217
Gain on disposal of property, plant and equipment and asset held for sale	21	(12)	(5,474)
Interest income	21	(12)	(16)
Inventories written down	22	63	3
Allowance for amount due from associate		215	–
Reversal of write-down of inventories	22	–	(1)
Write-back of allowance for doubtful debts	21	(62)	(17)
Receipt and recognition of deferred revenue, net		189	72
Share of results of joint ventures and associate		(137)	(123)
Currency realignment		252	48
Operating cash flows before changes in working capital		5,747	3,973
Decrease/(increase) in inventories		147	(266)
Increase in trade and other receivables		(1,692)	(1,390)
(Increase)/decrease in prepaid operating expenses		(110)	16
Decrease in amount due from an associate		18	29
Decrease in amount due from a joint venture		7	3
Increase in trade and other payables		1,658	28
Increase/(decrease) in amount due to a joint venture		6	(7)
(Decrease)/increase in accrued operating expenses		(500)	231
Cash flows from operations		5,281	2,617
Interest received		11	16
Income taxes paid		(34)	(245)
Net cash flows from operating activities		**5,258**	**2,388**
Investing activities			
Proceeds from disposal of property, plant and equipment		88	6,186
Purchase of property, plant and equipment	A	(501)	(2,108)
Dividend income from a joint venture		105	30
Net cash flows (used in)/generated from investing activities		**(308)**	**4,108**
Financing activities			
Increase in fixed deposits pledged		(241)	(457)
Dividends paid on ordinary shares of the subsidiaries		(4,949)	(4,949)
Loans from shareholders		–	500
Amount due from director		200	(200)
Repayment of finance lease		(17)	–
Proceeds from bank loan		–	10
Repayment of bank loan		(1)	(9)
Net cash flows used in financing activities		**(5,008)**	**(5,105)**
Net (decrease)/increase in cash and cash equivalents		(58)	1,391
Effect of exchange rate changes on cash and cash equivalents		(11)	–
Cash and cash equivalents at 1 January		6,188	4,797
Cash and cash equivalents at 31 December		**6,119**	**6,188**

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

Note to the unaudited pro forma combined statement of cash flows

A. Purchase of plant and equipment

	Note	2015 $'000	2014 $'000
Aggregate cost of plant and equipment acquired	4	632	2,108
Less: Amount relating to hire purchase		(131)	–
Cash payments made to acquire plant and equipment		501	2,108

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

1. Corporate information

Secura Group Limited (the "Company") was incorporated in Singapore on 14 August 2015 under the Companies Act as a private company limited by shares, under the name of Secura Group Pte. Ltd.. On 14 January 2016, the Company was converted into a public limited company and its name was changed to Secura Group Limited in connection with the conversion.

The registered office and principal place of business is at No. 8, Pioneer Road North, Singapore 628460.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 6 to the unaudited pro forma combined financial statements.

Restructuring Exercise

On 13 January 2016, the Company entered into a sale and purchase agreement with the shareholders of Soverus Group Pte. Ltd. ("SGPL") and Secura Singapore Pte. Ltd. ("SSPL") to acquire 100% equity interest in SGPL and its subsidiaries ("SGPL group") and SSPL and its subsidiaries ("SSPL group") for a consideration of $2,110,000 and $9,652,000, respectively, paid in full with the allotment and issuance of 287,999,900 new shares of the Company to the shareholders (the "Restructuring Exercise").

Following the restructuring exercise, the Company became the sole shareholder of SGPL and SSPL with effect from 16 January 2016.

In connection with the Initial Public Offering ("IPO") of the Company, 112,000,000 Invitation Shares were issued at $0.25 each, with 224,000,000 free detachable warrants. Each warrant carries the right to subscribe for one converted share at the exercise price of $0.35 for each converted share, on the basis of two warrants for every one Invitation Share.

The exercise period of the warrants commences on 26 January 2016 for a period of three years and expires on 25 January 2019.

The IPO raised gross proceeds and net proceeds of $28,000,000 and $26,200,000 respectively.

2. Summary of significant accounting policies

2.1 *Basis of preparation of the unaudited pro forma combined financial statements*

Pursuant to the restructuring exercise executed in connection with the Initial Public Offering of the Company, the Company acquired 100% equity interests in SSPL and its subsidiaries ("SSPL Group") and SGPL and its subsidiaries ("SGPL Group"), collectively, the "Group".

The Group is only formed subsequent to 31 December 2015. Accordingly, there is no Group financial information for the financial year ended 31 December 2015 ("FY2015"). The unaudited pro forma combined financial information has been presented, as if the Group is in place from 1 January 2012 and on the basis of preparation as described in our Offer Document dated 20 January 2016 and summarised below.

The unaudited pro forma combined financial information of the Group is compiled from the financial information of the Company as well as SSPL Group and SGPL Group for FY2015. The unaudited pro forma combined financial information of the Group for FY2014 is extracted from our Offer Document dated 20 January 2016.

2. Summary of significant accounting policies (continued)

2.1 *Basis of preparation of the unaudited pro forma combined financial statements (continued)*

Both the Company and SGPL were under common control and the pooling of interest method has been applied in accounting for SGPL Group in the unaudited pro forma combined financial information. For SSPL Group, the acquisition method was applied and management has made the significant assumptions that SSPL Group and SGPL Group existed as an enlarged group from 1 January 2012 and that the carrying amounts of assets, liabilities, revenue and expenses of SSPL Group as at that date are assumed to be their fair values. Pursuant to this,

– Assets, liabilities, reserves, revenue and expenses of SSPL Group are consolidated at their existing carrying amounts;

– No amount is recognised for goodwill; and

– The equity account of SSPL Group and SGPL Group including the share capital have been included in the pro forma combined balance sheet. Accordingly, the equity of the Group is derived from the summation of the equity account of SSPL and SGPL.

The Group will apply acquisition method for the acquisition of SSPL Group in its statutory financial statements for the financial year ending 31 December 2016.

The fair value of assets and liabilities of SSPL Group at the date of completion of the Restructuring Exercise in January 2016 may differ from their carrying amounts as at the balance sheet dates as presented in the unaudited pro forma combined financial information. No fair value adjustments have been made to the carrying amounts of assets, liabilities, reserves, revenue and expenses of SSPL Group as at and for the financial years ended 31 December 2015 and 2014, as included in the unaudited pro forma combined financial information.

Interim dividends declared by SSPL in April 2015 and October 2015 aggregating $9,898,000 have been reflected on the Group’s balance sheets as of 31 December 2014 and 2015 and the statement of changes in equity as of the year ended 31 December 2014.

The unaudited pro forma combined 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 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 January 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group.

2.3 *Standards issued but not yet effective*

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

Description	**Effective for annual periods beginning on or after**
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 7 Disclosure Initiative	1 January 2017
Amendments to FRS 12 Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 115 Revenue from Contracts with Customers	1 January 2018

Except for FRS 115, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 is described below.

2. Summary of significant accounting policies (continued)

2.3 *Standards issued but not yet effective (continued)*

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

2.4 *Basis of consolidation*

(a) Basis of consolidation of the respective SGPL Group and SSPL Group

The unaudited pro forma combined financial statements comprise the financial statements of SGPL and SSPL and their respective subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements of SGPL Group and SSPL Group are prepared for the same reporting date i.e. 31 December 2015 and 2014. 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.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

– de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

– de-recognises the carrying amount of any non-controlling interest;

– de-recognises the cumulative translation differences recorded in equity;

– recognises the fair value of the consideration received;

– recognises the fair value of any investment retained;

– recognises any surplus or deficit in profit or loss;

– re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. Summary of significant accounting policies (continued)

2.4 *Basis of consolidation (continued)*

(a) Basis of consolidation of the respective SGPL Group and SSPL Group (continued)

Pooling of interest method has been applied in accounting for SGPL group in the unaudited pro forma combined financial information as described in Note 2.1.

For SSPL group, the acquisition method was applied and significant assumptions have been made as described in Note 2.1. Further information on the application of acquisition method is as described in Note 2.4 (b).

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. 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 deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

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, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have 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.

2. Summary of significant accounting policies (continued)

2.5 *Foreign currency*

The Group's unaudited pro forma combined financial statements are presented in Singapore Dollar, 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.

2.6 *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 2.7.

2.7 *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.

2. Summary of significant accounting policies (continued)

2.7 *Joint ventures and associates (continued)*

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's 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 associate or joint venture 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.

2.8 *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.

2.9 *Property, plant and equipment*

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

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

Freehold building	–	50 years
Leasehold buildings and improvements	–	21 - 50 years
Renovation	–	5 years
Plant and machinery	–	3 - 15 years
Furniture and fittings	–	4 - 15 years
Office equipment	–	1 - 10 years
Motor vehicles	–	1 - 10 years

2. Summary of significant accounting policies (continued)

2.9 *Property, plant and equipment (continued)*

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 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.

2.10 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment 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 to sell 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.

2.11 *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. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. Summary of significant accounting policies (continued)

2.11 *Financial instruments (continued)*

(a) *Financial assets (continued)*

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 and any cumulative gain or loss that had been recognised in other comprehensive income 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.

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. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.12 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and fixed deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.13 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. Summary of significant accounting policies (continued)

2.13 *Impairment of financial assets (continued)*

Financial assets carried at amortised cost (continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

2.14 *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 and work-in-progress manufactured: 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.

2.15 *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 each balance sheet date 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. Summary of significant accounting policies (continued)

2.16 *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.

(b) Employee leave entitlement

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

2.17 *Leases – As lessee*

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.18 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Sale of goods

Revenue from sale of securities printing, cyber security, technology and systems integration is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Rendering of services

Revenue from the provision of

(i) security guarding; and

(ii) security consultancy and services

is recognised over the period the services are performed.

2. Summary of significant accounting policies (continued)

2.18 *Revenue (continued)*

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

2.19 *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.

Deferred tax liabilities are recognised for all taxable 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 subsidiary companies and associated company, 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, 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.

2. Summary of significant accounting policies (continued)

2.19 *Taxes (continued)*

(b) Deferred tax (continued)

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.

(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.

2.20 *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. Summary of significant accounting policies (continued)

2.21 *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 Company 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 29, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.22 *Share capital and share issue 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.

2.23 *Government grants*

Government grants are recognised where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants 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”.

3. Significant accounting judgments and estimates

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

3.1 *Judgments made in applying accounting policies*

Management is of the opinion that there is no significant judgement made in applying accounting policies that have significant effect on the amounts recognised in the unaudited pro forma financial statements.

3. Significant accounting judgments and estimates (continued)

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of loans and receivables

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience of assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the balance sheet date is disclosed in Note 11 to the financial statements.

(b) Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Certain government grants in relation to the current financial year are only received subsequent to the end of the reporting period. The basis or method of computation may involve certain criteria and data that may not be readily available due to the large number of employees as well as high turnover. Accordingly, management has made an estimate of the government grant receivables as at the end of the reporting period to the best of its ability. In determining the government grant receivables, particularly, in relation to the wage credit scheme, management has estimated the average increment per headcount relative to the average wage in 2012, as well as the average number of Singapore Citizen employees employed by the Group per month.

As at 31 December 2015, the carrying amount of government grant receivables amounted to approximately $1,788,000. If the estimation differs by 10%, the carrying amount of the grant income receivables would have been increased or reduced by approximately $179,000.

4. Property, plant and equipment

Group	Freehold building $'000	Leasehold buildings and improvements $'000	Renovation $'000	Plant and machinery $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Cost								
At 1.1.2014	957	7,714	106	14,373	92	436	247	23,925
Additions	–	116	40	1,798	23	70	61	2,108
Disposals	–	–	–	(4,493)	(11)	(24)	(53)	(4,581)
Currency realignment	(20)	(10)	–	(12)	(1)	(3)	–	(46)
At 31.12.2014 and 1.1.2015	937	7,820	146	11,666	103	479	255	21,406
Additions	–	–	–	302	–	65	265	632
Disposals	–	(44)	–	(479)	(30)	(227)	(81)	(861)
Currency realignment	(121)	(64)	–	(48)	(3)	(1)	–	(237)
At 31.12.2015	816	7,712	146	11,441	70	316	439	20,940
Accumulated depreciation								
At 1.1.2014	303	2,373	66	11,244	76	330	198	14,590
Depreciation charge for the year	19	292	35	746	7	97	21	1,217
Disposals	–	–	–	(4,326)	(11)	(24)	(45)	(4,406)
Currency realignment	(7)	(8)	–	(10)	(1)	(3)	–	(29)
At 31.12.2014 and 1.1.2015	315	2,657	101	7,654	71	400	174	11,372
Depreciation charge for the year	19	281	27	725	7	59	31	1,149
Disposals	–	(41)	–	(408)	(29)	(227)	(81)	(786)
Currency realignment	(43)	(52)	–	(45)	(3)	(2)	–	(145)
At 31.12.2015	291	2,845	128	7,926	46	230	124	11,590
Net carrying amount								
At 31.12.2014	622	5,163	45	4,012	32	79	81	10,034
At 31.12.2015	525	4,867	18	3,515	24	86	315	9,350

Freehold Building

The freehold building is owned by Secura Security Printing Sdn. Bhd. ("SSP"), a subsidiary of the Company, which has ceased business in July 2015. Following the cessation of SSP's business, the freehold building has since been left vacant and unoccupied. During the current financial year, management has engaged an independent valuer to determine the market value of the freehold building. Based on the valuation, the fair value of the freehold building was significantly in excess of the carrying amount. Accordingly, no impairment loss was recognised for the current financial year.

5. Goodwill on consolidation

	2015 $'000	2014 $'000
At 1 January and 31 December	18	18

6. Investments in subsidiaries

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest % 2015	2014
Held by the Company				
Secura Singapore Pte. Ltd.[4]	Security printing of value documents	Singapore	100	100
Soverus Group Pte. Ltd.[4]	Investment holding	Singapore	100	100
Held through Secura Singapore Pte. Ltd.				
Secura Forms Pte. Ltd.[4]	Printing of computer forms and stationery	Singapore	100	100
Secura Security Printing Sdn. Bhd.[1],[5]	Dormant	Malaysia	100[2]	70
Held through Soverus Group Pte. Ltd.				
Soverus Pte. Ltd.[4]	Provision of unarmed security guarding services, executive protection and escorting of VIPs and individuals concerned with their security	Singapore	100	100
Soverus Technology Pte. Ltd.[4]	Provision of cyber security products, services and solutions, integration and installation of security systems, and distribution of homeland security products	Singapore	100	100
Soverus Consultancy and Services Pte. Ltd.[4]	Provision of security consultancy services and private investigations.	Singapore	100[3]	–

(1) Secura Security Printing Sdn. Bhd. ceased business in July 2015 and is dormant.

(2) On 21 September 2015, Secura Singapore Pte. Ltd. completed the acquisition of the remaining 30% of Secura Security Printing Sdn. Bhd..

(3) On 4 May 2015, Soverus Group Pte. Ltd. incorporated a wholly-owned subsidiary, Soverus Consultancy and Services Pte. Ltd., whose principal activities are those of security consultancy services and private investigations.

(4) Audited by Ernst & Young LLP, Singapore.

(5) Audited by Y.C.Chong & Co.

7. Investments in joint ventures

	2015 $'000	2014 $'000
Shares, at cost	587	587
Share of post-acquisition reserves	(135)	(117)
Share of other comprehensive income	4	–
	456	470

Name of joint ventures	Principal activities	Country of incorporation	Effective interest % 2015	Effective interest % 2014
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) Audited by Ernst & Young LLP, Singapore.

(2) Audited by Deloitte & Touche

The aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the joint ventures, not adjusted for the proportion of ownership interest held by the Group, are as follows:

	2015 $'000	2014 $'000
Summarised balance sheet		
Assets:		
Current assets	920	937
Non-current assets	152	173
Total assets	1,072	1,110
Liabilities:		
Current liabilities	(159)	(169)
Non-current liabilities	(1)	(1)
Total liabilities	(160)	(170)
Net assets	912	940
Proportion of the Group's ownership	50%	50%
Group's share of net assets	456	470
Summarised statement of comprehensive income		
Revenue	1,235	1,254
Other income	19	18
Expenses	(1,081)	(1,111)
Profit for the year	173	161
Other comprehensive income	8	–
Total comprehensive income	181	161

8. Investment in associate

	2015 $'000	2014 $'000
Shares, at cost	387	387
Share of post-acquisition reserves	29	(21)
Share of other comprehensive income	29	–
	445	366

Name of associate	Principal activities	Country of incorporation	Effective interest % 2015	Effective interest % 2014
Secura Bangladesh Ltd. [1]	Printing of cheques	Bangladesh	30	30

[1] Audited by Anisur Rahman & Co. Chartered Accountants

The aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities, income and expenses related to the Group's associate, not adjusted for the proportion of ownership interest held by the Group, are as follows:

	2015 $'000	2014 $'000
Summarised balance sheet		
Assets:		
Current assets	1,603	1,407
Non-current assets	1,509	1,542
Total assets	3,112	2,949
Liabilities:		
Current liabilities	(1,629)	(1,730)
Total liabilities	(1,629)	(1,730)
Net assets	1,483	1,219
Proportion of the Group's ownership	30%	30%
Group's share of net assets	445	366
Summarised statement of comprehensive income		
Revenue	2,293	2,086
Other income	29	47
Expenses	(2,154)	(1,889)
Profit for the year	168	244
Other comprehensive income	96	–
Total comprehensive income	264	244

9. Other investment

	2015 $'000	2014 $'000
Shares, at cost	9	9
Impairment losses	(9)	(9)
	–	–

Name of investment	Principal activities	Country of incorporation	Effective interest % 2015	2014
Secura Marketing (M) Sdn. Bhd.*	Dormant (in the processs of being struck off)	Malaysia	20	14

* On 21 September 2015, Secura Singapore Pte. Ltd. completed the acquisition of the remaining 30% of Secura Security Printing Sdn. Bhd.. Accordingly, the Group's effective interest in Secura Marketing (M) Sdn. Bhd. has increased from 14% to 20%

10. Inventories

	2015 $'000	2014 $'000
Raw materials	542	651
Work-in-progress	280	328
Finished goods	261	342
Machinery spares and Consumables	66	62
Goods in transit	68	–
	1,217	1,383
Less: Allowance for stock obsolescence	(132)	(89)
Total inventories at lower of cost and net realisable value	1,085	1,294

Movements in allowance for stock obsolescence during the financial year:

	2015 $'000	2014 $'000
At 1 January	89	94
Written off	(20)	(7)
Charge for the year	63	3
Written back	–	(1)
At 31 December	132	89
Income statement:		
Inventories recognised as an expense in cost of sales	5,200	6,065

11. Trade and other receivables

	2015 $'000	2014 $'000
Non-current		
Amount due from director	–	160
Fixed deposits pledged	416	598
	416	758
Current		
Trade receivables	6,046	6,152
Accrued income	3	12
Allowance for doubtful receivables	(10)	(72)
	6,039	6,092
Other receivables	1,797	4
Amount due from director	–	40
Deposits	724	290
	8,560	6,426
Total trade and other receivables	8,976	7,184
Add: Amount due from an associate (Note 12)	–	233
Amount due from a joint venture (Note 13)	28	35
Cash and cash equivalents (Note 14)	6,119	6,188
Total loans and receivables	15,123	13,640

Trade receivables are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Amount due from director

The amount due from director is denominated in Singapore Dollar, non-trade in nature, unsecured, interest-free and is repayable in equal instalments over five years. The amount has been settled in cash during the current financial year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $2,657,000 (2014: $2,523,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	2015 $'000	2014 $'000
Trade receivables past due:		
Lesser than 30 days	1,611	1,819
30 to 60 days	664	478
61 to 90 days	293	138
More than 90 days	89	88
	2,657	2,523

11. Trade and other receivables (continued)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	2015	**2014**
	$'000	$'000
Trade receivables		
– nominal amounts	10	72
Less: Allowance for impairment	(10)	(72)
	–	–

	2015	**2014**
	$'000	$'000
Movement in allowance accounts:		
At 1 January	72	101
Write back	(62)	(17)
Write off	–	(11)
Currency realignment	–	(1)
At 31 December	10	72

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Trade receivables denominated in foreign currency at the end of the reporting period are as follows:

	2015	**2014**
	$'000	$'000
United States Dollar	19	–

12. Amount due from an associate

Amount due from an associate is unsecured, non-interest bearing and is repayable on demand. The amount is denominated in Singapore Dollar.

During the current financial year, management has made full allowance for the amount due from associate which amounted to $215,000 (2014: Nil) as there was significant delay in payments.

13. Amount due from/(to) a joint venture

Amount due from/(to) a joint venture company is unsecured, non-interest bearing and is repayable on demand. The amount is denominated in Singapore Dollar.

14. Cash and cash equivalents

	2015	2014
	$'000	$'000
Fixed deposits	3,007	3,561
Cash and bank balances	3,112	2,627
	6,119	6,188

Interest on fixed deposits with financial institutions are at rates ranging from 0.1% to 0.9% (2014: 0.10% to 0.31%) per annum. These fixed deposits mature on varying periods.

Cash and cash equivalents denominated in foreign currency:

	2015	2014
	$'000	$'000
United States Dollar	199	70

15. Trade and other payables

	2015	2014
	$'000	$'000
Trade payables	1,343	315
Other payables	1,588	965
Trade and other payable	2,931	1,280
Add: Accrued operating expenses	1,161	1,663
Bank loan (Note 16)	–	1
Amount due to a joint venture (Note 13)	51	45
Amount due to shareholder (Note 17)	3,000	3,000
Dividend payable	4,949	9,898
Finance lease	122	–
Total financial liabilities carried at amortised costs	12,214	15,887

Trade payable balances denominated in foreign currencies at the end of the reporting period are as follows:

	2015	2014
	$'000	$'000
Euro	108	87
United States Dollar	116	4

Trade and other payables

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

16. Bank loan

Bank loan relates to working capital collection and receivable management facility with a bank. The rate of interest on loan is at 3% per annum over the bank's cost of funds or 3% per annum over the applicable Swap Offer Rate prevailing from time to time, whichever is higher. The bank borrowing was secured by the joint several guarantees given by two directors of the Group. The bank loan was fully repaid during the current financial year.

17. Amount due to shareholder

Amount due to shareholder is non-trade in nature, unsecured, interest-free, repayable on demand and is to be settled in cash.

The amount is denominated in Singapore Dollar.

18. Share capital

	2015		2014	
	No. of shares ’000	**$’000**	**No. of shares ’000**	**$’000**
Issued and fully paid				
At 1 January and 31 December	8,069	8,365	8,069	8,365

The share capital represents that of the subsidiaries as at the respective year ends. The holders of ordinary shares of the subsidiaries are entitled to receive dividends as and when declared by the respective subsidiaries. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

19. 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.

20. Revenue

Revenue represents sales of goods and services in the normal course of business, net of returns and discounts. Intra-group transactions have been excluded from Group turnover.

	2015	**2014**
	$’000	$’000
Security printing	12,407	14,143
Security guarding	18,822	15,338
Cyber security, technology and systems integration	1,043	311
Security consultancy and services	652	618
	32,924	30,410

21. Other operating income

	2015 $'000	2014 $'000
Interest income from loans and receivables	12	16
Gain on disposal of property, plant and equipment and asset held for sale	12	5,474
Handling fee relating to cheque books	361	344
Write-back of allowance for doubtful debts	62	17
Government grant income	3,577	714
Scrap sales	31	43
Others	140	134
	4,195	6,742

Government grant income comprises special employment credit, wage credit scheme, temporary employment credit and productivity and innovation credit grants.

22 Profit before tax

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

	2015 $'000	2014 $'000
Employee benefits (Note 23)	22,876	19,094
Depreciation of property, plant and equipment	1,149	1,217
Reversal of write-down of inventories	–	(1)
Inventories written down	63	3
Directors' fees		
- directors of the Company	25	–
- directors of a subsidiary	3	2
Operating lease expenses	399	447
Allowance for amount due from associate	215	–

23. Employee benefits

	2015 $'000	2014 $'000
Wages, salaries and bonuses	19,065	16,356
Central Provident Fund contributions	2,028	1,722
Other short-term benefits	1,783	1,016
	22,876	19,094

24. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 31 December 2015 and 2014 are:

	2015	2014
	$'000	$'000
Current income tax		
- current year	271	264
- (over)/under provision in respect of previous years	(87)	2
Deferred income tax		
- origination and reversal of temporary differences	381	(106)
- under/(over) provision in respect of previous years	3	(67)
Income tax expense recognised in profit or loss	568	93

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 2015 and 2014 is as follows:

	2015	2014
	$'000	$'000
Profit before tax	4,102	8,264
Tax at statutory rate of 17% (2014: 17%)	697	1,405
Adjustments:		
Income not subject to taxation	(2)	(728)
Non-deductible expenses	188	163
(Over)/under provision in respect of previous years:		
- current income tax	(87)	2
- deferred income tax	3	(67)
Effect of partial tax exemption and tax relief and incentives	(288)	(747)
Deferred tax asset not recognised	162	107
Tax effect of different tax rate in other countries	(40)	(19)
Share of results of joint ventures and associate	(23)	(21)
Others	(42)	(2)
Income tax expense recognised in profit or loss	568	93

24. Income tax expense (continued)

Deferred tax

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

	Balance sheet		Income statement	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
Deferred tax liability				
Differences in depreciation	(258)	(210)	48	173
Grant receivables	(304)	–	304	–
Deferred tax asset				
Provisions and other temporary differences	345	377	32	(346)
Net deferred tax (liability)/asset	(217)	167		
			384	(173)

Deferred tax assets and liabilities are set off when there is a legally enforceable right to set off and when the deferred taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting, as shown on the balance sheets, are as follows:

	2015	2014
	$'000	$'000
Deferred tax asset	142	171
Deferred tax liability	(359)	(4)
Net deferred tax (liability)/asset	(217)	167

At the end of the financial year ended 31 December 2015, the Group has unutilised capital allowances, unutilised donations and unutilised tax losses of approximately $781,000 (2014: $370,000) 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.

25. Earnings per share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the post-IPO share capital of the Company. The Company's post-IPO share capital of 400,000,000 ordinary shares were assumed to be in issue throughout the entire years presented.

Diluted earnings per share is the same as basic earnings per share as there were no potential dilutive ordinary shares existing during the respective years.

26. Dividends

	2015	2014
	$'000	$'000
Interim one-tier tax exempt dividend on ordinary shares paid to the then existing shareholders of the subsidiary of Secura Singapore Pte. Ltd. in respect of the financial year 2014: 70 cents per share	–	4,949
Interim one-tier tax exempt dividend on ordinary shares paid to the then existing shareholders of the subsidiary of Secura Singapore Pte. Ltd. in respect of the financial year 2015: 140 cents per share*	–	9,898
	–	14,847

* The amount was reflected in the Group's balance sheets as at 31 December 2014 and 2015 and the statement of changes in equity for the year ended 31 December 2014.

27. 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 during the year on terms agreed between the parties during the financial year:

	2015	2014
	$'000	$'000
Income		
Management fee from a joint venture	12	12
Sales to a joint venture	273	361
Sales to an associate	19	18
Sales to director-related companies	602	581
Expenses		
Purchases from a joint venture	290	371
Purchases from a director-related company	5	–

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

	2015	2014
	$'000	$'000
Short-term employee benefits	596	641
Central Provident Fund contributions	51	31
Total compensation paid to key management personnel	647	672
Comprise amounts paid to:		
Directors of the Company	647	672

28. Commitments and guarantees

(a) *Capital commitments*

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	2015 $'000	2014 $'000
Capital commitments relating to acquisition of plant and machinery for security printing	–	240

(b) *Operating lease commitments*

The Group has various operating lease commitments for freehold building, leasehold buildings and office premises. There are no restrictions placed upon the Group by entering into these leases.

Future minimum lease payments payable under non-cancellable operating leases as at 31 December are as follows:

	2015 $'000	2014 $'000
Not later than one year	324	405
Later than one year but not later than five years	642	714
Later than five years	1,450	1,563
	2,416	2,682

(c) Finance lease commitments

The Group has finance leases for a certain item of property plant and equipment. The finance lease has a lease term of 36 months.

Future minimum lease payments under finance lease together with the present value of the net minimum lease payments are as follows:

	Group			
	2015 $'000		2014 $'000	
	Minimum lease payments	Present value of payments	Minimum lease payments	Present value of payments
Not later than one year	51	47	–	–
Later than one year but not later than five years	78	75	–	–
Total minimum lease payments	129	122		
Less: Amounts representing finance charges	(7)	–	–	–
Present value of minimum lease payments	122	122	–	–

29. 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.

The Group is organised into four main operating business segments, namely:

(a) Security Printing;

(b) Security Guarding;

(c) Cyber Security, Technology and Systems Integration; and

(d) Security Consultancy and Services

29. Segment information (continued)

	Security Printing $'000	Security Guarding $'000	Cyber Security, Technology and Systems Integration $'000	Security Consultancy and Services $'000	Elimination $'000	Group $'000
Year ended 31 December 2015						
Revenue:						
External customers	12,407	18,822	1,047	652	(4)	32,924
Results:						
Interest income	12	–	–	–	–	12
Depreciation of property, plant and equipment	1,068	70	11	–	–	1,149
Share of results of joint ventures and associate	137	–	–	–	–	137
Segment profit/(loss)	1,643	1,777	(34)	148	–	3,534
Assets:						
Segment assets	17,619	8,816	491	467	(646)	26,747
Deferred tax assets and tax recoverable						345
Total assets						27,092
Liabilities:						
Segment liabilities	7,162	5,780	223	218	(646)	12,737
Income tax payable and deferred tax liabilities						777
Total liabilities						13,514

29. Segment information (continued)

	Security Printing $'000	Security Guarding $'000	Cyber Security, Technology and Systems Integration $'000	Security Consultancy and Services $'000	Elimination $'000	Group $'000
Year ended 31 December 2014						
Revenue:						
External customers	14,143	15,338	311	618	–	30,410
Results:						
Interest income	16	–	–	–	–	16
Depreciation of property, plant and equipment	1,106	102	9	–	–	1,217
Share of results of joint ventures and associate	123	–	–	–	–	123
Segment profit/(loss)	7,332	752	(243)	330	–	8,171
Assets:						
Segment assets	20,254	5,253	476	–	–	25,983
Deferred tax assets and tax recoverable						402
Total assets						26,385
Liabilities:						
Segment liabilities	11,703	4,170	348	–	–	16,221
Income tax payable and deferred tax liabilities						269
Total liabilities						16,490

29. Segment information (continued)

Geographical information

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

Revenue	**2015**	**2014**
	$'000	$'000
Singapore	32,571	29,536
Malaysia	353	874
	32,924	30,410

Non-current assets	**2015**	**2014**
	$'000	$'000
Singapore	9,642	10,025
Malaysia	627	863
	10,269	10,888

Non-current assets information presented above consist of property, plant and equipment, goodwill on consolidation, investments in joint ventures and investments in associate.

30. 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 and liquidity risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the financial controller. 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.

(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 cash equivalents), 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.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

30. Financial risk management objectives and policies (continued)

(a) *Credit risk (continued)*

Credit risk concentration profile

At the end of the reporting period, approximately 31% (2014: 30%) of the Group's trade receivables were due from 5 (2014: 5) major customers in Singapore.

Financial assets that are neither past due nor impaired

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

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 11 (Trade and other receivables).

(b) *Foreign currency risk*

The Group has transactional currency exposures arising from sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly Euro (EUR) and United States Dollar (USD). The Group does not use any financial instrument to hedge the foreign currency rate risk as the risk exposure is not considered to be significant.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the following exchange rates against the functional currency of the Group, with all other variables held constant.

	2015	**2014**
	$'000	$'000
	Profit before tax	
EUR/SGD		
- strengthened 3% (2014: 3%)	(3)	(3)
- weakened 3% (2014: 3%)	3	3
USD/SGD		
- strengthened 3% (2014: 3%)	3	2
- weakened 3% (2014: 3%)	(3)	(2)

30. Financial risk management objectives and policies (continued)

(c) *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. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The table below summarises the maturity profile of the Group's financial assets and liabilities at the balance sheet date based on contractual undiscounted payments.

As at 31 December 2015	**$'000**		
Group	**One year or less**	**One to five years**	**Total**
Financial assets:			
Trade and other receivables	8,560	416	8,976
Amount due from a joint venture	28	–	28
Cash and cash equivalents	6,119	–	6,119
Total undiscounted financial assets	14,707	416	15,123
Financial liabilities:			
Trade and other payables	2,931	–	2,931
Accrued operating expenses	1,161	–	1,161
Finance lease	51	78	129
Amount due to a joint venture	51	–	51
Amount due to shareholder	3,000	–	3,000
Dividend payable	4,949	–	4,949
Total undiscounted financial liabilities	12,143	78	12,221
Total net undiscounted financial assets	2,564	338	2,902

30. Financial risk management objectives and policies (continued)

(c) *Liquidity risk (continued)*

As at 31 December 2014	$'000		
Group	**One year or less**	**One to five years**	**Total**
Financial assets:			
Trade and other receivables	6,426	758	7,184
Amount due from an associate	233	–	233
Amount due from a joint venture	35	–	35
Cash and cash equivalents	6,188	–	6,188
Total undiscounted financial assets	12,882	758	13,640
Financial liabilities:			
Trade and other payables	1,280	–	1,280
Accrued operating expenses	1,663	–	1,663
Bank loan	1	–	1
Amount due to a joint venture	45	–	45
Amount due to shareholder	3,000	–	3,000
Dividend payable	9,898	–	9,898
Total undiscounted financial liabilities	15,887	–	15,887
Total net undiscounted financial (liabilities)/ assets	(3,005)	758	(2,247)

31. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2015 and 31 December 2014.

32. Fair value of financial instruments

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	Group			
	2015		**2014**	
	$'000		$'000	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities:				
Finance lease (non-current)	75	69	–	–

33. Authorisation of pro forma combined financial statements

The unaudited pro forma combined financial statements for the financial year ended 31 December 2015 was authorised for issue in accordance with a resolution of the directors on 1 April 2016.

Number of ordinary shares in issue (excluding treasury shares)	:	400,000,000
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

As at 23 March 2016, the Company did not hold any treasury shares.

Distribution of Shareholdings as at 23 March 2016

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	0	0.00	0	0.00
100 - 1,000	678	36.77	673,500	0.17
1,001 - 10,000	536	29.07	3,264,400	0.82
10,001 - 1,000,000	598	32.43	58,218,600	14.55
1,000,001 AND ABOVE	32	1.73	337,843,500	84.46
TOTAL	**1,844**	**100.00**	**400,000,000**	**100.00**

Twenty Largest Shareholders

No.	Name	No. of Shares	%
1	KESTREL INVESTMENTS PTE. LTD.	154,932,000	38.73
2	CITY DEVELOPMENTS LIMITED	27,294,900	6.82
3	K.I.P. INDUSTRIAL HOLDINGS LTD	24,344,400	6.09
4	CIMB SECURITIES (SINGAPORE) PTE. LTD.	22,441,500	5.61
5	PAUL LIM CHOON WUI	21,600,000	5.40
6	CHAU MEI	11,151,000	2.79
7	KUOK KHONG HONG @KUOK KHOON HONG	7,007,400	1.75
8	MARTUA SITORUS	6,949,800	1.74
9	TAN CHOR KHER TERRY	6,259,000	1.56
10	RAFFLES NOMINEES (PTE) LIMITED	5,768,700	1.44
11	HARTONO TJAHJADI	4,299,700	1.07
12	K.I.P. INC	4,106,800	1.03
13	TONY TAN CHOON KEAT	4,055,900	1.01
14	LOCK WAI HAN	4,032,000	1.01
15	LIM TIEN LOCK CHRISTOPHER	3,445,900	0.86
16	RICHARD TEH LIP HEONG	3,275,400	0.82
17	TAN WEE HAN	3,168,000	0.79
18	PEARSON INVESTMENTS LIMITED	2,522,600	0.63
19	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,005,500	0.50
20	BERJAYA GROUP (CAYMAN) LIMITED	1,872,300	0.47
	TOTAL	**320,532,800**	**80.12**

Directors' Shareholdings as at 23 March 2016

(As recorded in the Register of Directors' Shareholdings)

Names of Directors	Direct Interest	%	Deemed Interest	%
Paul Lim Choon Wui	21,600,000	5.40	–	–
Tan Wee Han	3,168,000	0.79	–	–
Lock Wai Han	4,032,000	1.01	–	–

Substantial Shareholders as at 23 March 2016

(As recorded in the Register of Substantial Shareholders)

Names of Substantial Shareholders	Direct interest	%	Deemed interest	%
Kestrel Investments Pte. Ltd.	154,932,000	38.73	–	–
Lim Eng Hock (1)	–	–	154,932,000	38.73
City Developments Limited	27,294,900	6.82	–	–
Hong Leong Investment Holdings Pte. Ltd. (2)	–	–	27,294,900	6.82
K.I.P. Industrial Holdings Ltd	24,344,400	6.09	–	–
Paul Lim Choon Wui	21,600,000	5.40	–	–
K.I.P. Inc (3)	4,106,800	1.03	24,344,400	6.09
Wee Ee Chao (4)	–	–	28,451,200	7.11

Notes:

(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 shares held by Kestrel Investments Pte. Ltd. by virtue of Section 4 of the Securities and Futures Act.

(2) Hong Leong Investment Holdings Pte. Ltd. is deemed interested in 27,294,900 shares of Secura Group Limited held pursuant to Section 4 of the Securities and Futures Act through City Developments Limited.

(3) K.I.P. Inc has a direct interest in the issued share capital of K.I.P. Industrial Holdings Ltd. and is deemed interested in 24,344,400 shares of Secura Group Limited held by K.I.P. Industrial Holdings Ltd by virtue of Section 4 of the Securities and Futures Act.

(4) Mr. Wee Ee Chao has a direct interest in the issued share capital of K.I.P. Inc and an indirect interest in the issued share capital of K.I.P. Industrial Holdings Ltd, and is deemed interested in the shares of Secura Group Limited held by K.I.P. Industrial Holdings Ltd and K.I.P Inc by virtue of Section 4 of the Securities and Futures Act.

PUBLIC FLOAT

As at 23 March 2016, approximately 27.97% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Catalist Rules.

Distribution of Warrantholdings as at 23 March 2016

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 99	0	0.00	0	0.00
100 - 1,000	1	0.07	300	0.00
1,001 - 10,000	834	60.00	2,135,100	0.95
10,001 - 1,000,000	516	37.12	66,922,500	29.88
1,000,001 AND ABOVE	39	2.81	154,942,100	69.17
TOTAL	**1,390**	**100.00**	**224,000,000**	**100.00**

Twenty Largest Warrantholders

No.	Name of Warrantholders	No. of Warrants Held	%
1	CIMB SECURITIES (SINGAPORE) PTE. LTD.	35,724,100	15.95
2	TAY TECK HUAT	18,828,200	8.41
3	HARTONO TJAHJADI	15,732,500	7.02
4	CHOW WING WAH	11,000,000	4.91
5	RAFFLES NOMINEES (PTE) LIMITED	9,800,000	4.38
6	UOB KAY HIAN PRIVATE LIMITED	4,500,000	2.01
7	LIN MEIFENG	4,000,000	1.79
8	HARDJANTO ADIWANA	3,900,000	1.74
9	LEE GEOK TIN	3,300,000	1.47
10	HENRY TAY YUN CHWAN	3,140,000	1.40
11	TAY WEE JIN MICHAEL (ZHENG WEIJUN MICHAEL)	2,400,000	1.07
12	YEW SAM JU	2,400,000	1.07
13	SNG YIO PUAR	2,150,000	0.96
14	CHAN CHONG BENG	2,000,000	0.89
15	CHIA SOON LOI	2,000,000	0.89
16	GOH KIM SAN	2,000,000	0.89
17	LEE THENG KIAT	2,000,000	0.89
18	LIM MEI YING	2,000,000	0.89
19	TAN CHOR KHER TERRY	2,000,000	0.89
20	CITIBANK NOMINEES SINGAPORE PTE LTD	1,600,000	0.71
	TOTAL	**130,474,800**	**58.23**

Exercise Price : S$0.35 in cash for each Converted Share on the exercise of a Warrant

Exercise Period : Commencing on and including the date of issue of the Warrants on 26 January 2016 and expiring at 5.00 p.m. on the date immediately preceding the third (3rd) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members is closed or is not a Market Day and excluding such period(s) during which the Register of Warrantholders may be closed pursuant to the Deed Poll.

Warrant Agent : Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Secura Group Limited (the "**Company**") will be held at Parkroyal on Pickering, William Ball Room, Level 2, 3 Upper Pickering Street, Singapore 058289 on Thursday, 28 April 2016 at 10.30 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the year ended 31 December 2015 together with the Auditor's Report thereon. **(Resolution 1)**

2. To declare a final (one-tier tax exempt) dividend of Singapore 0.3 cent per ordinary share for the year ended 31 December 2015. **(Resolution 2)**

3. To re-elect the following Directors of the Company retiring pursuant to Article 99 of the Constitution of the Company:-

   Mr Paul Lim Choon Wui **(Resolution 3)**
   Ms Lim Siok Leng **(Resolution 4)**
   Mr Tan Wee Han **(Resolution 5)**
   Mr Lock Wai Han **(Resolution 6)**
   Mr Gary Ho Kuat Foong **(Resolution 7)**
   Mr Ong Pang Liang **(Resolution 8)**

   Mr Tan Wee Han will, upon re-election as a Director of the Company, remain as a member of the Nominating Committee, and will be considered non-independent.

   Mr Lock Wai Han will, upon re-election as a Director of the Company, remain as a member of the Audit Committee, and will be considered non-independent.

   Mr Gary Ho Kuat Foong will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees, and will be considered independent.

   Mr Ong Pang Liang will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees, and will be considered independent.

4. To re-elect Dr Ho Tat Kin as a Director of the Company under Article 95 of the Constitution of the Company.

   Dr Ho Tat Kin, who was previously appointed to hold office until this Annual General Meeting pursuant to Section 153(6) of the Companies Act, Cap. 50, which was then in force, will upon re-election as a Director of the Company, remain as the Chairman of the Board and the Nominating Committee and a member of the Audit and Remuneration Committees and will be considered independent. **(Resolution 9)**

5. To approve the payment of Directors' fees of S$25,000 for the year ended 31 December 2015. **(Resolution 10)**

6. To approve the payment of Directors' fees of S$199,000 for the year ending 31 December 2016, payable quarterly in arrears. **(Resolution 11)**

7. To re-appoint Ernst & Young LLP as the Auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 12)**

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

As Special Business

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

9. Authority to issue shares

That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of Section B of the Singapore Exchange Securities Trading Limited Listing Manual: Rules of Catalist (the "**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") 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 of the Company 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 of the Company while this Resolution was in force,

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 one hundred per centum (100%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (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 shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the Singapore Exchange Securities Trading Limited) 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) shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company 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 exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(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 Singapore Exchange Securities Trading Limited) and the Constitution of the Company; 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 Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (i)] **(Resolution 13)**

10. Authority to issue shares under the Secura Employee Share Option Scheme and/or Secura Performance Share Plan (collectively, the "Share-Based Incentive Plans")

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to allot and issue, from time to time, such number of shares in the capital of the Company 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 award during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Share-Based Incentive Plans shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company 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 Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (ii)] **(Resolution 14)**

By Order of the Board

Ng Tze Lee
Secretary

Singapore, 13 April 2016

Explanatory Notes:

(i) The Ordinary Resolution 13 in item 9 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the 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, in total, 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, 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) will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

(ii) The Ordinary Resolution 14 in item 10 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company 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 (for the entire duration of the Share-Based Incentive Plans) fifteen per centum (15%) of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

Notes:

1. (a) A member who is not a relevant intermediary, is entitled to appoint not more than two proxies to attend and vote at the Annual General Meeting (the "**Meeting**").

   (b) A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a Member of the Company.

3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 8 Pioneer Road North, Singapore 628460 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting 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 representatives appointed for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including 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 the 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.

This page has been intentionally left blank.

SECURA GROUP LIMITED

Company Registration No. 201531866K
(Incorporated In The Republic of Singapore)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ____

of ____

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

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at Parkroyal on Pickering, William Ballroom, Level 2, 3 Upper Pickering Street, Singapore 058289 on Thursday, 28 April 2016 at 10.30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Resolutions relating to:	Number of Votes For(1)	Number of Votes Against(1)
1	Directors' Statement and Audited Financial Statements for the year ended 31 December 2015		
2	Final (one-tier tax exempt) dividend for the financial year ended 31 December 2015		
3	Re-election of Mr Paul Lim Choon Wui as a Director		
4	Re-election of Ms Lim Siok Leng as a Director		
5	Re-election of Mr Tan Wee Han as a Director		
6	Re-election of Mr Lock Wai Han as a Director		
7	Re-election of Mr Gary Ho Kuat Foong as a Director		
8	Re-election of Mr Ong Pang Liang as a Director		
9	Re-election of Dr Ho Tat Kin as a Director		
10	Approval of Directors' fees for the year ended 31 December 2015		
11	Approval of Directors' fees for the year ending 31 December 2016		
12	Re-appointment of Ernst & Young LLP as Auditor		
13	Authority to issue shares		
14	Authority to issue shares under the Secura Employee Share Option Scheme and/or Secura Performance Share Plan		

(1) if you wish to exercise all your votes "For" or "Against", please tick [√] within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this ________ day of ____________________ 2016

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

____

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Future Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

   "Relevant intermediary" means

   (i) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 8 Pioneer Road North, Singapore 628460, not less than 48 hours before the time appointed for the Meeting.

7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

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 Annual General Meeting dated 13 April 2016.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS
Dr. Ho Tat Kin *(Chairman and Independent Director)*
Mr. Paul Lim Choon Wui *(Executive Director and CEO)*
Ms. Lim Siok Leng *(Executive Director, CFO and General Manager (Security Printing) (Covering))*
Mr. Tan Wee Han *(Non-Executive, Non-Independent Director)*
Mr. Lock Wai Han *(Non-Executive, Non-Independent Director)*
Mr. Gary Ho Kuat Foong *(Independent Director)*
Mr. Ong Pang Liang *(Independent Director)*

AUDIT COMMITTEE
Mr. Ong Pang Liang (*Chairman*)
Dr. Ho Tat Kin
Mr. Gary Ho Kuat Foong
Mr. Lock Wai Han

NOMINATING COMMITTEE
Dr. Ho Tat Kin (*Chairman*)
Mr. Ong Pang Liang
Mr. Gary Ho Kuat Foong
Mr. Tan Wee Han

REMUNERATION COMMITTEE
Mr. Gary Ho Kuat Foong (*Chairman*)
Dr. Ho Tat Kin
Mr. Ong Pang Liang

COMPANY SECRETARY
Ms. Ng Tze Lee
(Associate of the Singapore Association of the Institute of Chartered Secretaries and Administrators)

COMPANY REGISTRATION NUMBER
201531866K

REGISTERED OFFICE
8 Pioneer Road North
Singapore 628460
Tel: +65 6834 9500
Fax: +65 6235 9214
Website: www.securagroup.sg

SPONSOR
United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

AUDITORS OF OUR COMPANY AND REPORTING ACCOUNTANTS
Ernst & Young LLP
One Raffles Quay
North Tower
Level 18
Singapore 048583

Partner-in-charge: Ms. Tan Peck Yen
(a practising member of the Institute of Singapore Chartered Accountants)
Since financial year ended 31 December 2015

SHARE REGISTRAR AND SHARE TRANSFER OFFICE
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

WARRANT AGENT
Boardroom Corporate & Advisory Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

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

Printed and produced by: SL Financial Press Pte Ltd
Designed by: Eileen Yeo

2015 Secura Group Limited
Annual Report

Company Registration No. 201531866K
Incorporated in the Republic of Singapore on 14 August 2015

SECURA
GROUP LIMITED

Secura Group Limited
8 Pioneer Road North
Singapore 628460
Tel: (65) 6834 9500
Fax: (65) 6235 9214
www.securagroup.sg