



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

Condensed Interim Financial Statements
For the six months and full year ended 31 December 2023

Table of Contents	Page
A. Condensed interim consolidated statement of profit or loss and other comprehensive income	2
B. Condensed interim statements of financial position	3
C. Condensed interim consolidated statements of changes in equity	5
D. Condensed interim consolidated statement of cash flows	7
E. Notes to the condensed interim consolidated financial statements	8
F. Other information required under the Catalist Rules	18

SECURA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 201531866K)

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

	Note	Group			Group		
		Six-month period ended			Year ended		
		31 December ("2H")	Increase/	31 December ("FY")	Increase/		
		2023	(Decrease)	2023	2022	(Decrease)	
		S\$'000	%	S\$'000	S\$'000	%	
Revenue	2.13	30,205	12.0	59,677	48,637	22.7	
Cost of sales		(26,793)	13.0	(53,399)	(43,725)	22.1	
Gross profit		3,412	4.8	6,278	4,912	27.8	
Other operating income	2.14	2,498	272.8	3,163	2,508	26.1	
Distribution and selling expenses		(975)	26.10	(1,789)	(1,551)	15.4	
Administrative expenses		(4,391)	77.3	(6,657)	(4,697)	41.7	
Finance costs		(67)	42.3	(95)	(81)	18.3	
Share of results of joint ventures and associate		177	(39.4)	365	421	(13.4)	
Profit before tax	2.15	654	(28.9)	1,265	1,512	(16.3)	
Income tax expense		(160)	77.9	(229)	(223)	2.6	
Profit for the period/year		494	(40.5)	1,036	1,289	(19.6)	
Other comprehensive income							
Items that may be classified subsequently to profit or loss							
<i>Items that may be reclassified subsequently to profit or loss</i>							
Share of foreign currency translation of joint ventures and associates		(56)	(83.4)	(101)	(333)	(69.7)	
Total comprehensive income for the period/year		438	(11.0)	935	956	(2.2)	
Profit for the period/year attributable to:							
Owners of the Company		503	(39.4)	1,045	1,289	(18.9)	
Non-controlling interest		(9)	NM	(9)	–	NM	
		494	(40.5)	1,036	1,289	(19.6)	
Total comprehensive income for the period/year attributable to:							
Owners of the Company		447	(9.1)	944	956	(1.3)	
Non-controlling interest		(9)	NM	(9)	–	NM	
		438	(11.0)	935	956	(2.2)	

NM – Not meaningful

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(Company Registration No: 201531866K)

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

	Note	Group		Company	
		As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000	As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000
Non-current assets					
Property, plant and equipment	2.6	21,230	22,823	14,046	14,204
Right-of-use assets		1,141	997	–	–
Intangible assets	2.7	1,716	–	26	–
Investment property		–	–	2,325	2,415
Investment in subsidiaries		–	–	21,194	22,284
Investment in joint ventures		153	674	–	–
Investment in associates		1,784	1,516	–	–
Deferred tax assets		172	53	–	–
		<u>26,196</u>	<u>26,063</u>	<u>37,591</u>	<u>38,903</u>
Current assets					
Inventories		844	813	–	–
Trade and other receivables	2.8	12,450	9,046	32	16
Contract assets		2,278	2,794	–	–
Prepaid operating expenses		1,072	638	18	21
Amounts due from subsidiaries		–	–	2,514	133
Amount due from joint ventures		–	227	–	–
Cash and short-term deposits	2.9	16,043	16,490	7,207	9,031
		<u>32,687</u>	<u>30,008</u>	<u>9,771</u>	<u>9,201</u>
Asset held for sale on investment in a joint venture		371	–	–	–
		<u>33,058</u>	<u>30,008</u>	<u>9,771</u>	<u>9,201</u>
Total assets		<u>59,254</u>	<u>56,071</u>	<u>47,362</u>	<u>48,104</u>
Current liabilities					
Trade and other payables	2.10	8,614	7,464	683	510
Contract liabilities		837	385	–	–
Loans and borrowings	2.11	489	250	250	250
Lease liabilities		239	64	–	–
Amount due to subsidiaries		–	–	3,977	5,078
Amount due to joint ventures		47	–	–	–
Income tax payable		322	465	–	–
		<u>10,548</u>	<u>8,628</u>	<u>4,910</u>	<u>5,838</u>
Net current assets		<u>22,510</u>	<u>21,380</u>	<u>4,861</u>	<u>3,363</u>
Non-current liabilities					
Loans and borrowings	2.11	2,289	2,297	2,027	2,297
Lease liabilities		850	756	–	–
Other payable	2.10	875	–	875	–
Provision for reinstatement cost		51	51	–	–
Deferred tax liabilities		864	751	–	–
		<u>4,929</u>	<u>3,855</u>	<u>2,902</u>	<u>2,297</u>
Total liabilities		<u>15,477</u>	<u>12,483</u>	<u>7,812</u>	<u>8,135</u>
Net assets		<u>43,777</u>	<u>43,588</u>	<u>39,550</u>	<u>39,969</u>

SECURA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 201531866K)

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

	Note	Group		Company	
		As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000	As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000
Equity					
Share capital	2.12	61,644	61,644	61,644	61,644
Other reserves		(16,652)	(16,555)	111	111
Accumulated losses		(1,456)	(1,501)	(22,205)	(21,786)
		<hr/>	<hr/>	<hr/>	<hr/>
Equity attributable to owners of the Company		43,536	43,588	39,550	39,969
Non-controlling interest		241	–	–	–
		<hr/>	<hr/>	<hr/>	<hr/>
Total equity		43,777	43,588	39,550	39,969

SECURA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No: 201531866K)

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Group	Attributable to owners of the Company							Non-controlling interest S\$'000	Total equity S\$'000
	Share capital S\$'000	Merger reserve S\$'000	Foreign currency translation reserve S\$'000	Employee share option reserve S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total S\$'000		
At 1 January 2023	61,644	(16,291)	(375)	111	(16,555)	(1,501)	43,588	–	43,588
Profit for the year	–	–	–	–	–	1,045	1,045	(9)	1,036
<u>Other comprehensive income</u>									
Foreign currency translation	–	–	(101)	–	(101)	–	(101)	–	(101)
Other comprehensive income for the year, net of tax	–	–	(101)	–	(101)	–	(101)	–	(101)
Total comprehensive income for the year	–	–	(101)	–	(101)	1,045	944	(9)	935
<u>Contributions by and distributions to owners</u>									
Dividend paid on ordinary shares	–	–	–	–	–	(1,000)	(1,000)	–	(1,000)
<u>Changes in ownership interests in a subsidiary</u>									
Acquisition of a subsidiary	–	–	4	–	4	–	4	250	254
At 31 December 2023	61,644	(16,291)	(472)	111	(16,652)	(1,456)	43,536	241	43,777
At 1 January 2022	61,644	(16,291)	(42)	396	(15,937)	(1,475)	44,232	–	44,232
Profit for the year	–	–	–	–	–	1,289	1,289	–	1,289
<u>Other comprehensive income</u>									
Foreign currency translation	–	–	(333)	–	(333)	–	(333)	–	(333)
Other comprehensive income for the year, net of tax	–	–	(333)	–	(333)	–	(333)	–	(333)
Total comprehensive income for the year	–	–	(333)	–	(333)	1,289	956	–	956
<u>Contributions by and distributions to owners</u>									
Grant of equity-settled share options to employees	–	–	–	(285)	(285)	285	–	–	–
Dividend paid on ordinary shares	–	–	–	–	–	(1,600)	(1,600)	–	(1,600)
At 31 December 2022	61,644	(16,291)	(375)	111	(16,555)	(1,501)	43,588	–	43,588

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(Company Registration No: 201531866K)

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

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

Company	Share capital S\$'000	Employee share option reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2023	61,644	111	(21,786)	39,969
Profit for the year, representing total comprehensive income for the year	–	–	581	581
<u>Contributions by and distributions to owners</u>				
Dividend paid on ordinary shares	–	–	(1,000)	(1,000)
At 31 December 2023	61,644	111	(22,205)	39,550
At 1 January 2022	61,644	396	(22,039)	40,001
Profit for the year, representing total comprehensive income for the year	–	–	1,568	1,568
<u>Contributions by and distributions to owners</u>				
Lapse of equity-settled share options	–	(285)	285	–
Dividend paid on ordinary shares	–	–	(1,600)	(1,600)
At 31 December 2022	61,644	111	(21,786)	39,969

SECURA GROUP LIMITED

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(Company Registration No: 201531866K)

1(d) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

	Group	
	FY2023	FY2022
	S\$'000	S\$'000
Operating activities:		
Profit before tax	1,265	1,512
Adjustments for:		
Amortisation of right-of-use assets	155	109
Amortisation of intangible assets	9	–
Depreciation of property, plant and equipment	1,231	1,246
Fair value loss on asset held for sale	145	–
Finance costs	95	81
Gain on disposal of property, plant and equipment	(16)	(2)
Impairment loss on property, plant and equipment	1,000	–
Interest income	(310)	(106)
Share of results of joint ventures and associate	(365)	(421)
Unrealised exchange loss, net	5	23
(Reversal of)/allowance for expected credit losses on trade receivables, net	(5)	10
Write off of allowance for expected credit losses on trade receivables	6	–
	3,215	2,452
Operating cash flows before working capital changes		
Increase in inventories	(31)	(108)
Increase in trade and other receivables and contract assets	(1,868)	(3,379)
Increase in prepaid operating expenses	(293)	(254)
Increase/(decrease) in amount due to a joint venture	274	(418)
Increase in trade and other payables and contract liabilities	699	3,140
	1,996	1,433
Cash flows generated from operations		
Interest income received	293	106
Interest paid	(64)	(65)
Income tax paid	(391)	(256)
	1,834	1,218
Net cash flows generated from operating activities		
Investing activities:		
Proceeds from disposal of property, plant and equipment	20	2
Purchase of property, plant and equipment	(129)	(277)
Net cash outflow from acquisition of subsidiary	(702)	–
Dividend received from an associate company	69	131
	(742)	(144)
Net cash flows used in investing activities		
Financing activities:		
Dividends paid on ordinary shares	(1,000)	(1,600)
Payment of principal portion of lease liabilities	(173)	(95)
Repayment of bank loans	(360)	(279)
	(1,533)	(1,974)
Net cash flows used in financing activities		
Net decrease in cash and short-term deposits	(441)	(900)
Effect of exchange rate changes on cash and short-term deposits	(6)	(22)
Cash and short-term deposits at 1 January	16,490	17,412
	16,043	16,490
Cash and short-term deposits at 31 December		

Secura Group Limited

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Company Registration No.: 201531866K

2. Notes to the condensed interim financial statements

2.1 Corporate information

The Company is a limited company incorporated and domiciled in the Republic of Singapore and is listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The registered office and principal place of business of the Company are located at 38 Alexandra Terrace, Singapore 119932 (“**Alexandra Property**”).

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

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

2.2 Basis of preparation

The condensed interim financial statements for 2H2023 and FY2023 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for FY2022.

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

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

2.3 New and amended standards adopted by the Group

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

2.4 Seasonal operations

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

Secura Group Limited

Incorporated in the Republic of Singapore

Company Registration No.: 201531866K

2.5 Segment and revenue information

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

The Group's main business segments are as follows:

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

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

2.6 Property, plant and equipment

- (a) In FY2023, the Group acquired property, plant and equipment with an aggregate cost of S\$129,000 (FY2022: S\$277,000).
- (b) During the year, the Group assessed the recoverable amount of its Cash Generating Unit ("CGU") relating to its Security Printing division. Based on the assessment, the recoverable amount is lower than the carrying amount of the CGU due to lower demand in cheque printing. An impairment loss of S\$1,000,000 (2022: S\$ Nil) representing the write-down of the property, plant and equipment was recognised in FY2023.

2.7 Intangible assets

- (a) On 28 August 2023, the Group acquired 51% of the voting shares of Onesecure Asia Pte. Ltd. (“**OSA**”), a company specialising in cybersecurity and headquartered in Singapore. The Group acquired this business to expand its cybersecurity segment.

The Group elected to measure the non-controlling interest in the acquiree at the proportionate share of its interest in the acquiree’s identifiable net assets. The fair value of the identifiable assets and liabilities of OSA as at the date of acquisition were:

	FY2023
	S\$
Plant and equipment	429
Right-of-use assets	318
Intangible assets	77
Cash and cash equivalents	298
Trade and other receivables	1,074
Prepayments	142
Total assets	2,338
Trade and other payables	390
Contract liabilities	514
Bank borrowings	591
Lease liabilities	320
Deferred tax liabilities	13
Total liabilities	1,828
Total identifiable net assets at fair value	510
Shareholdings acquired	51%
Group’s share of net assets	260
Goodwill arising from acquisition	1,615
	1,875
Consideration transferred for the acquisition	
Cash paid for business acquisition	1,000
Deferred consideration (Note 2.10)	875
Total consideration	1,875
Less: Cash and cash equivalent acquired	(298)
Less: Deferred consideration	(875)
Net cash outflow on acquisition of subsidiary	702

2.7 Intangible assets (cont'd)

(b) The carrying amount of intangible assets is as follow:

	Goodwill S\$'000	Customer relationships S\$'000	Order backlogs S\$'000	Trademark S\$'000	Total S\$'000
Cost					
As at 1 January 2022, 31 December 2022 and 1 January 2023	2,382	1,354	–	–	3,736
Additions	1,615	43	34	33	1,725
As at 31 December 2023	3,997	1,397	34	33	5,461
Accumulated amortisation and impairment					
As at 1 January 2022, 31 December 2022 and 1 January 2023	2,382	1,354	–	–	3,736
Amortisation	–	4	4	1	9
As at 31 December 2023	2,382	1,358	4	1	3,745
Net carrying amount					
As at 31 December 2022	–	–	–	–	–
As at 31 December 2023	1,615	39	30	32	1,716
Average remaining amortisation (years)					
	–	3.6	2.6	9.6	

2.8 Trade and other receivables

	Group		Company	
	As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000	As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000
Trade receivables	10,592	8,046	–	–
Less: Allowance for expected credit loss	–	(11)	–	–
Total trade receivables	10,592	8,035	–	–
Other receivables	1,749	999	19	12
Deposits	109	12	13	4
Total trade and other receivables	12,450	9,046	32	16
<i>Add:</i>				
Amounts due from subsidiaries	–	–	2,514	133
Amounts due from joint ventures	–	227	–	–
Cash and short-term deposits	16,043	16,490	7,207	9,031
Total financial assets carried at amortised cost	28,493	25,763	9,753	9,180

Expected credit loss assessment

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

2.9 Cash and short-term deposits

	Group		Company	
	As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000	As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000
Fixed deposits	10,277	10,760	6,912	8,860
Cash and bank balances	5,766	5,730	295	171
	16,043	16,490	7,207	9,031

Interest on fixed deposits with financial institutions were at rates ranging from 2.60% to 4.00% per annum in FY2023 (FY2022: 0.50% to 4.00% per annum). These fixed deposits mature in varying periods.

2.10 Trade and other payables

	Group		Company	
	As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000	As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000
Current				
Trade payables	2,450	2,663	–	–
Other payables	3,315	2,461	282	266
Accrued operating expenses	2,849	2,340	401	244
	8,614	7,464	683	510
Non-current				
Other payables (Note 2.7(a))	875	–	875	–
Trade and other payables	9,489	7,464	1,558	510
<i>Add:</i>				
Loans and borrowings	2,778	2,547	2,277	2,547
Lease liabilities	1,089	820	–	–
Amounts due to subsidiaries	–	–	3,977	5,078
<i>Less:</i>				
Goods and services tax	(1,091)	(818)	(22)	(18)
Total financial liabilities carried at amortised cost	12,265	10,013	7,790	8,117

2.11 Loans and borrowings

	Group		Company	
	As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000	As at 31/12/2023 S\$'000	As at 31/12/2022 S\$'000
Current				
Bank loan	489	250	250	250
Non-current				
Bank loan	2,289	2,297	2,027	2,297
Total loans and borrowings	2,778	2,547	2,277	2,547

(a) Bank loan of the Company is denominated in SGD and bears interest at 2.25% below the bank's commercial financing rate per annum. As at 31 December 2023, the loan was secured by a mortgage over the Company's freehold land and building and is repayable over 180 monthly principal instalments ending July 2031.

(b) Bank loan of a subsidiary is denominated in SGD and bears interest at floating rate ranging from 2.25% to 7.75% and is guaranteed by a director of a subsidiary.

2.12 Share capital

	Group and Company			
	As at 31/12/2023		As at 31/12/2022	
	No. of shares	S\$'000	No. of shares	S\$'000
Issued and fully paid ordinary shares				
As at 31 December 2023 and 31 December 2022	400,002,000	61,644	400,002,000	61,644

There were 2,800,000 share options outstanding under the Secura Employee Share Option Scheme as at 31 December 2023 (31 December 2022: 2,800,000 share options).

As at 31 December 2023 and 31 December 2022, there were no treasury shares held by the Company and there were no subsidiary holdings. There has been no change in the share capital of the Company since the end of the previous period reported on.

2.13 Revenue

Disaggregation of revenue from contracts with customers

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

	Group		Group	
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Major product or service lines				
Sales of services	27,033	23,782	53,636	42,703
Sale of goods	3,172	3,193	6,041	5,934
Total revenue from contract with customers	30,205	26,975	59,677	48,637
Timing of revenue recognition				
Services transferred over time	27,033	23,782	53,636	42,703
Good transferred over time	474	568	994	1,244
Good transferred at point in time	2,698	2,625	5,047	4,690
	30,205	26,975	59,677	48,637

For further disaggregation disclosure of revenue from contracts with customers by business segment – refer to paragraph 2.16.

2.14 Other operating income

	Group		Group	
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Government grant income	2,196	287	2,567	1,938
Interest income	149	79	310	106
Handling fee	107	75	177	136
Gain on disposal of property, plant and equipment	16	2	16	2
Scrap sales	14	11	30	25
Rental income from investment property	6	14	11	52
Management fee from a joint venture	–	–	–	4
Others	10	202	52	245
	2,498	670	3,163	2,508

2.15 Profit before tax

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

	Group		Group	
	2H2023 S\$'000	2H2022 S\$'000	FY2023 S\$'000	FY2022 S\$'000
Amortisation of right-of-use assets	116	51	155	108
Amortisation of intangible assets	9	–	9	–
Depreciation of property, plant and equipment	622	618	1,231	1,246
Directors' fees	147	124	279	249
Employee benefits				
- Wages, salaries and bonuses	21,772	16,862	42,083	33,258
- Central Provident Fund contributions	1,958	1,949	4,055	3,587
- Other short-term benefits	979	645	2,492	1,387
Fair value loss on asset held for sale on investment in a joint venture	145	–	145	–
Finance costs				
- Interest expense on bank borrowings	48	17	64	35
- Interest expense on leases	19	14	31	30
- Interest expense on unwinding of provision for reinstatement cost	–	16	–	16
Impairment loss on property, plant and equipment	1,000	–	1,000	–
(Reversal of)/allowance for expected credit losses on trade receivables	1	10	(5)	10
Write off of allowance for expected credit losses on trade receivables	6	–	6	–

2.16 Operating segments

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

Sales revenue by products and services

	Corporate S\$'000	Security Guarding S\$'000	Security Printing S\$'000	Security Technology and Consultancy S\$'000	Cyber Security S\$'000	Elimination S\$'000	Group S\$'000
2H2023							
External customers	–	23,704	2,846	2,056	1,599	–	30,205
Inter-segment	582	39	13	248	80	(962)	–
Total revenue	582	23,743	2,859	2,304	1,679	(962)	30,205
Results:							
Interest income	122	16	11	–	–	–	149
Depreciation of property, plant and equipment and investment property	(125)	(95)	(317)	(25)	(60)	–	(622)
Amortisation of right-of- use assets	–	–	(38)	–	(78)	–	(116)
Amortisation of intangible assets	(1)	–*	–	–	(8)	–	(9)
Share of results of joint ventures and associate	–	–	177	–	–	–	177
Impairment loss on property, plant and equipment	–	–	(1,000)	–	–	–	(1,000)
Fair value loss on asset held for sale on investment in a joint venture**	–	–	(145)	–	–	–	(145)
Segment (loss)/profit	(367)	1,616	(727)	(8)	(20)	–	494
Assets:							
Segment assets	26,168	19,555	14,329	2,306	4,316	(7,420)	59,254
Liabilities:							
Segment liabilities	7,811	8,805	3,067	1,349	2,486	(8,041)	15,477
2H2022							
External customers	–	21,461	2,986	2,310	218	–	26,975
Inter-segment	539	29	–	241	1	(810)	–
Total revenue	539	21,490	2,986	2,551	219	(810)	26,975
Results:							
Interest income	47	–	32	–	–	–	79
Depreciation of property, plant and equipment and investment property	(131)	(83)	(386)	(16)	(2)	–	(618)
Amortisation of right-of- use assets	–	–	(42)	(9)	–	–	(51)
Share of results of joint ventures and associate	–	–	292	–	–	–	292
Segment (loss)/profit	(356)	888	540	(82)	(160)	–	830
Assets:							
Segment assets	25,821	14,992	18,441	2,326	343	(5,852)	56,071
Liabilities:							
Segment liabilities	8,135	6,247	2,664	1,643	510	(6,716)	12,483

* Less than S\$1,000

** Refer to Note 18 of the announcement for details.

2.16 Operating segment (cont'd)

	Corporate S\$'000	Security Guarding S\$'000	Security Printing S\$'000	Security Technology and Consultancy S\$'000	Cyber Security S\$'000	Elimination S\$'000	Group S\$'000
FY2023							
External customers	–	49,113	5,625	3,249	1,690	–	59,677
Inter-segment	1,164	82	13	868	129	(2,256)	–
Total revenue	1,164	49,195	5,638	4,117	1,819	(2,256)	59,677
Results:							
Interest income	267	16	27	–	–	–	310
Depreciation of property, plant and equipment and investment property	(249)	(188)	(683)	(50)	(61)	–	(1,231)
Amortisation of right-of- use assets	–	–	(77)	–	(78)	–	(155)
Amortisation of intangible assets	(1)	–*	–	–	(8)	–	(9)
Share of results of joint ventures and associate	–	–	365	–	–	–	365
Impairment loss on property, plant and equipment	–	–	(1,000)	–	–	–	(1,000)
Fair value loss on asset held for sale on investment in a joint venture**	–	–	(145)	–	–	–	(145)
Segment (loss)/profit	(506)	1,968	(399)	112	(139)	–	1,036
Assets:							
Segment assets	26,168	19,555	14,329	2,306	4,316	(7,420)	59,254
Liabilities:							
Segment liabilities	7,811	8,805	3,067	1,349	2,486	(8,041)	15,477
FY2022							
External customers	–	38,679	5,552	3,993	413	–	48,637
Inter-segment	1,079	45	1	343	2	(1,470)	–
Total revenue	1,079	38,724	5,553	4,336	415	(1,470)	48,637
Results:							
Interest income	53	–	53	–	–	–	106
Depreciation of property, plant and equipment and investment property	(266)	(155)	(792)	(30)	(3)	–	(1,246)
Amortisation of right-of- use assets	–	–	(91)	(18)	–	–	(109)
Share of results of joint ventures and associate	–	–	421	–	–	–	421
Segment (loss)/profit	(633)	1,692	471	(69)	(172)	–	1,289
Assets:							
Segment assets	25,821	14,992	18,441	2,326	343	(5,852)	56,071
Liabilities:							
Segment liabilities	8,135	6,247	2,664	1,643	510	(6,716)	12,483

* Less than S\$1,000

** Refer to Note 18 of the announcement for details.

2.16 Operating segment (cont'd)

Geographical information

Revenue is solely generated from operations in Singapore.

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

	FY2023	FY2022
	S\$'000	S\$'000
Non-current assets		
Singapore	24,412	24,030
Bangladesh	1,784	1,516
Taiwan	–	517
	26,196	26,063

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

2.17 Breakdown of sales

	Group		Increase/ (Decrease)
	FY2023	FY2022	%
	S\$'000	S\$'000	
Sales reported for:			
(a) First half of the financial year	29,472	21,662	36.1
(b) Second half of the financial year	30,205	26,975	12.0
	59,677	48,637	22.7
Profit net of tax:			
(c) First half of the financial year	542	459	18.1
(d) Second half of the financial year	494	830	(40.5)
	1,036	1,289	(19.6)

Other Information required under the Catalist Rules

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

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

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

Not applicable.

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

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

Not applicable.

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

	Group		Group	
	2H2023	2H2022	FY2023	FY2022
Profit attributable to owners of the Company (S\$'000)	503	830	1,045	1,289
Weighted average number of shares ('000)	400,002	400,002	400,002	400,002
Basic and diluted EPS based on weighted average number of shares (cents)	0.13	0.21	0.26	0.32

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

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

	Group		Company	
	As at 31/12/2023	As at 31/12/2022	As at 31/12/2023	As at 31/12/2022
Net asset value (S\$'000)	43,536	43,588	39,550	39,969
Number of shares ('000)	400,002	400,002	400,002	400,002
Net asset value per share (cents)	10.88	10.90	9.89	9.99

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

REVIEW OF THE GROUP'S PERFORMANCE

2H2023 vs 2H2022

Revenue

Revenue increased by 12.0% or S\$3.23 million, from S\$26.98 million in 2H2022 to S\$30.21 million in 2H2023 mainly due to an increase in revenue of (1) S\$2.24 million or 10.5% from the Security Guarding segment due to the award of new contracts, and (2) S\$1.38 million or 631.8% from the Cyber Security segment, mainly due to revenue contributions from OSA which was acquired in August 2023.

Cost of sales

Cost of sales increased by 13.0% or S\$3.07 million, from S\$23.72 million in 2H2022 to S\$26.79 million in 2H2023, in line with the increase in revenue.

Gross profit

Gross profit increased by 4.8% or S\$0.16 million, from S\$3.26 million in 2H2022 to S\$3.41 million in 2H2023. Gross profit margin decreased marginally from 12.1% in 2H2022 to 11.3% in 2H2023 mainly due to the following:

- (1) decrease in gross profit margin from the Security Guarding segment due to shortfall of manpower which resulted in higher liquidated damages as well as higher deployment costs as a result of the adoption of progressive wage model that increases the payroll cost of security officers; and partially offset by
- (2) improvement in gross profit margin from the Security Printing segment due to better cost management.

Other operating income

Other operating income increased by 272.8% or S\$1.83 million, from S\$0.67 million in 2H2022 to S\$2.50 million in 2H2023. This was due to the higher Job Growth Incentive and other government grants that were received in 2H2023.

Distribution and selling expenses

Distribution and selling expenses increased by 26.1% or S\$0.20 million, from S\$0.77 million in 2H2022 to S\$0.98 million in 2H2023. This was due to higher commission payout due to the increase in revenue.

Administrative expenses

Administrative expenses increased by 77.3% or S\$1.91 million, from S\$2.48 million in 2H2022 to S\$4.39 million in 2H2023. This was mainly due to the impairment of non-financial assets and fair value loss on assets held for sale recorded in 2H2023. Furthermore, additional headcounts were hired to support the Security Guarding segment.

Finance costs

Finance costs increased by 42.3% or S\$0.02 million, from S\$0.05 million in 2H2022 to S\$0.07 million in 2H2023. This was mainly due to higher borrowing following the consolidation of OSA.

Share of results of joint ventures and associate

Share of results of joint ventures and associate decreased by 39.4% or S\$0.12 million, from S\$0.29 million in 2H2022 to S\$0.18 million in 2H2023. This was mainly due to the lower share of results from the Taiwan joint venture and lower profits from Bangladesh associate mainly due to the weakening of Bangladeshi Taka against Singapore Dollar.

Income tax expense

Income tax expense increased by 77.9% or S\$0.07 million, from S\$0.09 million in 2H2022 to S\$0.16 million in 2H2023. Despite lower profit, the higher tax in 2H2023 is mainly due to the recognition of non-deductible expenses such as impairment loss on property, plant and equipment and fair value loss on asset held for sale in 2H2023. This is slightly offset by the new tax deduction in FY2023 under the Enterprise Innovation Scheme.

Profit attributable to owners of the Company

As a result of the above, profit attributable to owners of the Company decreased by 39.4% or S\$0.33 million, from S\$0.83 million in 2H2022 to S\$0.50 million in 2H2023.

FY2023 vs FY2022

Revenue

Revenue increased by 22.7% or S\$11.04 million, from S\$48.64 million in FY2022 to S\$59.68 million in FY2023 mainly due to an increase in revenue of (1) S\$10.43 million or 27.0% from the Security Guarding segment due to the award of new contracts, and (2) S\$1.28 million or 309.1% from the Cyber Security segment, mainly due to revenue contributions from OSA which was acquired in August 2023.

Cost of sales

Cost of sales increased by 22.1% or S\$9.67 million, from S\$43.73 million in FY2022 to S\$53.40 million in FY2023, in line with the increase in revenue.

Gross profit

Gross profit increased by 27.8% or S\$1.37 million, from S\$4.91 million in FY2022 to S\$6.28 million in FY2023. Gross profit margin increased marginally from 10.1% in FY2022 to 10.5% in FY2023 mainly due to the increase in gross profit margin from the Security Printing segment due to better cost management, and partially offset by the decrease in gross profit margin from the Security Guarding segment due to shortfall of manpower which resulted in higher liquidated damages as well as the adoption of progressive wage model that increases the payroll cost of security officers.

Other operating income

Other operating income increased by 26.1% or S\$0.66 million, from S\$2.51 million in FY2022 to S\$3.16 million in FY2023. This was due to the higher government grants such as Progressive Wage Credit Scheme and Senior Worker Early Adopter Grant.

Distribution and selling expenses

Distribution and selling expenses increased by 15.4% or S\$0.24 million, from S\$1.55 million in FY2022 to S\$1.79 million in FY2023. This was due to higher commission payout due to the increase in revenue.

Administrative expenses

Administrative expenses increased by 41.7% or S\$1.96 million, from S\$4.70 million in FY2022 to S\$6.66 million in FY2023. This was mainly due to the impairment of non-financial assets and fair value loss on assets held for sale recorded in FY2023. Furthermore, additional headcounts were hired to support the Security Guarding segment.

Finance costs

Finance costs increased by 18.3% or S\$0.02 million, from S\$0.08 million in FY2022 to S\$0.10 million in FY2023. This was mainly due to higher borrowing following the consolidation of OSA.

Share of results of joint ventures and associate

Share of results of joint ventures and associate decreased by 13.3% or S\$0.06 million, from S\$0.42 million in FY2022 to S\$0.37 million in FY2023. This was mainly due to the lower share of results from the Taiwan joint venture and lower profits from Bangladesh associate mainly due to the weakening of Bangladeshi Taka against Singapore Dollar.

Income tax expense

Income tax expense increased marginally by 2.6% or S\$0.01 million, from S\$0.22 million in FY2022 to S\$0.23 million in FY2023. Despite lower profit, the higher tax in FY2023 is mainly due to the recognition of non-deductible expenses such as impairment loss on property, plant and equipment and fair value loss on asset held for sale in 2H2023. This is slightly offset by the new tax deduction in FY2023 under the Enterprise Innovation Scheme.

Profit attributable to owners of the Company

As a result of the above, profit attributable to owners of the Company decreased by 18.9% or S\$0.25 million from S\$1.29 million in FY2022 to S\$1.04 million in FY2023.

REVIEW OF THE GROUP'S FINANCIAL POSITION

Total assets of the Group of S\$59.25 million as of 31 December 2023 were higher compared to S\$56.07 million as of 31 December 2022. The increase was largely due to the increase in trade and other receivables and contract assets of S\$2.89 million in aggregate, in line with the increase in revenue. The increase was also due to the increase in intangible assets of S\$1.72 million as a result of capitalising the goodwill and other intangible assets from the acquisition of OSA. The increase was partially offset by the net decrease in cash and short-term deposits of S\$0.45 million and depreciation and amortisation of property, plant and equipment and right-of-use assets of S\$1.45 million. During the year, the Group reclassified an investment in a joint venture to asset held for sale, refer to Note 18 of the announcement for details.

Total liabilities of the Group of S\$15.48 million as of 31 December 2023 were higher compared to S\$12.48 million as of 31 December 2022. The increase was mainly due to an increase in trade and other payables and contract liabilities of S\$1.60 million in aggregate, in line with the increase in cost of sales. Additionally, with the consolidation of OSA, bank borrowings and lease liabilities increased by S\$0.50 million. Other payable of S\$0.88 million in non-current liabilities relates to the deferred consideration for the acquisition of OSA, refer to Note 2.7(a) of the announcement.

Total equity of the Group was S\$43.78 million as of 31 December 2023 compared to S\$43.59 million as of 31 December 2022. The increase was mainly due to profits generated during the year, partially offset by dividends of S\$1.00 million paid to shareholders of the Company in respect of profits for FY2022.

REVIEW OF THE GROUP'S CASH FLOWS STATEMENT

The Group generated operating cash flows before working capital changes of S\$3.22 million for FY2023. Net cash used in working capital amounted to S\$1.22 million mainly due to an increase in trade and other receivables and contract assets of S\$1.87 million, partially offset by an increase trade and other payables and contract liabilities of S\$0.70 million. Net cash generated from operating activities for FY2023 amounted to S\$1.83 million.

Net cash used in investing activities for FY2023 amounted to S\$0.74 million due to the acquisition of subsidiary of S\$0.70 million, additions of property, plant and equipment of S\$0.13 million and partially offset by dividend received from associate company of S\$0.07 million.

Net cash used in financing activities for FY2023 amounted to S\$1.53 million. This was due to dividend payment of S\$1.00 million, repayment of bank loans of S\$0.36 million and payment of leases of S\$0.17 million.

As at 31 December 2023, the Group's cash and short-term deposits amounted to S\$16.04 million.

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

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

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

The surge in cyber threats, particularly spam and phishing attacks, underscores the growing demand for our Cyber Security solutions. OSA, our newly acquired business, is poised to leverage this upward trend and meet the expanding market demands for security solutions.

For our Security Guarding business, we experienced deployment challenges due to a shortage of manpower in the first half of 2023. However, the situation has since improved and stabilised in the second half of 2023 due to improvement in recruitment exercise. We will continue our efforts to maintain this improved rate of operations in 2024.

In light of the recent cessation of corporate cheques announced by the Monetary Authority of Singapore and the Association of Banks in Singapore, our Security Printing business is navigating through a phase of uncertainty. In response to these developments, we are currently undertaking a comprehensive review of our business model and operations. The objective of this review is to thoroughly assess the impact of these changes on our current Security Printing services and to identify viable paths forward.

Based on the current economic outlook and barring any unforeseen circumstances, the Group continues to be cautiously optimistic of its business prospects in the current financial year ending 31 December 2024.

10 Dividend

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

Name of dividend	Final
Dividend type	Cash
Dividend amount per share	0.1375 cents per ordinary share
Tax rate	Tax exempt (one-tier)

The final dividend in respect of FY2023 (“**Final Dividend**”) is subject to shareholders’ approval at the forthcoming annual general meeting (“**AGM**”) of the Company.

(b) Previous corresponding period (cents)

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

(c) Date payable

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

(d) Record date

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

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

Not applicable.

Secura Group Limited

Incorporated in the Republic of Singapore

Company Registration No.: 201531866K

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

The Group has not obtained a general mandate from shareholders of the Company for interested person transactions. There is no interested person transaction during the period.

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

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

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

Not required for announcement of full year results.

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

Please refer to Note 7 of this announcement.

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

	FY2023 S\$'000	FY2022 S\$'000
Final dividend	550*	1,000

* The Final Dividend for FY2023 is recommended by the board of directors of the Company and is subject to the approval of the Company's shareholders at the AGM.

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

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

18 Disclosure pursuant to Rule 706A of the Catalist Rules

(a) Acquisition of OSA

On 28 August 2023, the Company completed the acquisition of 291,429 shares representing 51.0% of the issued and paid-up share capital of OSA. Please refer to the Company's announcements dated 1 August 2023 and 28 August 2023 in relation to the acquisition of OSA for more details.

(b) Disposal of Foremost Secura Corporation ("FSC")

On 22 November 2023, Secura Singapore Pte. Ltd., a wholly-owned subsidiary of the Company, entered into a share purchase agreement with its joint venture partner, Foremost eMage Corporation ("**FEC**"), to dispose the entire 900,000 shares representing 50.0% of the issued and paid-up share capital of FSC to FEC for a cash consideration of NT\$9,000,000 ("**Disposal**"). The Disposal was completed on 12 January 2024.

The Disposal does not have a material impact on the net tangible assets or earnings per share of the Company for FY2023.

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

BY ORDER OF THE BOARD

Kan Kheong Ng
Executive Director and Chief Executive Officer

Melissa Lim
Executive Director and Chief Financial Officer

28 February 2024

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

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

The contact person for the Sponsor is Ms. Priscilla Ong, Vice President, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.