SECURA
GROUP LIMITED

FORGING A SECURE PATH FORWARD

ANNUAL REPORT 2023

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Our Vision

To be a leading security solutions provider in Singapore and beyond

Our Mission

Building a safer world with innovative security solutions and exceptional service

Our Core Values

Accountability

We take ownership and responsibility for our actions

Integrity

We build trust through responsible actions and honest relationships

Respect

We value and treat everyone with dignity and professionalism

Exploration

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

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

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

The contact 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.

CORPORATE **PROFILE**

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

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

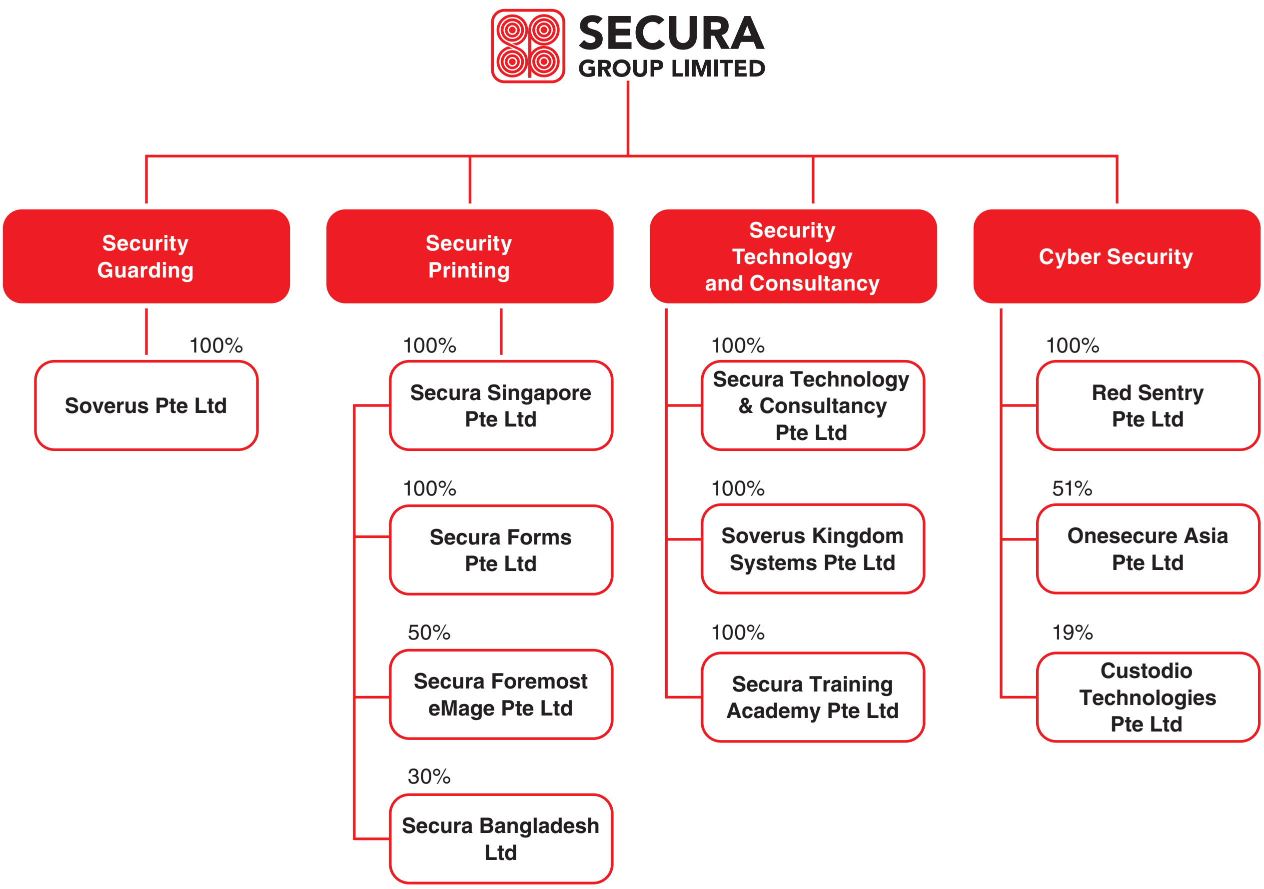
Established in 1976, the Group's security printing, Secura Singapore Pte Ltd has been providing security printing services of value documents with anti-counterfeit features and owns one of the largest cheque printing businesses in Singapore. With operations in Singapore and Bangladesh, the Group's range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

During the year, the Group expanded its cybersecurity business by acquiring a controlling stake in Onesecure Asia Pte Ltd ("**ONESECURE**"), one of the Top 250 Managed Security Service Providers. With operations in Singapore, Malaysia and Indonesia, Onesecure's range of cybersecurity services includes round-the-clock security operation centre monitoring, detection of web spoofing and site defacement, as well as identifying and mitigating Distributed Denial of Service attacks.

Additionally, the Group has broadened its security solution portfolio to include the integration of security systems as well as a range of other security products and services.

Complementing its security offerings, the Group also operates a training academy accredited as a Public Approved Training Organisation. This academy specialises in offering Workforce Skills Qualifications (WSQ) courses designed for professionals in the security industry.

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



MESSAGE TO **SHAREHOLDERS**

Dear Shareholders

In 2023, the Group marked a year of remarkable progress, enhancing our commitment to delivering bespoke security solutions in response to evolving security demands. Emphasising innovation and technology, we leveraged advancements in surveillance, access control, and cybersecurity to bolster the efficacy of our offerings. A strategic investment was made to expand our Cyber Security segment, a pivotal move to expand our digital security services as we continue to enhance our physical security services. This strategic shift underscores our dedication to meeting the diverse needs of our customers and navigating the dynamic security landscape with agility and foresight.

With the increasing complexity and interconnectedness of digital systems and the adoption of new technologies, organisations are becoming more vulnerable to cyberattacks. Cyber threats are evolving rapidly, with cybercriminals constantly developing new techniques to exploit vulnerabilities. As a response, there has been a surge in cyber spending as organisations seek to strengthen their cybersecurity defences. With increasing demand, we are constantly looking for opportunities to expand our cybersecurity solutions and services.

In August 2023, we made a strategic investment in ONESECURE, acquiring a 51.0% stake in the fast-growing cybersecurity company, which operates in Singapore, Malaysia and Indonesia. It boasts impressive credentials, being a Singapore SME 500 company as well as a Global Top 250 Managed Security Service Providers in 2023.

This acquisition has created significant synergies that will continue to drive our expansion in the cybersecurity market. Our expanded cybersecurity service portfolio now allows us to tailor solutions to meet the specific requirements of our clients. Our goal is to deliver customised solutions with distinctive features that provide the best possible protection for their businesses.

While digital security has made significant progress, the importance of physical security in our service offerings remains paramount. The security guarding sector in Singapore has undergone substantial evolution to enhance professionalism and efficiency. Despite technological advancements, the industry's reliance on manpower persists, with challenges such as high labour costs and a competitive job market.

To address these challenges, we prioritise enhancing employee welfare to cultivate a healthy, safe, and resilient workplace. Our commitment includes actively recruiting and supporting the continued employment of older workers, in accordance with the Tripartite Guidelines on the Re-employment of Older Employees. Our hiring practices are fair, merit-based, and non-discriminatory. Furthermore, we empower our security officers through our accredited in-house training academy, the Secura Training Academy, equipping them with the skills and capabilities needed to navigate the ever-evolving industry landscape.

Additionally, we fully support and comply with the recommendations from the Tripartite Workgroup on Lower-Wage Workers to ensure that our security officers receive equitable compensations that commensurate with their skills and experience.

In recognition of our unwavering commitment to enhancing service excellence, Soverus Pte Ltd, our security guarding business, has been honoured with the prestigious Tier 1 – Outstanding award for Best Security Agencies in the Commercial, Industrial, and Residential sectors at the Singapore Security Industry Awards ("**SSIA**") 2023. The SSIA acknowledges top security agencies and projects, with assessments conducted by a distinguished panel of industry experts. We are deeply grateful for this recognition across three distinct categories, and we remain dedicated to further enhancing and delivering exceptional security services.

As we develop our security solutions, we are also looking to further expand our Technical Surveillance Counter-Measure ("**TSCM**") services. These services are designed to protect sensitive information from potential threats of technical surveillance, utilising cutting-edge anti-espionage equipment. Our team, boasting over 20 years of experience, employs the latest equipment to detect, examine, and neutralise these threats effectively. We tailor our TSCM services to meet the unique needs of each customer, ensuring that privacy and security remain our top priorities.

On our Security Printing business, the ongoing digital transformation is reshaping this business, necessitating innovation and strategic transitions for sustainability. In March 2023, we forged a strategic partnership with NextID Pte Ltd ("**NextID**"), a Singapore-based start-up specialising in digital certification and tokenisation, aligning with our commitment to adapting to digital trends and enhancing our service offerings.

The collaboration between the Group and NextID harnesses each other's unique strengths to effectively manage the increasing adoption of digitally verifiable credentials. Utilising NextID's innovative NextCert™ application, we offer digitally verifiable credentials and print-on-demand services to institutions, ensuring the authentication of educational certifications and personnel credentials. This partnership enhances data protection and instils greater confidence in customers.

MESSAGE TO **SHAREHOLDERS**

As we continue with our efforts to transform our Security Printing business, we faced new challenges due to regulatory changes. In July 2023, the Monetary Authority of Singapore along with the Association of Banks in Singapore, announced their plans to gradually phase out the use of corporate cheques by the end of 2025. However, the usage of cheques by individuals will be permitted beyond 2025, without a defined end date. These regulatory changes have introduced a degree of uncertainty to our Security Printing business. In light of these developments, we are reassessing our current business model and operational strategies. Our aim is to understand the implications of these changes and to identify effective pathways forward.

Stable Financial Performance

With our continuous efforts to harness our strengths, diversify, and grow our capabilities and services during the year, we are pleased to present a stable report card for the financial year ended 31 December 2023 ("**FY2023**").

The Group saw healthy topline growth of S$59.7 million for FY2023, marking a 22.7% increase from S$48.6 million a year ago ("**FY2022**"), largely from higher revenue contributions from Security Guarding and Cyber Security business segments.

Our Security Guarding segment saw healthy improvement in FY2023 compared to a year ago, underpinned by the award of several key contracts during the year. Profit for the segment rose 16.3% to S$2.0 million in FY2023, on the back of a remarkable 27.0% increase in revenue to S$49.1 million compared to S$38.7 million in FY2022. Accounting for 82.3% of the Group's FY2023 revenue, this segment remained as the Group's largest revenue contributor.

Revenue for our Cyber Security segment soared fourfold to S$1.7 million in FY2023 from S$0.4 million in FY2022, while segmental net loss edged down from S$0.2 million in FY2022 to a loss of S$0.1 million in FY2023. This was largely due to the contribution from our newly acquired ONESECURE business.

The Group registered a 1.3% increase in revenue for its Security Printing business to S$5.6 million and a stable gross profit margin for the year due to effective cost control. However, the segment reported a net loss of S$0.4 million in FY2023 compared to a net profit of S$0.5 million in FY2022. This was largely attributed to the impairment loss on property, plant and equipments of S$1.0 million recognised in FY2023 and a write-down of the assets held for sale of S$0.1 million recorded for the year. Excluding the impairment and the one-off write-down of the asset held for sale, Security Printing segment would have registered a year-on-year increase in segmental net profit to S$0.7 million.

In tandem with topline growth, gross profit for the year climbed 27.8% to S$6.3 million from S$4.9 million in FY2022, while gross profit margin edged up to 10.5% from 10.1% in FY2022. The growth was primarily due to better cost management practices for the Security Printing segment, and partially offset by a decline in gross profit margin of the Security Guarding segment caused by manpower shortages which led to higher liquidated damages and the adoption of the progressive wage model ("**PWM**") which resulted in an increase in the payroll of security officers.

Net profit attributable to owners of the Company for the year slipped 18.9% to S$1.0 million from S$1.3 million in FY2022, largely due to the impairment loss and write-down of the assets. Excluding these, the Group would have reported a 69.9% year-on-year increase in net attributable profit to S$2.2 million for FY2023.

Moving forward, despite the challenges across various business segments, we will maintain a prudent approach to cost management to enhance productivity and efficiency. Additionally, we will strategically invest to capitalise on opportunities that will expand our services and drive growth.

Appreciation

In appreciation of the continued support that we receive from our valued shareholders, the board of directors (the "**Board**") of the Company has proposed a first and final tax-exempt (one-tier) dividend of 0.1375 Singapore cents per share for FY2023.

Together with the Board, we extend our heartfelt gratitude to our management and employees for their unwavering dedication and hard work as we strive to capitalise on opportunities for growth. To our valued customers and business partners, we look forward to fostering enduring, mutually beneficial relationships.

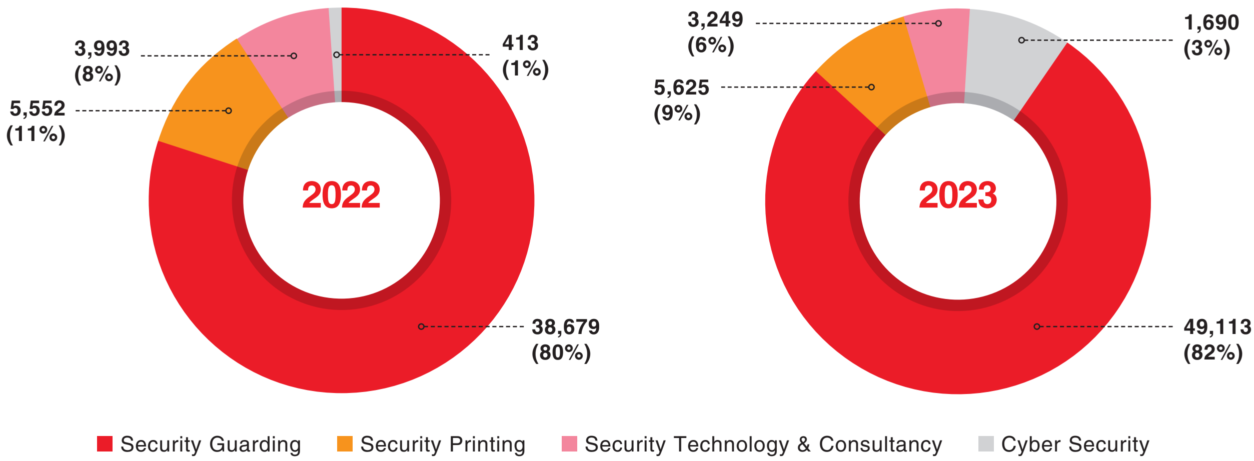
Finally, as part of our commitment to board renewal and embracing diversity in all its forms, we are excited to welcome the addition of new Board members who will contribute to a more diverse age and gender representation among our leadership. We extend a warm welcome to Mr Goh Yi Shun Joshua, who joined the Board as an Independent and Non-Executive Director in May 2023. His appointment brings a fresh, youthful perspective, reinforcing our commitment to leveraging diverse generational insights for innovative and strategic thinking. Further enhancing our commitment to gender diversity, Ms Lim Hoi Leong, our Chief Financial Officer, joined the Board as an Executive Director in January 2024. Together, their varied experiences and viewpoints are integral to our pursuit of sustainable growth for the Group.

Dr Ho Tat Kin
Chairman and Independent Director

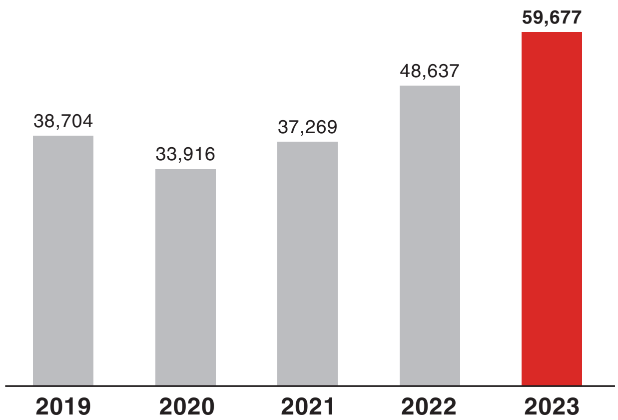
Mr Kan Kheong Ng
Executive Director and Chief Executive Officer

FINANCIAL HIGHLIGHTS
AT A GLANCE

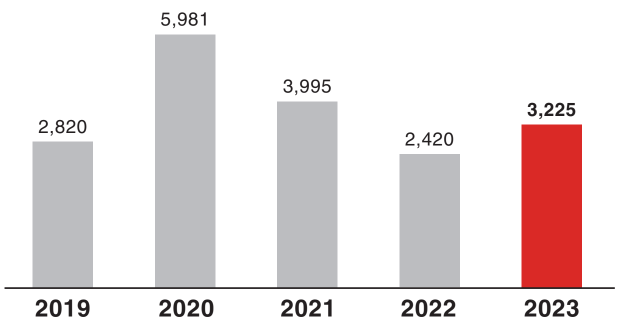
Revenue by Segment (S$'000)



Revenue (S$'000)



EBITDA[1] (S$'000)



Key Financial Information (S$'000)

	2019	2020	2021	2022	2023
FINANCIAL PERFORMANCE					
Revenue	38,704	33,916	37,269	48,637	59,677
Gross profit	5,777	5,612	4,234	4,912	6,278
EBITDA[1]	2,820	5,981	3,995	2,420	3,225
Profit before tax	(4,472)	2,960	2,842	1,512	1,265
Profit attributable to owners of the Company	(4,453)	2,975	2,441	1,289	1,045
PER SHARE					
Earnings per share (cents)	(1.11)	0.74	0.61	0.32	0.26
Net asset value per share (cents)	10.08	10.84	11.06	10.90	10.88
FINANCIAL POSITION					
Cash and short-term deposits	14,479	21,028	17,412	16,490	16,043
Total assets	57,785	58,881	54,221	56,071	59,254
Shareholders' equity	40,321	43,355	44,232	43,588	43,536

[1] Excludes share of results from joint ventures and associates, impairment losses and write-down of assets

OPERATIONS & FINANCIAL REVIEW

Financial performance

The Group reported a 22.7% increase in revenue to S$59.7 million in FY2023 from S$48.6 million in FY2022. Revenue from its Security Guarding segment grew 27.0% due to the award of new contracts, while revenue from its Cyber Security segment jumped 309.2% to S$1.7 million due to the contribution from the newly acquired subsidiary, ONESECURE, in August 2023. The acquisition was a strategic move by the Group to enhance and expand its suite of security services in the cybersecurity sector.

For FY2023, gross profit margin increased marginally to 10.5%, compared to 10.1% for FY2022. This was mainly driven by better cost management in the Security Printing segment, offset by the shortage of manpower resulting in higher liquidated damages and the adoption of PWM leading to an increase in payroll cost for the Security Guarding segment. To address the manpower shortage and bolster competitive advantage in its Security Guarding segment, the Group employs various technologies including implementing a visitor management system, utilising remote surveillance from its in-house Integrated Command Centre, and utilising virtual patrolling.

Other operating income increased to S$3.2 million in FY2023 from S$2.5 million in FY2022, due to higher government grants, namely, the Progressive Wage Credit Scheme, Senior Worker Early Adopter Grant and Part-time Re-employment Grant.

The Group recorded administrative expenses of S$6.7 million in FY2023, compared to S$4.7 million in FY2022 mainly due to an impairment loss of S$1.0 million on property, plant and equipment under the Security Printing segment and write-down of the asset held for sale of S$0.1 million. Additionally, an increase in headcounts to support the increase in revenue under the Security Guarding segment resulted in higher staff cost.

Finance cost rose 18.3% year-on-year to S$0.1 million, due to higher borrowings following the consolidation of ONESECURE. The decline in share of results of joint ventures and associate was mainly due to lower share of results from the Taiwan joint venture and lower profit from Bangladesh associate arising from the weakening of Bangladeshi Taka against Singapore Dollar.

As a result of the abovementioned, profit attributable to owners of the Company decreased 18.9% to S$1.0 million in FY2023 compared to S$1.3 million in FY2022. Excluding the impairment of property, plant and equipment and write-down of the assets held for sale, the Group would have reported a 69.9% year-on-year increase in net profit attributable to owners of the Company of S$2.2 million for FY2023.

Celebration of Lunar New Year at Secura office

OPERATIONS & **FINANCIAL REVIEW**

Financial Position

The Group reported higher total assets of S$59.3 million as at 31 December 2023 compared to S$56.1 million as at 31 December 2022. The increase was mainly due to (i) an increase in trade and other receivables and contract assets of S$2.9 million from an increase in revenue; (ii) an increase in intangible assets of S$1.7 million arising from the capitalisation of goodwill and other intangible assets from the acquisition of ONESECURE; and partially offset by (iii) a net decrease in cash and short-term deposits of S$0.4 million; and (iv) the depreciation and amortisation of property, plant and equipment and right-of-use assets of S$1.4 million. During the year, in relation to the disposal of a Taiwan joint venture, the Group reclassified an investment in a joint venture to asset held for sale.

Total liabilities increased to S$15.5 million as at 31 December 2023 from S$12.5 million as at 31 December 2022. The increase was mainly due to (i) an increase in trade and other payables and contract liabilities of S$1.6 million, in line with increase in cost of sales; (ii) an increase in bank borrowings and lease liabilities of S$0.5 million arising from the consolidation of ONESECURE; and (iii) the Group recognised a payable of S$0.9 million in non-current liabilities in relation to the deferred consideration for the acquisition of ONESECURE.

Total equity rose marginally to S$43.8 million as at 31 December 2023 compared to S$43.6 million as at 31 December 2022. The increase was mainly due to net profit generated for the year, which was partially offset by the dividends paid to shareholders of the Company.

Presentation of long service award

Cash Flow

The Group generated operating cash flows before working capital changes of S$3.2 million for FY2023. Net cash used in working capital amounted to S$1.2 million mainly due to an increase in trade and other receivables and contract assets of S$1.9 million, partially offset by an increase trade and other payables and contract liabilities of S$0.7 million. Net cash generated from operating activities for FY2023 amounted to S$1.8 million.

Net cash used in investing activities in FY2023 of S$0.7 million was primarily due to a net cash outflow of S$0.7 million from the acquisition of ONESECURE of S$0.7 million and additions of property, plant and equipment and trademark of $0.1 million. This was partially offset by dividend received from associate company S$0.1 million.

Net cash used in financing activities of S$1.5 million in FY2023 was mainly related to the S$1.0 million dividend payment for FY2022, repayment of bank loans of S$0.4 million and payment of leases of S$0.1 million.

The Group recorded a net decrease in cash and short-term deposits of S$0.4 million to S$16.0 million as at 31 December 2023.

"The Group is also proud to be a member of the Security Association Singapore ("**SAS**") and the Association of Certified Security Agencies, with our Managing Director (Security Guarding) serving as the Vice President (Systems) of SAS. SAS is the lead trade association representing the security industry in Singapore. It now has over 170 members comprising security agencies, training organisations, companies involved in security systems and private investigations."

BOARD OF **DIRECTORS**

Dr Ho Tat Kin, 80

Chairman, Non-Executive and Independent Director

Date of appointment as director:
16 October 2015

Date of last re-appointment:
21 April 2022

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

Present directorship:
- None

Principal commitment:
- None

Past directorships for the last 5 years:
- None

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

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

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

Audit & Risk Committee
Nominating Committee
Remuneration Committee
Denotes Committee Chairman

Mr Kan Kheong Ng, 68

Executive Director and Chief Executive Officer

Date of appointment as director:
01 February 2019

Date of last re-appointment:
27 April 2023

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

Present directorship:

Listed company
- TMC Life Sciences Berhad

Non-listed company
- BB Waterfront Sdn Bhd
- Best Blend Sdn Bhd
- Fastrack Autosports (Iskandar) Pte Ltd
- Fastrack Iskandar Sdn Bhd
- Fastrack JV (Iskandar) Limited
- Foremost Secura Corporation
- IVF Technologies Sdn Bhd
- Onesecure Asia Pte Ltd
- Red Sentry Pte Ltd
- Secura Documation Pte Ltd (In Liquidation - Member's Voluntary Winding Up)
- Secura Foremost Emage Pte Ltd
- Secura Forms Pte Ltd
- Secura Singapore Pte Ltd
- Secura Technology & Consultancy Pte Ltd
- Secura Training Academy Pte Ltd
- Soverus Consultancy & Services Pte Ltd (In Liquidation - Member's Voluntary Winding Up)
- Soverus Kingdom Systems Pte Ltd
- Soverus Pte Ltd
- Thomson Hospitals Sdn Bhd
- Thomson Specialist Clinics (Kepong) Sdn Bhd
- Thomson TCM Sdn Bhd
- TMC Biotech Sdn Bhd
- TMC Care Sdn Bhd
- TMC Fertility (Ipoh) Sdn Bhd
- TMC Fertility (Penang) Sdn Bhd
- TMC Fertility Holdings Sdn Bhd
- TMC Fertility South Sdn Bhd
- TMC Lifestyle Sdn Bhd
- TMC Properties Sdn Bhd
- TMC Women's Specialist Holdings Sdn Bhd
- Wellington College International Regional Management Pte Ltd

Principal commitment:
- Executive Vice Chairman of TMC Life Sciences Berhad

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

Experience and exposure:
Mr Kan has almost 30 years of regional management and business development experience in the automotive industry, having managed various illustrious global brands

BOARD OF DIRECTORS

with renowned regional dealership, Wearnes Automotive, headquartered in Singapore. From 2001 to 2009, he was General Manager at Malayan Motors, a division of Wearnes Automotive, where he managed the Rolls-Royce, Bentley, Jaguar and Volvo Trucks franchises in Singapore, and successfully introduced some of the brands into new territories such as Brunei, Indonesia, Taiwan and Thailand. From 2009 to 2012, he was promoted to Managing Director of the Prestige Division of Wearnes Automotive, where he led the acquisition of new brands such as Bugatti, Land Rover and McLaren.

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

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

Ms Lim Hoi Leong, 46

Executive Director and Chief Financial Officer

Date of appointment as director:
1 January 2024

Date of last re-appointment:
NA

Academic and professional qualifications:
- Chartered Accountant with Institute of Singapore Chartered Accountants
- Fellow Member of Association of Chartered Certified Accountants
- Master of Arts in Accounting and Financial Management, University of Hertfordshire, UK.

Present directorship:
Listed company
- None

Non-listed company
- Onesecure Asia Pte Ltd
- Red Sentry Pte Ltd
- Secura Documation Pte Ltd (In Liquidation - Member's Voluntary Winding Up)
- Secura Forms Pte Ltd
- Soverus Kingdom Systems Pte Ltd
- Secura Singapore Pte Ltd
- Secura Technology & Consultancy Pte Ltd
- Secura Training Academy Pte Ltd

Principal commitment:
- None

Past directorships for the last 5 years:
- None

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

Mr Ong Pang Liang, 64

Independent Director

Date of appointment as director:
16 October 2015

Date of last re-appointment:
27 April 2023

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

Present directorship:
Listed company
- Thomson Medical Group Limited

Non-listed company
- Bluewater Investments Pte Ltd
- Valencia Club de Futbol, S.A.D

Principal commitment:
- None

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

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

Audit & Risk Committee
Nominating Committee
Remuneration Committee
Denotes Committee Chairman

BOARD OF DIRECTORS

Mr Gary Ho Kuat Foong, 69

Independent Director

Date of appointment as director:
16 October 2015

Date of last re-appointment:
21 April 2022

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

Present directorship:
Listed company
- None

Non-listed company
- Elnora Pty Ltd

Principal commitment:
- None

Past directorships for the last 5 years:
- Avarga Limited
- Thailoy Investments Pty Ltd
- Thomson Medical Group Limited
- TMC Life Sciences Berhad
- RSP Holdings Pte Ltd

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

Ms Christina Teo Tze Wei, 50 (Zhao Ziwei)

Independent Director

Date of appointment as director:
01 February 2019

Date of last re-appointment:
21 April 2022

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

Present directorship:
Listed company
- Thomson Medical Group Limited

Non-listed company
- Project eLeonie
- uCare.io Pte Ltd

Principal commitment:
- CEO, uCare.io Pte Ltd

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

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

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

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

Audit & Risk Committee
Nominating Committee
Remuneration Committee
Denotes Committee Chairman

BOARD OF **DIRECTORS**

Mr Goh Yi Shun Joshua, 33

Independent Director

Date of appointment as director:
1 May 2023

Date of last re-appointment:
NA

Academic and professional qualifications:
- Bachelor of Commerce (Double Major in Accounting & Finance), Monash University

Present directorship:
Listed company
- None

Non-listed company
- Delacour Asia Pacific Pte Ltd
- EuroAutomobile Pte Ltd
- EuroSports Auto Pte Ltd
- EVI Electric Pte Ltd
- JES Auto Pte Ltd
- Prosper Auto Pte Ltd
- Scorpio Electric (Shenzhen) Co., Ltd
- Scorpio Electric Europa, Sociedad de Responsabilidad Limitada
- Scorpio Electric Pte Ltd

Principal commitment:
- CEO, Scorpio Electric Pte Ltd, formerly known as Eurosports Technologies Pte Ltd

Past directorships for the last 5 years:
- None

Experience and exposure:
Mr Goh is the CEO and Director of Scorpio Electric, Singapore's first electric motorcycle manufacturer. He has over 10 years of experience in the automotive and finance industries.

Mr Goh has held various leadership roles at Scorpio Electric. Before being appointed CEO, Mr Goh was the Deputy CEO and Director, overseeing Scorpio Electric's business. Mr Goh also spearheaded the firm's strategic direction and capital management, which he carried into his position as CEO. In addition to his involvement with Scorpio Electric, Mr Goh is also a Director of EuroAutomobile, EVI Electric and Prosper Auto since 2021 and JES Auto since 2019.

From 2017 to 2019, Mr Goh was an assistant manager at EuroAutomobile. He was responsible for the overall operations management and business development of the Alfa Romeo distributorship in Singapore.

Prior to 2017, Mr Goh was an associate at nTan Corporate Advisory Pte Ltd, where he was involved in corporate advisory, restructuring and judicial management projects of companies in the oil and gas, building, infrastructure, and utilities sectors. He also served as an Analyst at Catpital Private Limited, a private equity fund, where he performed pre-deal evaluations and supported fundraising campaigns.

Audit & Risk Committee
Nominating Committee
Remuneration Committee
Denotes Committee Chairman

Mr Wilson Sam, 48

Non-Executive Non-Independent Director

Date of appointment as director:
1 July 2020

Date of last re-appointment:
20 April 2021

Academic and professional qualifications:
- Bachelor of Business Studies (Honours), with major in Financial Analysis and a minor in Accountancy, Nanyang Technological University
- Chartered Financial Analyst

Present directorship:
Listed company
- Thomson Medical Group Limited

Non-listed company
- Adifore Finance Ltd
- Arnel Services S.A
- Asia Fertility Holdings Pte. Ltd.
- Far East Medical Vietnam Limited
- FVH Singapore Pte. Ltd
- Grvty Media Pte Ltd
- Hatch Health Pte. Ltd.
- Mint Media Sports Limited
- Mint Media Sports Pte Ltd
- PCC Products Pte Ltd
- PT Thomson Medical
- Sasteria (M) Pte Ltd
- Sasteria (VN) Pte. Ltd.
- Sasteria Pte Ltd
- Skies VB Sdn Bhd
- Smartparents Pte Ltd
- Thomson Kids Pte Ltd
- Thomson Medical Pte Ltd
- Thomson Paediatric Centre Pte Ltd
- Thomson Specialists Pte Ltd
- Thomson Women Cancer Centre Pte Ltd
- Thomson Women's Clinic Holdings Pte Ltd
- Thomson X Pte Ltd
- Thomson International Health Services Pte Ltd
- Vantage Bay JB Sdn. Bhd.
- Zuju Gameplay Pte. Ltd.
- ZujuGP Pte. Ltd.

Principal commitment:
- Executive Director and Group CFO of Thomson Medical Group Limited

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

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

KEY MANAGEMENT

Mr Goh Ching Hua Kelvin
Managing Director (Security Guarding, Soverus)

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

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

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

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

Mr Edmund How Chee Keong
Managing Director (Cybersecurity, Onesecure)

Mr How is the Managing Director of ONESECURE Asia Pte Ltd. He brings over 25 years of experience in cyber defence, intelligence, business development and crisis management. He was previously at Westcon, Juniper Networks and Dimension Data where he incubated new products and businesses in B2B tech. His passion is on investing in the next wave of technology innovation and providing unique value-added solutions to end customers.

Mr How served as the Executive Council and Treasurer with the Association of Telecommunications Industry of Singapore (ATiS), among other leadership responsibilities.

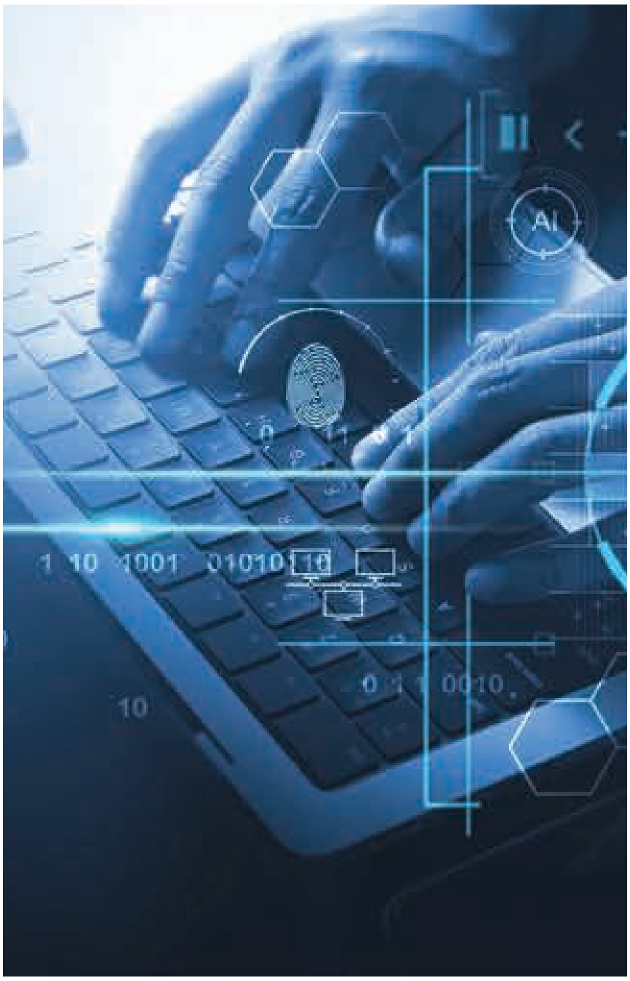
Mr How holds a Master of Business Administration from the University of Southern Queensland and a Bachelor of Computer Science from King College London.

Mr James Koh Wan Kai
General Manager (Security Printing)

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

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

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




49.3329
Bank
28.7156
5.4042
LOCK : OK
DATA : 01
5.4042
74.4293
74.4293
Computer
Cloud

SUSTAINABILITY **REPORT**

SUSTAINABILITY CONTENTS

ABOUT THE REPORT

Secura Group Limited ("**Secura**" or the "**Company**") continues to uphold its dedication to sustainability and is pleased to present its seventh annual Sustainability Report (the "**Report**") for the year ended 31 December 2023. This Report highlights how we address our material Economic, Environmental, Social and Governance ("**EESG**") impacts to create value for all stakeholders.

The primary business operations included in this Report were determined based on the controls exercised by the Group, which encompassed subsidiaries but excluded joint ventures and associates. However, ONESECURE, a subsidiary we acquired during the year was excluded from the reporting scope because their brief period under our ownership does not provide a comprehensive view of their contributions. We will incorporate their data in our next annual report.

For a comprehensive list of entities included in this Report, please refer to **Appendix A**.

Reporting Standards and Frameworks
In our commitment to transparency and international best practices, we have prepared this Report in accordance to the Global Reporting Initiative ("**GRI**") Universal Standards 2021. This framework, which is recognised globally and is relevant to our business ethos and operations, ensures that our stakeholders receive a comprehensive view of our sustainability efforts. In adherence to the evolving standards, this Report has been prepared in compliance with the ESG Reporting Guide as set out in Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**").

We continue to integrate the United Nations Sustainable Development Goals ("**UNSDGs**") into our sustainability strategy. This not only underscores our dedication to these global goals but also showcases our pledge to foster a sustainable future for the global community.

In relation to the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"), we recognise the importance and have taken initial steps to identify relevant climate risks and measure our greenhouse gas ("**GHG**") emissions as part of our commitment to environmental responsibility. Currently, we are in the process of formalising procedures for identifying, assessing, and managing climate-related risks. In alignment with our strategic approach, we will commence TCFD reporting in FY2024 and develop a roadmap with phased plans to guide our transition to climate reporting.

While we have not sought external assurance for this Report, we have relied on internal data monitoring and verification to ensure the accuracy of performance data disclosed herein. We have engaged Baker Tilly Singapore to conduct an internal review on the sustainability reporting processes involved in preparing this Report.

Restatements
No restatements were made from the previous report.

Feedback
Your feedback is invaluable to us. We encourage our stakeholders to share their perspectives, suggestions, and insights regarding this Report and our sustainability initiatives at ir@securagroup.com.sg.

SUSTAINABILITY REPORT

BOARD STATEMENT

Dear Stakeholders,

We are delighted to present to you our Sustainability Report for FY2023. This Report reflects our journey over the past year, highlighting our accomplishments, the challenges we faced, and our approach in the realm of sustainability.

Our dedication to integrating EESG principles in our operations has remained steadfast. This past year has seen us fine-tuning our approach to sustainability, striving for a balance between environmental stewardship, social responsibility, and business viability. For us, sustainability transcends a mere policy; it is a fundamental ethos that guiding our daily operations.

Moving into our sustainability reporting journey, 2023 has been a noteworthy year. We initiated the reporting of our Scope 1 GHG emissions and are on track to include the TCFD's recommended disclosures on governance, strategy, risk management, and relevant metrics and targets in our next sustainability report. This development represents our ongoing commitment to enhancing our sustainability framework and improving transparency.

Our commitment to sustainability is deeply intertwined with the collaborative efforts and unwavering support of our stakeholders. We acknowledge that our journey towards environmental stewardship, social responsibility, and business viability cannot be undertaken alone. It is the dedication and commitment of our stakeholders that fuel our progress and enable us to pursue our sustainability goals.

Moreover, our employees stand at the heart of our sustainability endeavours. Recognising them as the backbone of our Company, we are dedicated to fostering a work environment that is both professional and inclusive. Our goal is to build a culture that promotes the shared growth of the Company and our employees alike. This commitment to establishing a positive and supportive work environment has been recognised with the prestigious SAS Best Employer Award for our Security Guarding business, reflecting our commitment to our team and underscoring the value of collaborative success.

In closing, we wish to express our sincere appreciation to all stakeholders for their unwavering trust and support. Moving forward, we remain dedicated to our vision and confident in our collective ability to achieve sustainable progress.

SINCERELY,
THE BOARD OF DIRECTORS

SUSTAINABILITY REPORT

SUSTAINABILITY GOVERNANCE

Every day, we bring an unwavering commitment to keeping our customers and their businesses safe and secure – with stability, intelligence, and innovation built into everything we do. This holistic approach ensures that every aspect of our service not only meets the highest standards of security but also advances our collective journey towards a more sustainable future.

Building a sustainable business demands a unified effort throughout the organisation, from leadership to every team member. In consultation with the Board, the Group's Sustainability Steering Committee ("**SSC**"), comprising senior management and representatives from various departments, continuously looking for ways to sustainably enhance our operational competitiveness. The Sustainability Task Force ("**STF**"), consisting of cross-functional representatives is tasked with rolling out sustainability programmes across the organisation and monitoring our EESG performance.

This year, we have taken further steps by partnering with Crowe Singapore, an external service provider, to deliver sustainability training to our SSC and STF. This training aims to keep them abreast of forthcoming changes in sustainability reporting regulations and to acquaint them with the TCFD framework, preparing them for climate impact reporting in the future. These efforts highlight our commitment to maintaining the highest standards in our sustainability practices.

Board

- To incorporate sustainability issues as part of the Company's strategic formulation
- To validate, manage, and monitor EESG factors that are material to the business
- To approve the issuance of the Company's annual Sustainability Report

Sustainability Steering Committee

- Co-chaired by the CEO and CFO, with active participation from the heads of business units, to develop the Company's sustainability objectives and strategies
- To manage and monitor overall sustainability performance, and provide periodic updates to the Board

Sustainability Taskforce

- To implement sustainability initiatives across the Group
- To drive stakeholder engagement efforts throughout the year

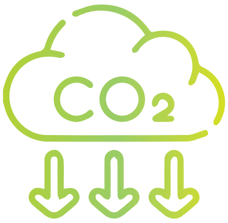
All Staff

- To abide by Secura's core values and participate in Group-wide sustainability initiatives

SUSTAINABILITY **REPORT**

SUSTAINABILITY APPROACH

Anchored in our fundamental purpose and values, and strengthened by a comprehensive sustainability governance framework, our sustainability strategy is built upon three essential pillars that embody the crucial EESG elements vital to our operations. These pillars not only steer our sustainability endeavours but also resonate with our stakeholders' priorities, showcasing our firm dedication to creating a sustainable future for all.



Build a low-carbon future

Taking steps to address climate change by mitigating its risks and capitalising on opportunities, while minimising our environmental impact.

Create positive impact for society

Driving socio-economic initiatives to promote diversity, equity, inclusion, and wellbeing for our customers, employees, communities, and wider society.

Act with integrity

Embedding responsible business practices to safeguard and protect the value of our stakeholders.

STAKEHOLDER ENGAGEMENT

We value the relationships we have built with our stakeholders over the course of our day-to-day operations. We have identified our key stakeholder group as those that have a significant impact, interest, and influence on our business, i.e. our employees, customers, suppliers, trade unions and industry associations, shareholders, government and regulators.

Throughout the year, our SSC and STF maintain active communication with our stakeholders through different channels. This engagement allows us to understand their expectations and concerns, enabling us to better recognise, prioritise, and manage our sustainability impacts, as outlined in the table below.

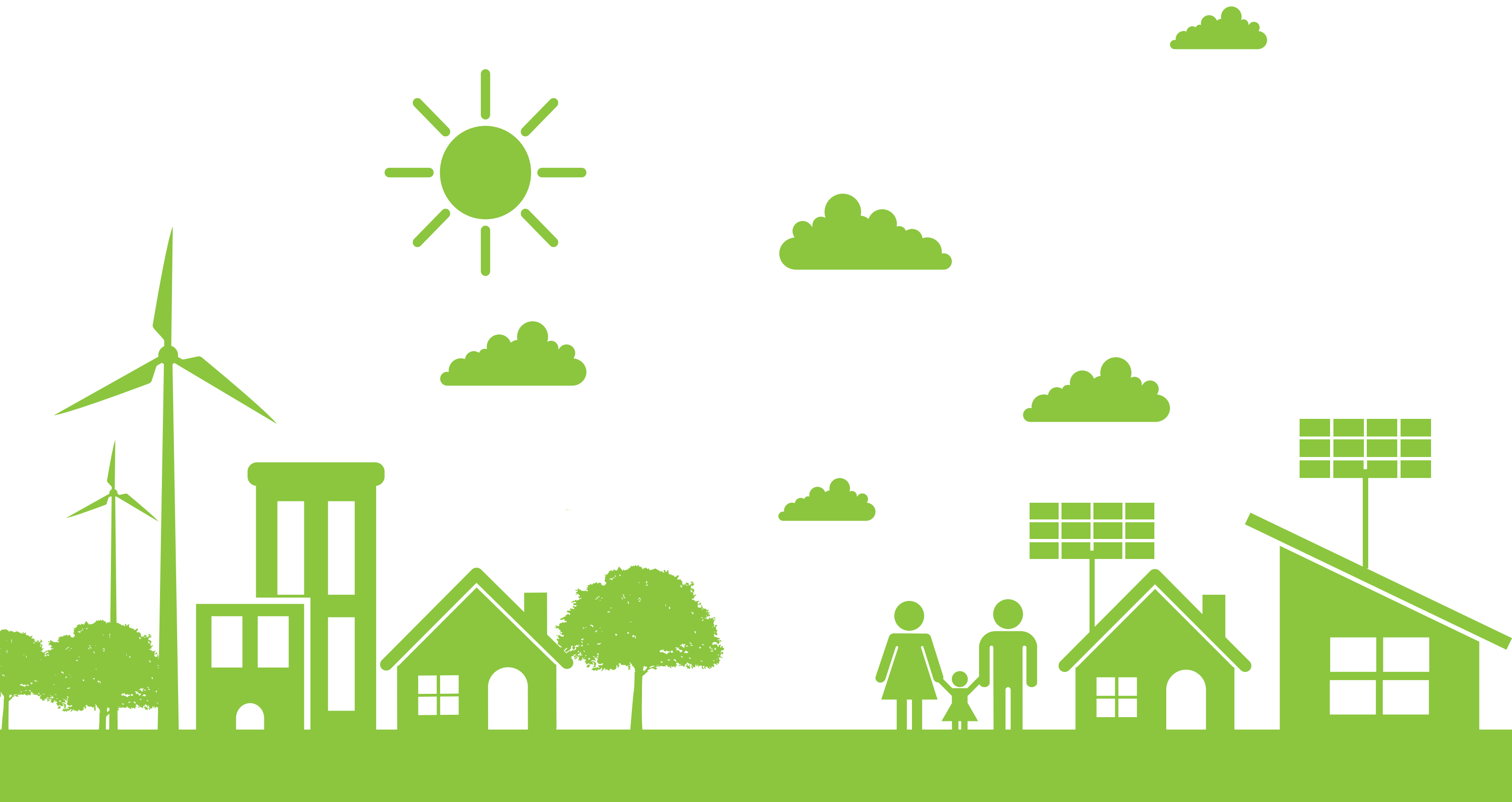
Singapore Security Awards Ceremony on 17 November 2023

SUSTAINABILITY **REPORT**

Stakeholders		Key Focus Areas	Engagement	Frequency
Employees	Our employees are our most important assets and we invest in the welfare of our employees by listening and responding to their needs.	• Talent development and retention • Workplace safety and health • Fair and equitable employee benefits and welfare • Equal opportunities for learning and career development • Employee well-being	• Induction and training program • Employee meeting • Townhall • Performance appraisal • Social activity • Long service award • Bursary award	• Ongoing • Ongoing • Annual • Annual • As required • Annual • Annual
Customers	As a service provider, our customers are the cornerstone of our business. We are committed to safeguarding their assets and enabling their economic success.	• Transparency of pricing • Providing quality services • Meeting customers' service outcomes	• Customer satisfaction survey • Phone calls, emails, and meeting • Site visit	• Contractual • Ongoing • Ongoing
Suppliers	We rely on our vendors and suppliers to deliver products and services of the highest quality, in line with internal, regulatory and accreditation standards.	• Fair and transparent negotiations • Active communication with suppliers • Availability of products and services • Ability to provide continuous support	• Regular meeting • Quotation and contract negotiation • Procurement process	• Ongoing • Ongoing • Ongoing
Associations and Unions	Our guarding and printing business segments have more than 800 staff who are considered low-wage workers. We support the Collective Agreement with the respective sector representatives on the terms and conditions of their employment.	• Fair employment practices • Strengthen tripartite collaboration and promote social progress for the benefit of both the Company and the workers • Build a strong labour management relationship based on mutual trust and respect	• Regular meeting • Phone call and email	• Ongoing • Ongoing

SUSTAINABILITY **REPORT**

Stakeholders		Key Focus Areas	Engagement	Frequency
Shareholders	Our primary objective is to create value for our shareholders as the owners and providers of equity capital to the business. The Group is accountable to its shareholders and reports to shareholders and the public by effectively providing communication on our operational and financial performance.	• Economic performance • Compliance with laws and regulations • Corporate governance • Transparency, timely announcements • Business strategy and outlook	• Financial result • Investor relations presentation • Corporate website • Annual report • General meeting	• Half yearly • As required • Ongoing • Annual • Annual
Government and Regulators	Our business model relies on full compliance with all applicable laws and regulations. The Group engages with various government bodies on a continuous basis. Key government regulators include the Police Licensing & Regulatory Department ("**PLRD**"), Monetary Authority of Singapore ("**MAS**") guidelines on cheque printing, Ministry of Manpower ("**MOM**"), Central Provident Fund ("**CPF**"), and Inland Revenue Authority of Singapore.	• Regulatory compliance • Regular industry updates on changes in PLRD licensing requirements, employment laws and other regulatory requirements	• License application • Inspection	• Ongoing • As required



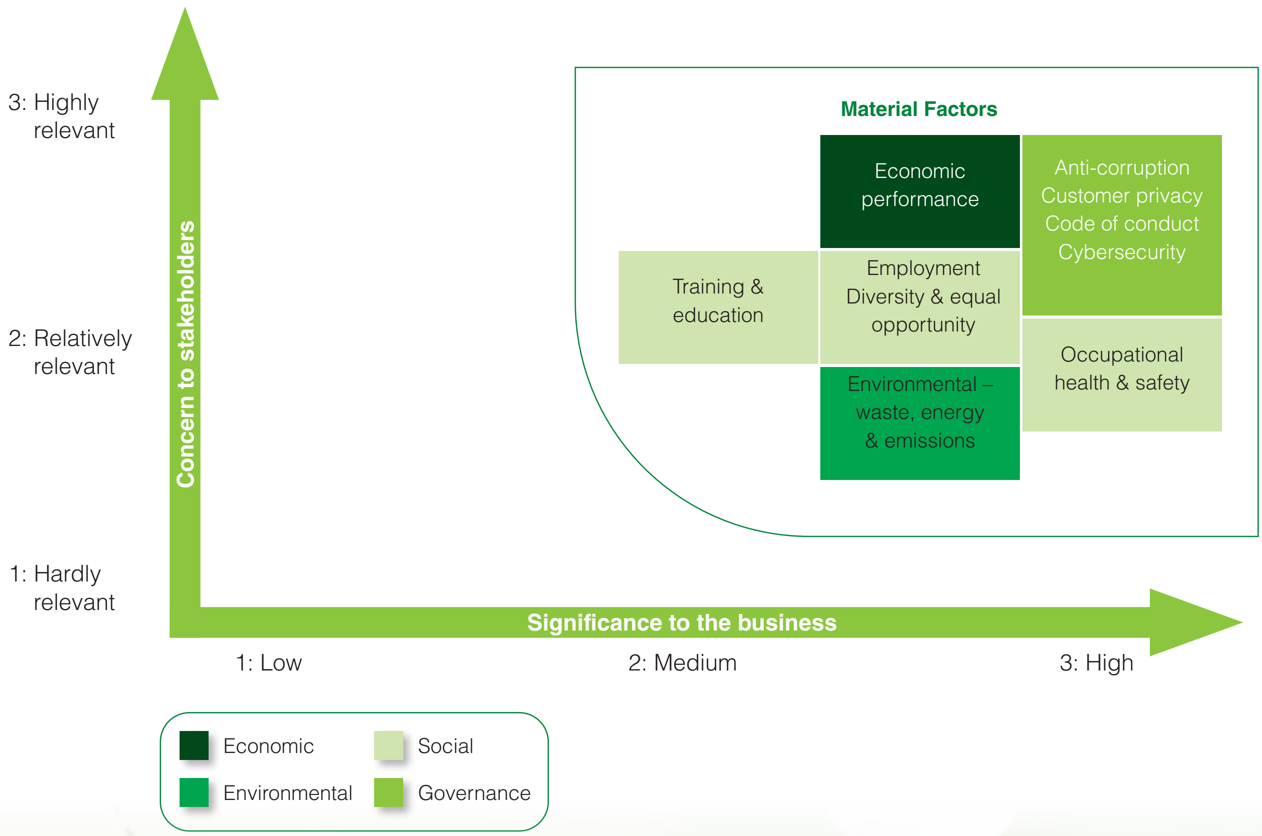
SUSTAINABILITY **REPORT**

MATERIALITY ASSESSMENT

Our focus is on the EESG risks and opportunities that have been identified to have the largest impact on Secura, and that will act as barriers or enablers to achieving business goals in the short, medium, and long term.

In line with the GRI Universal Standards 2021, we first considered the potential and actual impacts of Secura on the environment, economy and society and the substantive influence of these impacts on the assessments and decisions of stakeholders. We then considered how these sustainability issues would in turn affect Secura's performance, position, and development within the security industry.

During the year, we reassessed the EESG topics we had previously reported on. Our analysis continues to support that the material factors identified remain relevant to our strategic and operational context in FY2023.



SUSTAINABILITY **REPORT**

SUSTAINABILITY DEVELOPMENT GOALS

We acknowledge the significance of the 2030 Agenda for Sustainable Development and its 17 UNSDGs. In line with our commitment to sustainability, we have identified specific commitments and targets that align with 8 (Decent Work and Economic Growth), 13 (Climate Action) and 16 (Peace, Justice, and Strong Institutions). These SDGs are particularly relevant to our business and guide our EESG efforts.

By embracing the principles of the UNSDGs and aligning our actions with their targets, we aim to contribute meaningfully to the sustainable development agenda while addressing the unique needs of our business and the communities we serve.

Goals	2030 Targets	Our Commitments	Our Material Topics
8 DECENT WORK AND ECONOMIC GROWTH	8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, particularly women migrants, and those in precarious employment	We are committed to employee retention and cultivating a healthy, safe, and resilient workplace. We practice fair, merit-based, and non-discriminatory hiring practices. We believe in continuous learning and improvement for our employees, depending on their roles, to be provided with various training and development programs tailored to their development needs. Our core businesses are bizSAFE STAR certified by the Workplace Safety and Health Council. Our security guarding and system integration businesses are International Standards Organisation ("**ISO**") certified for Quality (**ISO 9001**) and Occupational Health & Safety (**ISO 45001**).	**People** • Employment (GRI 401) • Diversity and Equal (GRI 405) • Opportunities (GRI 405) • Training and Education (GRI 404) **Workplace** • Occupational Health and Safety (GRI 403)
13 CLIMATE ACTION	13.2: Integrate climate change measures into national policies, strategies and planning	We are committed to environmentally sustainable outcomes. We take urgent action to combat climate change. We continuously strive to achieve an improved level of resource efficiency each year, thereby reducing our carbon footprint. We are also committed to practicing responsible waste management generated from our security printing operations.	**Environment** • Energy (GRI 302) • Emissions (GRI 305) • Waste (GRI 306)
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.6: Develop effective, accountable and transparent institutions at all levels	We aim to maintain full compliance with various laws and regulations in the social and economic area. We have complied with all the principles of the Code of Corporate Governance 2018, where appropriate, by establishing policies, processes, and internal controls for all key business processes.	**Ethics and Compliance** • Anti-corruption (GRI 205) • Customer Privacy (GRI 418) • Code of Conduct • Cybersecurity

SUSTAINABILITY REPORT

ECONOMIC PERFORMANCE

Our success as a business is dependent on our ability to improve our economic performance and increase our shareholders' returns.

We recorded revenue of S$59.7 million in FY2023, an increase of 22.7% from S$48.6 million reported in the previous year. The increase was largely due to new contracts awarded from the security guarding segment and revenue contribution from the newly acquired cybersecurity segment. The gross profit margin has increased marginally, from 10.1% to 10.5%. This was mainly driven by the better cost management from the security printing segment, offset by the shortage of manpower which resulted in higher liquidated damages and the adoption of PWM which led to the increase in payroll cost for the security guarding segment.

	FY2023	FY2022
Direct Economic Value Generated (S$'000)		
Net sales	59,677	48,637
Revenues from financial investment[1]	263	88
Other operating income	3,163	2,508
Economic Value Distributed (S$'000)		
Operating costs	13,214	11,633
Employee wages and benefits	48,630	38,340
Finance costs	95	81
Dividends to shareholders	550	1,000
Income tax expense	229	223
Economic Value Retained[2] (S$'000)	**385**	**(44)**

For more details on Secura's economic performance in FY2023, please refers to the following sections in this Annual Report:

- Message to Shareholders (page 2)
- Financial Highlights (page 5)
- Operations and Financial Review (page 6)
- Financial Statements (page 85)

1 Inclusive of share of results and foreign currency translation of joint ventures and associates.

2 Calculated as 'Direct Economic Value Generated' less 'Economic Value Distributed'.

SUSTAINABILITY **REPORT**

ETHICS AND COMPLIANCE

MANAGEMENT APPROACH

We are committed to upholding the highest standards of compliance with the applicable laws and regulations governing our business operations. We ensure strict adherence to the PLRD on security licensing matters, compliance with the Personal Data Protection Act 2012 ("**PDPA**"), MAS regulations, and MOM standards, among others. Beyond regulatory compliance, our ethical stance is supported by the stringent Code of Conduct and Ethics, alongside policies for whistleblowing, anti-corruption, customer privacy protection, and cybersecurity. This holistic approach not only underscores our dedication to legal and ethical integrity but also significantly mitigates compliance risks and ensures the integrity and security of our operations.

To ensure the continuous upholding of compliance standards and mitigation of risks, Secura conducts annual internal compliance training sessions for our employees. These training sessions serve to refresh our team's knowledge of the company's policies, ethical guidelines, and core values. By providing regular updates on current compliance protocols and emphasising the importance of our fundamental principles, we are committed to fostering a culture steeped in integrity and accountability.

CODE OF CONDUCT AND ETHICS

>80%

Participation rate in the annual conflict of interest declaration

Our Code of Conduct and Ethics serves as a definitive guide for the ethical and responsible conduct required from every member of our staff. It aims to cultivate a culture of accountability and responsibility, with our leadership setting a strong example. If without clear policies and guidelines, there is an increased risk of misunderstandings about what behaviour is considered appropriate among the employees. Such misunderstanding may result in unethical practices which may harm the Group's reputation.

We take a zero-tolerance approach to any kind of misconduct, including power abuse, bribery, and corruption. To ensure transparency and prevent conflicts of interest, our Directors and employees are required to disclose any personal or business interests that could potentially conflict with the Group's interests on an annual basis or as soon as such a conflict may arise.

During FY2023, we have achieved more than an 80% participation rate in the annual conflict of interest declaration. Going forward, our target is to achieve full participation to ensure comprehensive disclosure of personal and business interests that may present a conflict with the interest of the Company.

WHISTLEBLOWING AND ANTI-CORRUPTION POLICY

ZERO

Major reported incidents of violations related to fraud, bribery or corruption

Reflecting our deep commitment to transparency, accountability, and integrity, we have instituted comprehensive Whistleblowing and Anti Bribery Policies. We carried out a regular review of these policies to ensure they continue to be effective and relevant to the Group's operations. For ease of access and reference, these policies are published on our intranet and have been included in the employee handbook, while also being made available to our stakeholders through our corporate website.

Internal compliance training session

Under the whistleblowing policy, we have provided channels for employees and other stakeholders to raise their concerns about serious wrongdoings or concerns, particularly in relation to fraud, governance, or ethics, in confidence and without fear of reprisal. To protect the whistleblower from unlawful retaliation and discrimination, the whistle-blower's identity and concerns raised are kept confidential, within the limits of the law. Meanwhile, our anti bribery policy reinforces our zero-tolerance position on corruption, bribery and extortion by establishing strict approval limits on the value of gifts, entertainment or expenses that can be received or given by our employees.

In FY2023, there were no major reported incidents of violations related to fraud, bribery or corruption and we strive to maintain this record for the coming year.

SUSTAINABILITY **REPORT**

CUSTOMER PRIVACY

ZERO

Significant security and data protection breaches

In the course of daily operations, our employees handle personal data from customers, suppliers, shareholders, and colleagues. Any unauthorised disclosure of such data could result in legal consequences for the Group and erode the trust of our stakeholders. Moreover, it could expose stakeholders to risks like identity theft and social engineering, amplifying the potential repercussions.

The Group's PDPA Policy which is also available on our website, sets forth clear guidelines and protocols for the proper management, use, and compliance with data protection laws to safeguard against the risks of data breaches. The responsibility for overseeing these compliance initiatives lies with the Group's Data Protection Officer ("**DPO**"), who is dedicated to ensuring the secure management of personal information, especially for visitors at our secured sites under the security guarding division and trainees' data records within our training division.

Within our security guarding division, we conduct routine briefings for all security personnel on the proper management of visitors' personal information. Additionally, key staff in each department receive annual training on data handling. Our DPO also carries out regular on-site audits to verify the consistent application and observance of the Group's PDPA policy.

We are pleased to share that there were no substantiated complaints received concerning breaches of customer privacy, nor any identified leaks, thefts, or losses of customer data in FY2023. We will continue to strive to achieve zero material security and data protection breaches for the Group in FY2024.

CYBERSECURITY

ZERO

Cyber incidents

The Group adopts a thorough and strategic approach to cybersecurity, aimed at reinforcing the security of our digital assets and ensuring the safeguarding of confidential data provided to us by our stakeholders. This is particularly critical in our security printing division, which deals with highly sensitive customer records from financial institutions. Any cyber breaches could lead to severe repercussions, such as breaches of confidentiality, compromised data integrity and potential legal ramifications.

Serving the financial institutions, our security printing division is subject to stringent evaluations to ensure that our control processes are both operating and designed effectively in accordance with the control objectives outlined in the Association of Banks in Singapore's ("**ABS**") "ABS Guidelines on Control Objectives & Procedures for Outsourced Service Providers", a standard we have adhered to since 2016. In complying with ABS requirements, we perform monthly vulnerability scans and annual penetration testing to ensure the robustness of our network and security infrastructures within the industry security requirements.

In addition to meeting industry standards, the Group has implemented comprehensive cybersecurity measures to safeguard our network, devices, programs, and data from digital threats. These measures include:

- Routine reviews of the Group's IT infrastructure and vulnerability assessments
- Configuration and regular maintenance of a firewall on our servers
- Installation of anti-virus protection software on all Company's laptops
- Software installation restrictions on all Company's machines
- Organise regular policy briefings and training for all employees

As part of our commitment to enhancing our security framework, Secura is in the process of developing a comprehensive Incident Response Plan. This initiative is designed to proactively address and mitigate any potential cybersecurity threats. With our Management Information System team overseeing day-to-day activities for indications of unauthorised access or data breaches, we are proud to announce that no cyber incidents have been reported in FY2023. Continuing with this commitment, we strive to sustain a record of zero cyber incidents in the coming year.

SUSTAINABILITY **REPORT**

OUR PEOPLE

MANAGEMENT APPROACH

We prioritise the wellbeing of our employees across all aspects of our business. As one of the leading providers of an integrated suite of security services, products, and solutions, we recognise that building a future-ready workforce is essential to remain competitive within a rapidly changing and evolving world. As part of our commitment to being a responsible employer, we provide our employees with ongoing opportunities for continuous learning and improvement, as well as fair and equal opportunities for all to have a fulfilling and progressive career with Secura.

Demonstrating our dedication, Soverus Pte Ltd ("**SPL**"), our security guarding arm, has recently earned the Progressive Wage Mark Plus ("**PWMP**") accreditation, highlighting our commitment to the progressive remuneration of our lower-wage staff. We are also adherents of the Tripartite Standard on Advancing Well-Being of Lower-Wage Workers. This reflects our dedication and commitment to enhancing the living standards and well-being of our lower-wage employees, reflecting our belief in fostering a fair and equitable workplace.

Furthermore, SPL has been awarded the prestigious SAS Golden Circle Best Employer Award by the Security Association Singapore. This recognition celebrates organisations with outstanding employment practices, emphasising our commitment to nurturing a workplace culture that places our employees at the forefront. Additionally, 8 of our security officers were awarded the Security Officers Day Award 2023.

Ensuring workplace safety is a top priority for our employees. We are dedicated to implementing and advocating comprehensive safety measures, protocols, and training programs to establish a secure and healthy work environment. Our focus on workplace safety aims to safeguard our employees' well-being, minimise accidents, and cultivate a culture that values and prioritises the health and safety of everyone within the organisation.

"The recognition from the PWMP accreditation to the SAS Golden Circle Best Employer Award and the honors for our officers, affirm Secura's dedication to nurturing a culture of fairness, growth and excellence across every level of our workforce."

Managing Director,
Mr. Kelvin Goh

Looking ahead, we remain committed to investing in our employees, and providing them with the necessary resources, support, and opportunities for growth.

SUSTAINABILITY **REPORT**

EMPLOYMENT

8%

Increase in permanent employee

In FY2023, our permanent employee count increased by 8% to 1,071 primarily due to additional hires to support new contracts. Among these employees, 8% are union members. The predominant portion of our workforce comprises security officers, making up 89% of our total headcount.

To meet the staffing demands of our security guarding operations, we have implemented various supplementary measures. This includes using relief officers and outsourcing certain sites to external contractors. These measures ensure that we maintain optimal staffing levels to meet the requirements of our guarding operations.

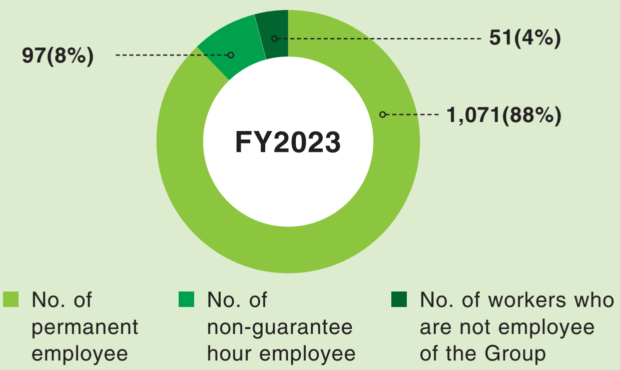
Non-guaranteed hours employees

During the year, a total of 97 full-time equivalents ("**FTE**") relief officers were deployed to various sites to support the manpower requirements. These employees are classified as non-guaranteed hour employees, as their contracted hours are typically short and subject to ad-hoc scheduling. Please refer to Appendix C of this Report for more detailed explanations.

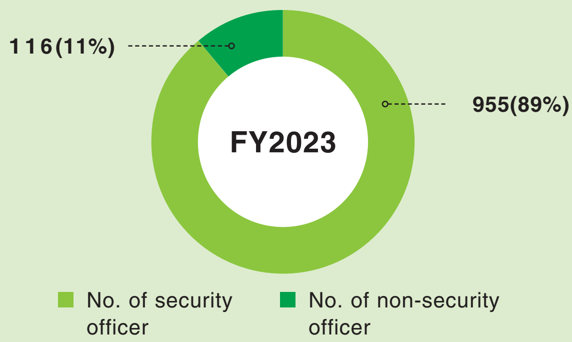
Workers who are not employees and whose work is controlled by the organisation

We also utilise outsourced contractors to support our security guarding operations. During the year, we have 51 FTE of outsourced security officers deployed through these contractors. These security officers report directly to the Company with work scope subject to the control of the Company.

Workforce Profile by Employment Type



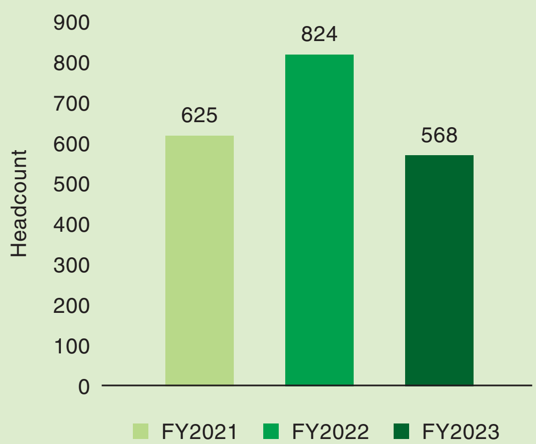
Workforce Profile by Employment Group



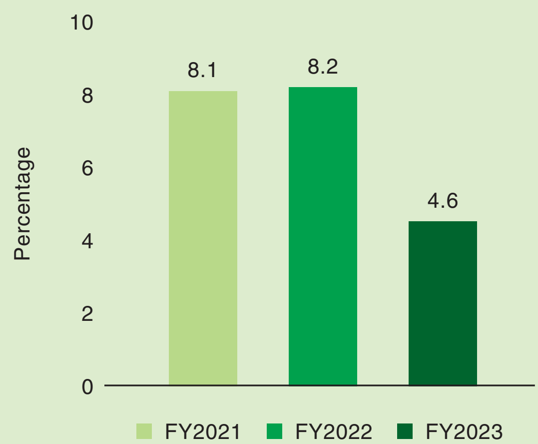
New hires and turnover rate

In FY2023, we onboarded 568 new employees, a decrease from 824 new hires in the previous year. This translates to an average monthly new hire rate of 4.6%, which is lower than the 8.2% rate in the previous year.

New Hires

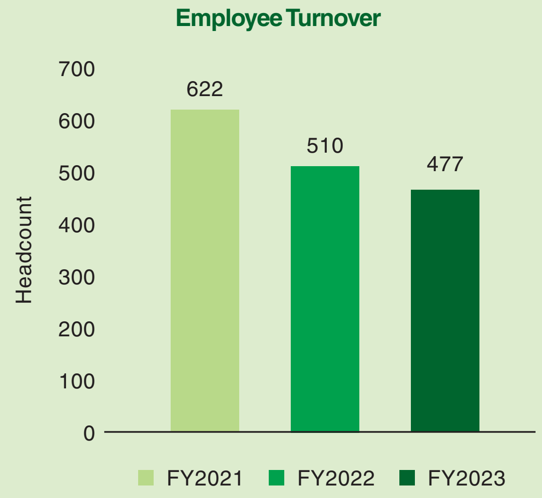


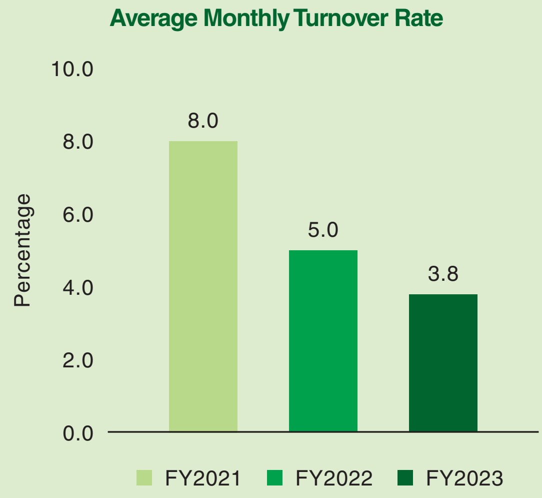
Average Monthly New Hires Rate



SUSTAINABILITY **REPORT**

Additionally, 477 employees resigned in FY2023, down from 510 resignations in the previous year. The average monthly turnover rate has thus improved from 5.0% to 3.8%.





These figures collectively demonstrate a more stable and efficient workforce management strategy, underscoring our commitment to talent retention and organisational stability.

DIVERSITY AND EQUAL OPPORTUNITIES

Board Independence and Diversity

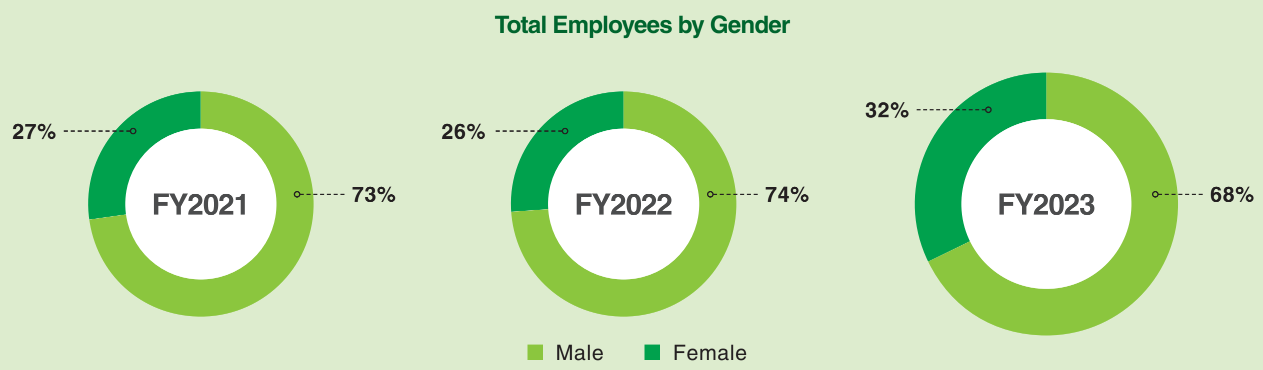
The Company's Nominating Committee ensures a transparent process for appointing directors, fostering a balanced representation and diversity within the Board. Further details of the policy can be found in our Corporate Governance report in this Annual Report.

Employees diversity

32%
Female employees

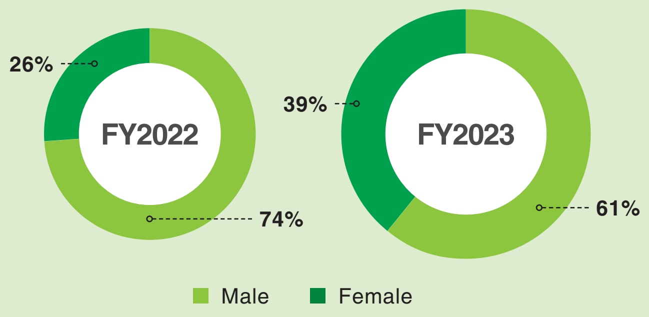
Recognising the importance of equal opportunities, we are committed to fostering diversity within our workforce, aiming to create a dynamic environment that encompasses age, experiences, backgrounds, and gender.

Given the nature of our business, it is notable that the security guarding sector, as per industry norms, tends to be predominantly male. Our male employees currently make up over 68% of our total workforce.

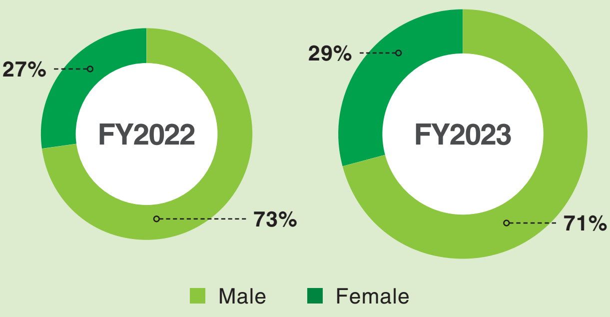


SUSTAINABILITY **REPORT**

New Hires by Gender



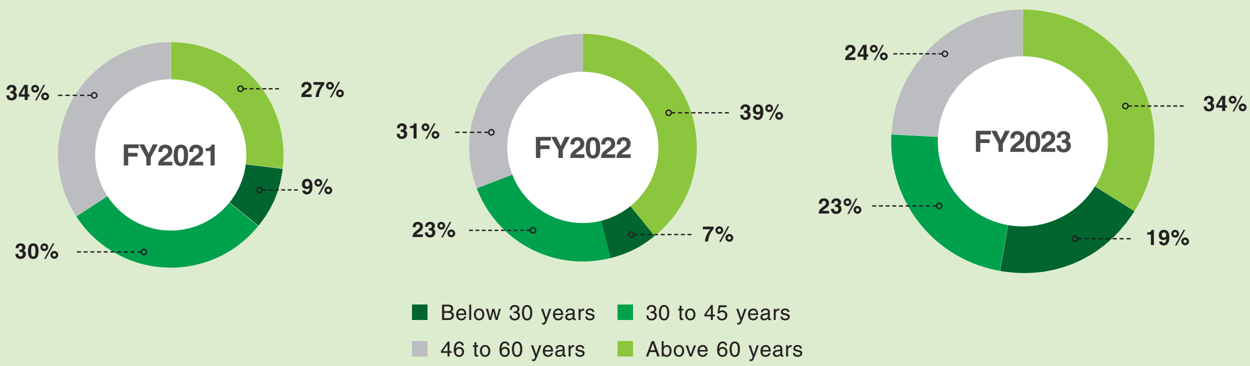
Turnover by Gender



We are also actively promoting the renewal of our workforce with a balanced representation of different age groups. This inclusive approach ensures that individuals of all ages have opportunities to contribute their unique perspectives and experiences to our organisation's success.

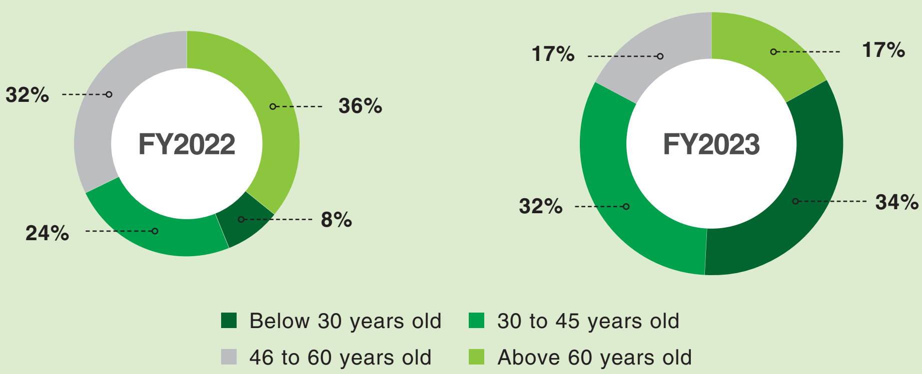
For employees who have surpassed their statutory retirement age, we continued to re-offer their employment in support of the Tripartite Guidelines on Re-employment of Older Employees. For FY2023, we have successfully re-employed 303 employees, representing 28% of our total workforce.

Total Employees by Age



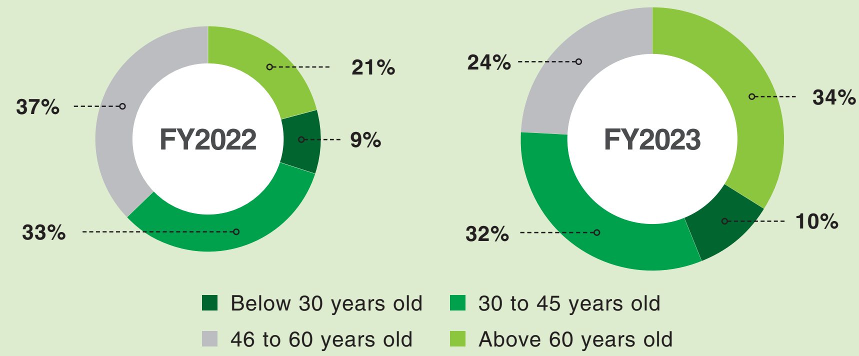
The proportion of new hires below 30 years old increased from 8% in FY2022 to 34% in FY2023.

New Hires by Age



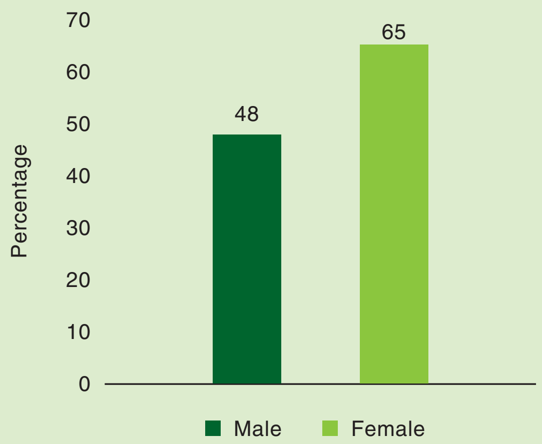
SUSTAINABILITY REPORT

Turnover by Age

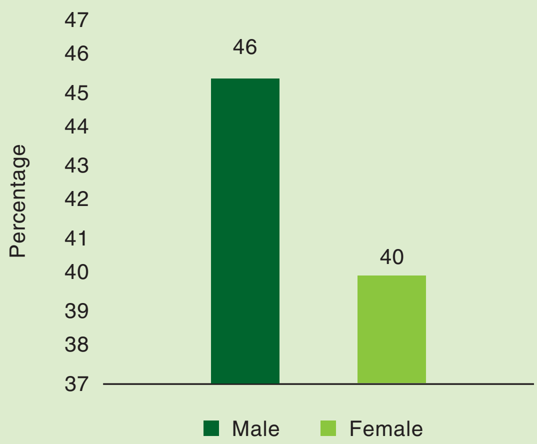


The following graphs and table depict our new hires rate and turnover rate during the year:

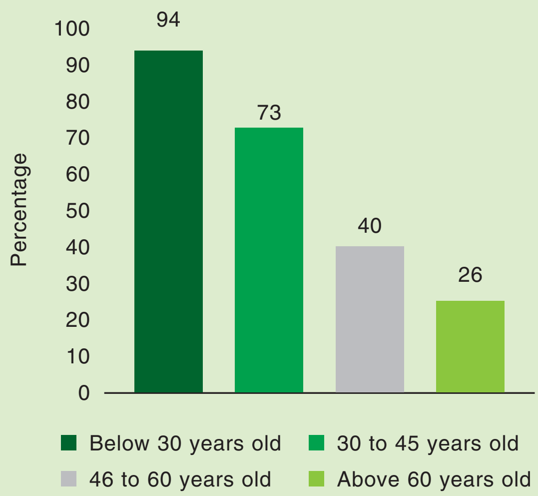
New Hires Rate by Gender



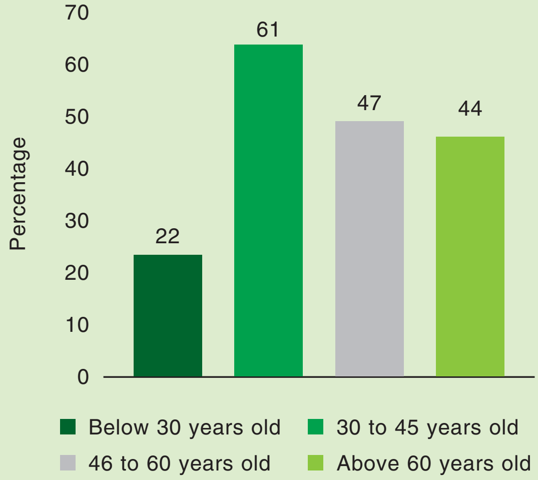
Turnover Rate by Gender



New Hires Rate by Age Group



Turnover Rate by Age Group



SUSTAINABILITY **REPORT**

TRAINING AND EDUCATION

We continuously invest in the training and education of our workforce. This investment is made to improve our team's skills and ensure they can perform their roles effectively. Throughout the reporting period, all our employees underwent regular performance and career development reviews.

Training and development program for security officers

25.2 hrs

of security officers' training

We ensure our security officers' training and development needs are met through our dedicated in-house training academy. This academy provides tailored training programs aligned with the principles of the PWM, fostering their professional growth and advancement within the company. Notably, there has been a significant increase in the average number of training hours for security officers from 6.3 hours to 25.2 hours in FY2023. This increase reflects both our commitment to meeting the officer's training needs and the additional training needs requested by our clients. As part of our continuous efforts to enhance workforce development and skills acquisition, we have established a baseline requirement of a minimum of 7 training hours specifically for security officers, acknowledging the unique demands of their roles. This approach ensures a tailored and effective training strategy for each employee.

Classroom training for security officers

Examples of training conducted are as follows:

- Assess and Address Security Risks
- Basic First Aid with CPR and AED Course
- Conduct Crowd and Traffic Control
- Deploy Security Equipment
- Handle Security Incidents and Services
- Induct Security Personnel
- Manage Disorderly Conduct and Threatening Behaviour
- Monitor and Review Security Operations
- Operate Basic Security Equipment
- Perform Monitoring and Reporting Duties at the Central Command Centre
- Perform Remote Surveillance Function
- Perform Security Duties at Protected Area and Protected Places
- Perform Supervisory Duties within the Legal Framework
- Provide Guard and Patrol Services
- Recognise Terrorist Threats Observation
- Respond to Fire Emergencies in Buildings
- Workplace Safety and Health

44.1 hrs

of OJT's training for security officers

To provide a more comprehensive overview of our training initiatives, we have started the tracking of On-the-Job Training ("**OJT**") hours for our security officers in this year's training data.

In FY2023, we see an increase in the average OJT hours per year for security officers from 41.3 hours in FY2022 to 44.1 hours in FY2023.

While setting a minimum OJT training hours target may prove impractical due to the diverse nature of job roles, individual learning paces, and varying skill levels within our workforce, we remain committed to meticulously tracking and documenting the individual training progress.

SUSTAINABILITY REPORT

Training and development program for non-security officers

7.7 hrs

of non-security officers' training

We deliver a range of training programs designed to meet the specific needs of our non-security officers, encompassing general, competency-based, and specialised training aligned with their respective roles. For instance, our operations and finance support staff engage in technical skills upgrades and participate in relevant seminars and conferences. We are pleased to announce an increase in training hours for our non-security officers from an average training hour of 3.5 hours in FY2022 to 7.7 hours in FY2023. Some of the internal and external trainings conducted are as follows:

Training	Participants
Company-wide program	
• Corporate orientation	• All new employees
• Annual performance appraisal briefing	• All managers and HODs
Control and compliance	
• Compliance workshop	• All non-security officers at the headquarter and printing business
• Sustainability workshop	• HODs and Executives
Workplace safety	
• WSQ operate forklift course	• Operation staff at our security printing business
• Fire safety and tabletop exercise	• Relevant department representative
Other specialised courses	
• Human resources management system	• HODs and HR personnel
• Labour laws and dispute settlement	• Operation staff
• Financing reporting update 2023	• Finance team
• GST rate change	• Finance team

To fulfil our commitment to continuous employee development, Secura strives to encourage our non-security officers to complete key training programs annually. These initiatives are designed to enhance the skills, knowledge, and capabilities of our workforce, ensuring they remain well-equipped to meet the evolving demands of their roles.

Given the focus on role-based training rather than gender-specific programs, disclosing training hours by gender may not provide meaningful insights. Our emphasis remains on ensuring that employees, regardless of gender, receive the necessary skills and knowledge relevant to their roles.

SUSTAINABILITY REPORT

OUR WORKPLACE

EMPLOYEE ENGAGEMENT

A positive work environment is essential for enhancing job satisfaction and productivity. In our pursuit of heightened employee engagement, we arrange various activities such as town hall gatherings, Christmas potluck and gift exchange, and Chinese New Year Lo Hei celebrations.

Secura's X'mas Deco Challenge 2023 energised our workplace with creativity and sustainability. Each floor embraced the challenge of decorating a designated corner with recycled or sustainable materials, fostering a spirited and eco-conscious atmosphere. This enthusiastic participation showcased our commitment to both creativity and environmental responsibility.

In a significant milestone for our commitment to corporate social responsibility, Secura conducted its inaugural CSR event on 20 October 2023. This event brought employees from various business units together to engage in a meaningful activity – Bishan Park Cleaning. Despite the challenges posed by weather conditions, the enthusiastic participation of both new and seasoned team members showcased our collective dedication to making a positive impact on society. We believe that every small action counts, and this event exemplifies our ongoing efforts to foster a culture of responsibility and unity within the company. We extend our gratitude to all participants and eagerly anticipate the success of future CSR initiatives.

In recognition of the loyalty and dedication of our employees, we recognised recipients of our Long Service Awards. A total of 39 outstanding individuals have demonstrated unwavering commitment, contributing their skills and expertise to our organisation for an extended period. These awards reflect our appreciation for their enduring service and the invaluable impact they have had on shaping the success and growth of our Company.

Employee engagement at Secura goes beyond internal recognition; it extends to the commendations we receive from our valued clients. In the reporting period, we are thrilled to highlight the receipt of 61 recognition and appreciation notes or letters from our clients. Such commendations highlight the dedication and exemplary service demonstrated by our officers. In appreciation of their outstanding efforts, each recognised officer will be honoured with a personalised commendation letter from our Managing Director, accompanied by a small gift token. This initiative not only amplifies our commitment to acknowledging exceptional performance but also reinforces the strong partnerships we build with our clients. We look forward to fostering more moments of recognition and gratitude in the future.

Bishan Park Cleaning in October 2023

SUSTAINABILITY **REPORT**

EMPLOYEE WELL-BEING

We firmly believe that investing in our employees' well-being and cultivating a positive work culture leads to higher job satisfaction and, consequently, enhanced productivity and talent retention. In line with this philosophy, we are delighted to introduce our Staff Recreation Club ("**SRC**"), dedicated to promoting employee engagement through various activities and events.

As the COVID-19 Safe Management Measures ease, we eagerly embark on this initiative to provide opportunities for our employees to gather, socialize, and engage. The SRC will curate a variety of activities, including team-building events, social gatherings, and community service projects. Through active participation in these endeavours, we aspire to strengthen the bonds among our employees and foster a greater sense of belonging within the Company.

Presentation of long service award

In February and August 2023, we are pleased to announce the continuation of our Bursary Awards program tailored for the children of our security guarding officers, exemplifying our steadfast commitment to fostering educational opportunities. We are proudly honoured a total of 91 recipients with bursaries totalling over S$20,000 to support the educational endeavours of our low-wage workers' children, aiming to empower them and promote academic excellence. By investing in their education, we cultivate a culture of lifelong learning and personal growth within our community. We extend heartfelt congratulations to all the recipients and reaffirm our dedication to advancing educational access within our organisation.

EMPLOYEE BENEFITS

We provide a competitive benefits package to our full-time employees, encompassing medical and dental consultations, health screening, insurance coverage, and hospitalisation benefits. Our commitment to employee well-being extends to complying with the Ministry of Social and Family Development's guidelines, providing family leaves such as maternity and paternity leave, as well as childcare leave. During the reporting year, 3 of our security officers have utilised their paternity leave. There were no maternity leaves utilised and there were no parental leaves utilised by our employees.

In FY2023, we introduced several employee-centric initiatives aimed at enhancing their well-being and work-life balance. Notable additions include the implementation of dental and health screening programs, underlining our commitment to promoting the health and wellness of our workforce. Additionally, we introduced a 'birthday off leave' policy for our non-security officers, providing them the opportunity to celebrate their special day with a well-deserved break. These initiatives align with our ongoing efforts to create a positive and supportive workplace environment. Looking ahead, our human resource team will conduct a comprehensive review of these benefits in FY2024 to ensure they continue to meet the evolving needs of our employees.

SUSTAINABILITY **REPORT**

OCCUPATIONAL HEALTH AND SAFETY

Our commitment to promoting safe and secure working environments for all employees is rooted in the belief that every employee deserves to feel safe and protected while at work. This commitment extends to all aspects of the workplace, from physical safety to emotional and psychological well-being.

At Secura, we take the safety and well-being of our employees seriously. To ensure a safe workplace for everyone, we have developed a comprehensive workplace health and safety ("**WHS**") framework that covers all employees, including ground security officers, employees working in the production facility as well as other employees at our office headquarter.

Safety Committees have been established within each business unit to maintain oversight and continual improvement to our safety protocols. These committees are responsible for monitoring internal policies and procedures related to hazard identification, risk assessment, and incident investigation. They also conduct periodic security and safety risk assessments and regular site inspections to ensure employees are adhering to safety protocols.

Furthermore, we have established a safety channel for our employees to relay any potential safety concerns at workplace to the committee without fear of reprisal.

Hazards Assessment and Mitigation Efforts

In FY2023, Secura's employees collectively worked a total of 3,232,654 hours. In evaluating workplace hazards associated with our security guarding and printing production operations, we identified risks including trips and falls. Although our printing production activities revealed no hazards with high consequences, the security guarding aspect did indicate potential risks at client sites where our guards are deployed.

To mitigate that we provide thorough safety training for all guards prior to their deployment at client premises. The purpose of these training sessions is to prepare our security personnel with essential skills and knowledge to manage potential hazards and safeguard their safety while performing their duties.

Fire drill briefing

Safety Protocols for security guarding

We have an Emergency Preparedness and Response Policy, which is designed to address emergencies, ensuring the safety of our officers and other stakeholders. In the event of an emergency, our dedicated Emergency Response Team ("**ERT**"), comprising the site main controller, first aider (if applicable), site incident controller, and designated warden rescuer (if applicable), is ready to take immediate action. Our officers are trained to report incidents promptly to their immediate supervisor and activate the emergency response team as necessary. The policy also encompasses a comprehensive approach to addressing potential dangers, including situations involving firearms or fire attacks. At the core of our protocol is the principle of "Run, Hide, and Tell," which guides our officers in prioritising their safety in the face of imminent threats.

Furthermore, we have established an Incident Investigation Policy to thoroughly investigate incidents and identify root causes to prevent recurrence.

Ang Pau distribution to security officers

SUSTAINABILITY **REPORT**

Proactive Measures for Safety

For the health and safety of our security officers and production staff, we provide regular safety induction courses before they commence work at their respective sites. Personal protective equipment, including safety boots, surgical masks, gloves, earplugs, goggles, high-visibility safety vests, traffic sticks, and weather protection gear, is provided on a need-to basis depending on site conditions. In addition to these measures, supervisors in each business unit conduct regular safety briefings to keep employees informed about the latest WHS developments.

Fire drills are also conducted periodically to ensure that employees are familiar with emergency evacuation procedures and can respond effectively in case of a fire or other emergency situation.

We also provide safety briefings for all employees and subcontractors. While we focus on promoting a safe working environment, our engagement extends to verifying that subcontractors are adequately covered by insurance and compliant with the Workplace Safety and Health Act, 2006 ("**WSHA**") regulations.

Accreditations and Certifications

Compliance with the WSHA is a top priority to ensure the safety and well-being of our employees. We proudly announce that both of our core operating entities have attained the highest level of accreditation, the bizSAFE Star certification, awarded by the Workplace Safety and Health Council, reflecting our commitment to a safe and healthy work environment. Additionally, two of our core operating entities are ISO 45001 certified.

ZERO

High – consequence work-related injuries and fatalities

We are pleased to report that there was a decrease in the overall rate[3] of work-related injuries from the 12-month average rate of 0.94 in FY2022 to 0.49 in FY2023.

Regrettably, during the year, 8 work-related injuries were reported, predominantly stemming from slips, trips, and falls, involving our security officers. We continuously brief our officers on personal safety, emphasising workplace housekeeping, proper footwear usage, and adjusting walking pace on slippery surfaces.

No work-related injuries were reported for our headquarters employees and our employees at our printing operations.

We target to ensure that all safety protocols are emphasised to all employees through training and reminders to minimize the overall rate of work-related injuries. We strive to maintain our record of having zero high-consequence work-related injuries and fatalities in the workplace.

3 Incidence rate of recordable work-related injuries refers to number of recordable work-related injuries x 200,000 ÷ No. of hours worked

SUSTAINABILITY **REPORT**

OUR ENVIRONMENT

MANAGEMENT APPROACH

We acknowledge the vital role our industry plays in global efforts to curb carbon emissions and protect Singapore from the impacts of climate change. Understanding the considerable paper waste generated daily in our printing operations, we view this as an opportunity to embrace environmentally sustainable practices. Our management is committed to not only minimizing our environmental footprint through initiatives like reducing paper waste but also to adopting a conscientious approach towards fuel consumption, purchased electricity consumption, and overall carbon footprint. By integrating these considerations into our operations, we aim to optimize operational efficiency while actively contributing to environmental sustainability.

WASTE MANAGEMENT

6.35%

Waste generation rate

Our security printing processes are designed with waste management and sustainability in mind. In addition to sourcing our paper material from certified mills, we also practice responsible waste management by properly disposing of any hazardous waste that may be generated during the printing process, which includes ink cartridges, toners, and other printing supplies.

To minimise waste generation, we have implemented the following measures.

Optimising printing operations to use less ink and paper through production efficiency, thereby decreasing reprint necessities and lowering paper waste

All paper waste generated by operations is collected by recycling vendors, which then sell the waste to paper mills to be turned into recycled pulp

We constantly monitor our waste generation and consumption levels during our annual quality management system audits to limit the waste generation rate[4] to no more than 7% of the paper consumed in each production run. This benchmark is based on our past track record. In FY2023, to better monitor the effectiveness of our waste reduction efforts, we started measuring the total volume of paper waste generated instead of the total costs of waste incurred in FY2022. In FY2023, we recorded 6.4% waste generation rate compared to paper consumption. We will continue to commit to refining our waste management strategies to reduce our environmental footprint.

4 Waste Generation Rate = (Total Paper Consumed - Total Production Output)/Total Paper Consumed

SUSTAINABILITY **REPORT**

FUEL CONSUMPTIONS[5]

0.44

Litres per square foot

The Group's scope 1 emissions derived from the combustion of transportation fuels used in vehicles owned and operated by the Group for its business activities. In FY2023, the total fuel consumption amounted to 29,442 litres ("**L**"), comprising 6,218 L of petrol and 23,224 L of diesel.

In FY2023, we recorded a fuel consumption intensity of 0.44 L per square foot ("**L/sq ft**"). We have established a goal to monitor and manage our fuel consumption, using the data from FY2023 as a baseline to aim for annual improvements year on year. As part of our initiatives to reduce our environmental footprint, we are exploring the possibility of incorporating fuel-efficient vehicles into our corporate fleet.

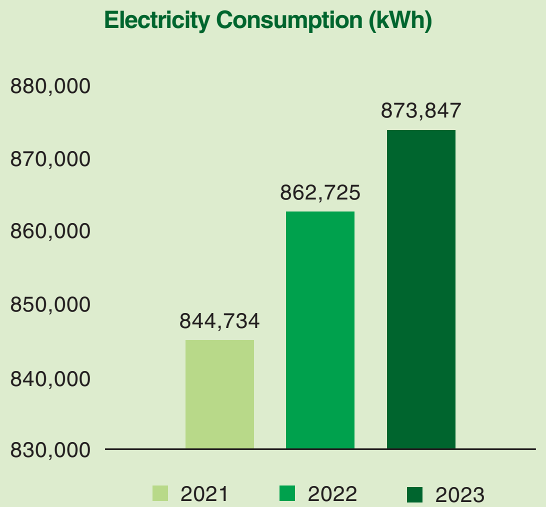
PURCHASED ELECTRICITY CONSUMPTIONS

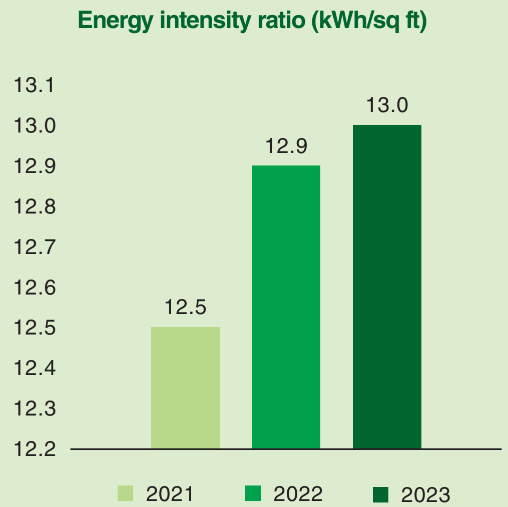
13.0

kWh per square foot

Our Scope 2 emissions are derived from the energy use within our office space. In FY2023, we have procured 873,847 kilowatt-hours ("**kWh**") of electricity from the power grid. This translated to an electricity intensity of 13 kWh per square foot ("**kWh/sq ft**").

This represents a 1% increase in energy consumption compared to FY2022, mainly due to the expanded operations of our training academy, which occasionally requires weekend classes.





Our target is to maintain our average electricity consumption within 15 kWh/sq ft. We are also actively pursuing the Green Mark certification from the Building and Construction Authority of Singapore for our office headquarters.

5 Starting from FY 2023, we have tracked our fuel consumption as part of our ongoing commitment to adopt TCFD disclosures.

SUSTAINABILITY **REPORT**

ENERGY CONSUMPTIONS

Our total energy usage is made up of acquired fuels and electricity. The acquired fuels are mainly obtained from non-renewable resources. The electricity we purchase is sourced from the municipal power grid and the proportion of renewable energy it contains is consistent with the renewable energy ratio found in Singapore's national grid. The table below shows how each contributes to our total energy consumption, which amounted to 4,255,274 megajoules ("**MJ**"). This translates to an energy consumption intensity rate of 63.19 MJ per square foot ("**MJ/sq ft**").

Factors	Consumption units	Consumptions	Energy consumptions (MJ)
Petrol	L	6,218	217,548
Diesel	L	23,224	891,877
Purchased Electricity	kWh	873,847	3,145,849
		Total	***4,255,274***

CARBON FOOTPRINT

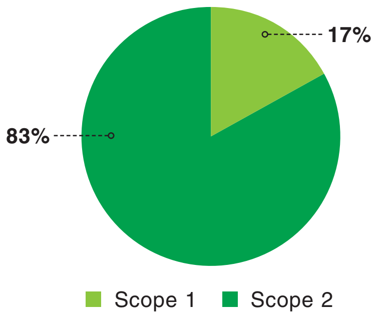
In line with our commitment to responsible environmental stewardship, we have been actively working to decrease our energy use and carbon emissions in our day-to-day operations. Some of the initiatives undertaken include installing energy-efficient LED lighting at our corporate offices and rigorously maintaining our production facility's machinery and equipment.

Our carbon emission includes:

- All fuels used directly by our companies (Scope 1 emissions)
- All purchased electricity used in our properties (Scope 2 emissions)

Our carbon emissions are expressed in kilogram of carbon dioxide equivalent ("**kg CO_2e**"). Below is an overview of our carbon footprint and the detailed contributions:

During the reporting period



GHG emissions intensity ratio

6.5

(kg CO_2e/square foot (gross floor area))

Scope 1 GHG emissions

76,340.82 kg CO_2e

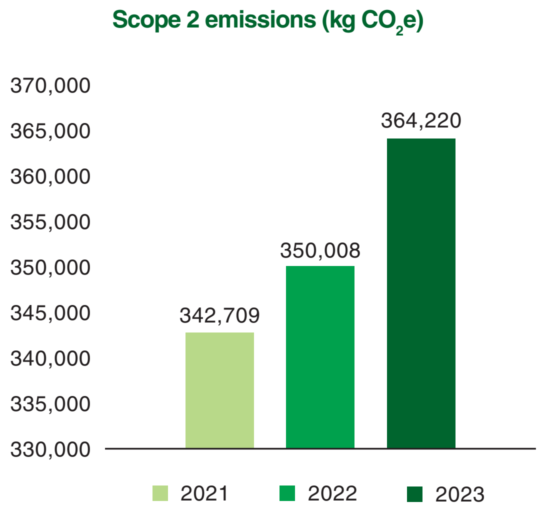
Scope 2 GHG emissions

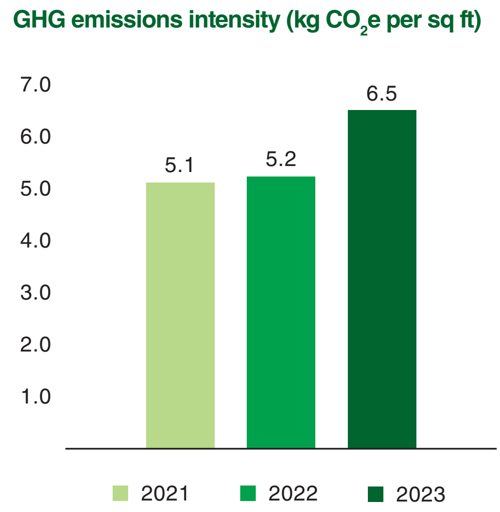
364,219.60 kg CO_2e

Factors	Consumption units	Consumptions	Carbon emissions (kg CO_2e)
Petrol	L	6,218	14,580
Diesel	L	23,224	61,760
Purchased Electricity	kWh	873,847	364,220
		Total	***440,560***

SUSTAINABILITY **REPORT**

For the Scope 2 emissions, there was an increase in the carbon emissions intensity during FY2023 which is in line with the increase in the overall electricity consumption.





TCFD FRAMEWORK

We have been progressively incorporating the recommendations set forth by the TCFD in our overall sustainability framework as stipulated in **Appendix E** of this Report.

SUSTAINABILITY REPORT

APPENDIX A: LIST OF ENTITIES INCLUDED IN THIS REPORT

Business Segment	Name
Entities included in the Sustainability Reporting	
Holding Company	Secura Group Limited
Security Printing	Secura Singapore Pte Ltd Secura Forms Pte Ltd Secura Foremost eMage Pte Ltd
Security Technology & Consultancy	Secura Technology & Consultancy Pte Ltd Soverus Kingdom Systems Pte Ltd Secura Training Academy Pte Ltd
Cyber Security	Red Sentry Pte Ltd
Security Guarding	Soverus Pte Ltd
Entities not Included in Sustainability Reporting but included in Financial Reporting	
Cyber Security	Onesecure Asia Pte Ltd Custodio Technologies Pte Ltd
Security Printing	Secura Bangladesh Ltd

APPENDIX B: SUSTAINABILITY SCORECARD

Governance

Performance indicators	Units	FY2021	FY2022	FY2023
Annual Conflict of Interest Declaration participation rate[6]	%	–	–	84
Whistleblowing complaints	Number	Zero	Zero	Zero
Customer privacy breach incidents	Number	Zero	Zero	Zero
Cybersecurity incidents	Number	Zero	Zero	Zero

Social

Performance indicators	Units	FY2021	FY2022	FY2023
Independent Directors	Number (%)	4 (57)	4 (67)	5 (71)
Female on the Board of Directors	Number (%)	1 (29)	1 (17)	1 (14)
Employment				
Total number of employees	Number	692	992	1,071
New Hires	Number	625	824	568
Average Monthly New Hires rate	%	8.1	8.2	4.6
Turnover	Number	622	510	477
Average Monthly Turnover rate	%	8.0	5.0	3.8

6 Data was not tracked for FY2021 and FY2022.

SUSTAINABILITY **REPORT**

Performance indicators	Units	FY2021	FY2022	FY2023
Employee by Genders				
Male employee	%	73	74	68
Female employee	%	27	26	32
New hire and turnover by gender[7]				
New hires (Male)	%	–	74	61
New hires (Female)	%	–	26	39
New hires rate (Male)	%	–	83	48
New hires rate (Female)	%	–	82	65
Turnover (Male)	%	–	73	71
Turnover (Female)	%	–	27	29
Turnover rate (Male)	%	–	51	46
Turnover rate (Female)	%	–	52	40
Employee by Age Group				
Current employee by age group				
• **Above 60**	%	27	39	34
• **46-60**	%	34	31	24
• **30 to 45**	%	30	23	23
• **Below 30**	%	9	7	19
New hires by age group[7]				
• **Above 60**	%	–	36	17
• **46-60**	%	–	32	17
• **30 to 45**	%	–	24	32
• **Below 30**	%	–	8	34
New hires rate by age group[7]				
• **Above 60**	%	–	77	26
• **46-60**	%	–	85	40
• **30 to 45**	%	–	87	73
• **Below 30**	%	–	93	94

7 Data was not tracked for FY2021.

SUSTAINABILITY REPORT

Performance indicators	Units	FY2021	FY2022	FY2023
Turnover by age group[7]				
• **Above 60**	%	–	21	34
• **46-60**	%	–	37	24
• **30 to 45**	%	–	33	32
• **Below 30**	%	–	9	10
Turnover rate by age group[7]				
• **Above 60**	%	–	28	44
• **46-60**	%	–	63	47
• **30 to 45**	%	–	72	61
• **Below 30**	%	–	64	22
Training				
Total training hours[7]	Hours	–	5,719	24,955
Total OJT training hours[7]	Hours	–	35,832	42,156
Average training hours per security officer	Hours	6.1	6.3	25.2
Average OJT training hours per security officer[7]	Hours	–	41.3	44.1
Average training hours per non-security officer	Hours	1.7	3.5	7.7
Percentage of employees trained	%	100	100	100
Workplace Safety				
Total scheduled hours worked by employee	Hours	2,043,350	2,984,422	3,232,654
Work-related fatalities	Number	Zero	Zero	Zero
High-consequences work-related injury	Number	Zero	Zero	Zero
Number of work-related injuries	Number	5	14	8
Number of work-related ill health	Number	Zero	Zero	Zero

7 Data was not tracked for FY2021

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Environmental

Performance indicators	Units	FY2021	FY2022	FY2023
Gross Floor Area of Secura's operations	Sq ft	67,339	67,339	67,339
Fuel Consumption – Petrol[8]	L	–	–	6,218
Fuel Consumption – Diesel[8]	L	–	–	23,224
Fuel Consumption intensity[8]	L	–	–	0.44
Electricity usage	kWh	844,734.2	862,725.1	873,847.4
Electricity usage intensity	kWh/sq ft	12.5	12.9	13.0
Energy consumption[9]	MJ	3,041,043	3,105,810	4,255,274
Energy intensity[9]	MJ/sq ft	45.2	46.1	63.2
Carbon emissions (Scope 1 & 2)[10]	kg CO_2e	342,708.7	350,007.6	440,560.4
Carbon emissions intensity[10]	kg CO_2e/sq ft	5.1	5.2	6.5

8 Commence tracking of Scope 1 emissions in FY2023

9 Energy consumption and energy intensity in FY2021 and FY2022 comprised of purchased electricity consumption. Data for FY2023 is inclusive of fuel consumption and purchase electricity consumption.

10 Data across the financial years for carbon emissions are not comparable as Scope 1 data is only introduced in FY2023.

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APPENDIX C: METHODOLOGIES AND DATA BOUNDARIES

This section details key definitions, methodologies and data boundaries applied to Secura's Sustainability Report, as we endeavour to elevate transparency and facilitate comparability of our data disclosed. These definitions and methodologies are adapted in accordance with the GRI Standards Glossary 2021, Reporting Recommendations and Guidance set out in the respective GRI disclosures and various authoritative intergovernmental instruments.

Environment

Fuel Consumption
Fuel consumed results from fuels consumed by security guarding, security printing and security technology and consultancy businesses. Fuels consumed is expressed in litres (“**L**”).

Fuel Consumption Intensity
Fuel consumption intensity refers to the ratio of fuel consumption relative to the gross floor area in square feet for Secura's operations located at 38 Alexandra Terrace and 8 Pioneer Road. Fuels consumed are expressed in litres per square feet (“**L/sq ft**”).

Purchased Electricity Consumption
Purchased electricity consumption refers to electricity procured from the power grid by the properties located at 38 Alexandra Terrace and 8 Pioneer Road. Energy consumed is expressed in kilowatt-hours (“**kWh**”).

Purchased Electricity Intensity
For purchases of electricity, this is the ratio of energy consumption relative to the gross floor area in square feet for Secura's operations located at 38 Alexandra Terrace and 8 Pioneer Road. Energy intensity is expressed in kWh per square feet (“**kWh/sq ft**”).

Energy Consumption
Fuel consumption is converted to energy, expressed in megajoules (“**MJ**”). The caloric value and fuel density used to convert fuel consumption to energy intensity are derived from the United Kingdom Department for Environmental, Food & Rural Affairs (“**UK Defra**”).

Purchased Electricity consumption is converted to energy in MJ, with a conversion rate of 3.6 MJ per kWh.

Energy Intensity
This is the ratio of energy consumption relative to the gross floor area in square feet for Secura's operations located at 38 Alexandra Terrace and 8 Pioneer Road. Energy intensity is expressed in MJ per square feet (“**MJ/sq ft**”).

Carbon Emissions
In the scope of this reporting, scope 1 emissions refer to emissions generated from the consumption of fuels for our security guarding, security printing, security technology and consultation businesses. The fuel consumption by other business segments is considered immaterial given the nature of their operations. The emission factor used for calculating carbon emission is obtained from UK Defra. Carbon emissions are expressed in kilogram of carbon dioxide equivalent (“**kg CO_2e**”).

The scope of this reporting, scope 2 emissions are emissions that result from the generation of purchased or acquired electricity, by the properties located at 38 Alexandra Terrace and 8 Pioneer Road. The Operating Margin Grid Emission Factor used for calculating carbon emissions is obtained from Singapore's Energy Market Authority. Carbon emissions are expressed in kg CO_2e.

Carbon Emissions Intensity
This is the ratio of carbon emissions relative to the gross floor area in square feet for Secura's operations located at 38 Alexandra Terrace and 8 Pioneer Road. Carbon emissions intensity is expressed in kg CO_2e per square feet (“**kg CO_2e/sq ft**”).

Social

Employee
Employees are defined as individuals who are in an employment relationship with the Group.

Workers with non-guaranteed hours
Workers with non-guaranteed hours, often referred to as casual or relief workers, are employees whose work hours are not predetermined or guaranteed. These individuals typically work on an ad-hoc basis, filling in shifts or covering specific periods as needed by the company. In the context of the Group, relief security officers may be employed to cover fluctuating demand, unexpected absences, or additional shifts that arise on short notice.

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Non-employee Workers
Non-employee workers are defined as workers who are not employees but whose work and/or workplace is controlled by the organisation; Or workers who are not employees and whose work and workplace are not controlled by the organisation, but by the organisation's operations, products or services are directly linked to significant occupational health and safety impacts on those workers by its business relationships.

New Hires and Turnover (rates)
New hires are defined as new employees who have joined the Group during the financial year.

Turnover is defined as all employees who have left the Group voluntarily, or due to dismissal, retirement or death in service during the financial year.

The average number of employees refers to the average number of employees at the beginning of the year and the end of the year.

The average monthly new hire rate is the total number of new hires/average number of employees over 12 months period multiply 100.

The average monthly turnover rate is the total number of turnover/average number of employees over 12 months period multiply 100.

New hires/turnover rate is the total number of new hires/employee turnovers in the financial year, relative to the total number of employees recorded at financial year-end.

The new hires/turnover rate by age group is the total number of new hires/employee turnovers for each age group in the financial year, relative to the total number of employees in the respective age groups recorded at financial year-end.

New hires/turnover rate by gender is the total number of female/(male) new hires/employee turnovers for each gender in the financial year, relative to the total number of female/(male) employees recorded as at financial year-end.

Training hours
Average training hours per security officer is the total number of training hours incurred during the financial year provided to security officers, relative to the total number of security officers recorded as at financial year-end.

Average OJT training hours per security officer is the total number of OJT training hours incurred during the financial year provided to the security officers, relative to the total number of security officers recorded as of financial year-end.

Average training hours per non-security officer is the total number of training hours provided to non-security officers, relative to the total number of non-security officers recorded as of financial year-end.

Work-related incident
Injury incidents are non-fatal or fatal injuries or health-related illnesses arising out of, or in the course of, work.

High-consequence Work-related Injury and Rate
High-consequence work-related injury is a work-related injury that results in a fatality or in an injury from which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within 6 months.

SUSTAINABILITY REPORT

APPENDIX D: GRI CONTENT INDEX

GRI Standards Content Index

The GRI Content Index references Secura's Sustainability Report 2023 ("**SR**") and the Annual Report 2023 ("**AR**").

Disclosure number		Disclosure title	Reference and remarks
GRI 1: Reporting in accordance with the GRI Standards			
Requirement 1		Apply the reporting principles	SR About the Report
Requirement 2		Report the disclosures in GRI 2: General Disclosures 2021	SR Appendix D: GRI Content Index
Requirement 3		Determine material topics	SR Appendix D: GRI Content Index
Requirement 4		Report the disclosures in GRI 3: Material Topics 2021	SR Appendix D: GRI Content Index
Requirement 5		Report disclosures from the GRI Topic Standards for each material topic	SR Appendix D: GRI Content Index
Requirement 6		Provide reasons for the omission of disclosures and requirements that the organisation cannot comply with	SR Appendix D: GRI Content Index
Requirement 7		Publish a GRI content index	SR Appendix D: GRI Content Index
Requirement 8		Provide a statement of use	SR About the Report
Requirement 9		Notify GRI	The SR will be registered with the GRI upon publication.
GRI 2: General disclosures			
The organisation and its reporting practices	2-1	Organisation details	AR Corporate Profile
	2-2	Entities included in the organisation's sustainability reporting	SR Appendix A: List of entities included in this Report
	2-3	Reporting period, frequency and contact point	SR About the Report
	2-4	Restatements of information	SR About the Report
	2-5	External assurance	SR About the Report
Activities and workers	2-6	Activities, value chain and other business relationships	SR About the Report
	2-7	Employee	SR Our People
	2-8	Workers who are not an employee	

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Disclosure number		Disclosure title	Reference and remarks
Governance	2-9	Governance structure and composition	AR Corporate Governance
	2-10	Nomination and selection of the highest governance body	AR Corporate Governance
	2-11	Chair of the highest governance body	AR Corporate Governance
	2-12	Role of the highest governance body in overseeing the management of impacts	SR Sustainability Governance
	2-13	Delegation of responsibility for managing impacts	
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	SR Ethics and Compliance
	2-16	Communication of critical concerns	SR Stakeholder Engagement
	2-17	The collective knowledge of the highest governance body	AR Corporate Governance
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	The process to determine the remuneration	
	2-21	Annual total compensation ratio	
Strategy, policies and practices	2-22	Statement on sustainable development strategy	SR Board Statement
	2-23	Policy commitments	SR Stakeholder Engagement SR Ethics and Compliance SR Our People SR Our Workplace SR Our Environment
	2-24	Embedding policy commitments	
	2-25	Processes to remediate negative impacts	
	2-26	Mechanisms for seeking advice and raising concerns	
	2-27	Compliance with laws and regulations	
	2-28	Membership associations	AR Operations & Financial Review
Stakeholder engagement	2-29	Approach to stakeholder engagement	SR Stakeholder Engagement
	2-30	Collective bargaining agreements	SR Our People
GRI 3: Disclosures on material topics			
Material topics	3-1	The process of determining material topics	SR Materiality Assessment
	3-2	List of material topics	
	3-3	Management of material topics	

SUSTAINABILITY **REPORT**

Disclosure number		Disclosure title	Reference and remarks
GRI 200: Economic disclosures			
Economic performance	201-1	Direct economic value generated and distributed	SR Economic Performance
	201-2	Financial implications and other risks and opportunities due to climate changes	The Group will be commencing on the TCFD recommendations disclosures in FY2024.
	201-3	Defined benefit plan obligations and other retirement plans	The Group complied with Singapore's compulsory social security savings program known as the CPF. This program requires both employees and employers to contribute a mandatory percentage of the employee's monthly salary to the CPF, which serves as a comprehensive savings and retirement fund.
	201-4	Financial assistance received from the government	AR Notes to Financial Statements
Anti-corruption	205-1	Operations assessed for risks related to corruption	The Group is scheduled to conduct a comprehensive Enterprise Risk Management assessment in FY2024. This evaluation will encompass all facets of our business, including identifying and mitigating risks associated with corruption.
	205-2	Communication and training about anti-corruption policies and procedures	SR Ethics and Compliance
	205-3	Confirmed incidents of corruption and actions taken	
GRI 300: Environment disclosures			
Energy	302-1	Energy consumption within the organisation	SR Our Environment
	302-2	Energy consumption outside of the organisation	The Group is presently in the process of compiling data on its supply chain activities to identify energy consumption that occurs beyond the Group's direct operational control.
	302-3	Energy intensity	SR Our Environment
	302-4	Reduction of energy consumption	The Group has put in place initiatives to reduce energy consumption. However, measuring the precise reduction in energy consumption is not feasible.
	302-5	Reductions in energy requirements of products and services	The Group is presently in the process of compiling data on its supply chain activities to identify energy consumption that occurs beyond the Group's direct operational control.

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Disclosure number		Disclosure title	Reference and remarks
Emissions	305-1	Direct (Scope 1) GHG emissions	SR Our Environment
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	The Group is currently in the process of collating data on the Group's Scope 3 carbon emissions, specifically focusing on emissions associated with activities outside direct operational control, including supply chains and other indirect sources.
	305-4	GHG emissions intensity	SR Our Environment
	305-5	Reduction of GHG emissions	The Group has put in place initiatives to reduce carbon emission. However, measuring the precise reduction in carbon emissions accurately is not feasible.
	305-6	Emissions of ozone-depleting substances (ODS)	The Group is not in the manufacturing business that uses substances contributing to ozone depletion.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	
Water and effluents	303-1	Interactions with water as a shared resource	The water consumed throughout the Group's operations is procured from a municipal source under the management of the Public Utilities Board. This consumption mainly fulfills domestic usage, supporting the needs of our employees and maintaining a conducive working environment. Given the minimal impact of water usage on the Group's operational processes, it is not considered significant for disclosure in the Sustainability Report.
	303-2	Management of water discharge-related impacts	
	303-3	Water withdrawal	
	303-4	Water discharge	
	303-5	Water consumption	
Effluents and waste	306-1	Waste generation and significant waste-related impacts	SR Our Environment
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
	306-4	Waste diverted from disposal	The Group generates waste in the form of paper from its security printing services. However, the Group does not track the absolute quantity of paper waste. Instead, the Group monitors waste by assessing the variance between the total amount of paper consumed and the total paper output.
	306-5	Waste directed to disposal	

SUSTAINABILITY **REPORT**

Disclosure number		Disclosure title	Reference and remarks
GRI 400: Social disclosures			
Employment	401-1	New employee hires and employee turnover	SR Our People
	401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	Non-guaranteed hours employees are covered by the Singapore Employment Act, and the Group ensures that they receive employment benefits in accordance with statutory requirements.
	401-3	Parental leave	SR Our People
Occupational health and safety	403-1	Occupational health and safety management system	SR Our Workplace
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Our products and services do not pose significant negative occupational health and safety risks to the customers.
	403-8	Workers covered by occupational health and safety management system	SR Our Workplace
	403-9	Work-related injuries	
	403-10	Work-related ill health	
Training and education	404-1	Average hours of training per year per employee	SR Our People
	404-2	Programs for upgrading employee skills and transition assistance programs	
	404-3	Percentage of employees receiving regular performance and career development reviews	
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	SR Our People
	405-2	The ratio of basic salary and remuneration of women to men	
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR Ethics and Compliance

APPENDIX E: TCFD RECOMMENDATIONS CONTENT INDEX

TCFD Recommendations Content Index

The TCFD Recommendation Content Index indicates our current implementation status for climate reporting.

TCFD Thematic Areas	Recommended Disclosures	Reference and Remarks
Governance		
Disclose the organisation's governance around climate-related risks and opportunities	Describe the board's oversight of climate-related risks and opportunities	SR Sustainability Governance
	Describe management's role in assessing and managing climate-related risks and opportunities	SR Sustainability Governance
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	The Group will be commencing on the TCFD recommendations disclosures in FY2024.
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks	Describe the organisation's processes for identifying and assessing climate-related risks	The Group will be commencing on the TCFD recommendations disclosures in FY2024.
	Describe the organisation's processes for managing climate-related risks	
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	

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TCFD Thematic Areas	Recommended Disclosures	Reference and Remarks
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	SR Our Environment
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks	The Group has disclosed Scope 1 and Scope 2 GHG emissions. The Group plans to include Scope 3 GHG emissions in the total carbon emissions in the future.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	The Group has set short-term targets for Scope 1 and 2 GHG emissions and will explore opportunities to achieve the targets. Upon identifying the climate-related risks and opportunities in FY2024, the Group will reassess the targets used against the performance.

CORPORATE **GOVERNANCE REPORT**

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

This report outlines the Company's corporate governance practices for the financial year ended 31 December 2023 ("**FY2023**") which are in line with the principles and provisions set out in the Code of Corporate Governance 2018 (the "**Code**") issued by the Monetary Authority of Singapore ("**MAS**") on 6 August 2018 and Rule 710 of the Catalist Rules. The Group has complied with the principles of the Code. Where there are deviations from the provisions of the Code, reasons and explanations on how the Group's practices adopted are consistent within the intent of the relevant principle are provided, where appropriate.

BOARD MATTERS

The Board's Conduct of Affairs

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

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

The principal functions of the Board are to:

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

CORPORATE **GOVERNANCE REPORT**

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

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

Matters Requiring Board Approval

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

Delegation of Duties by the Board

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

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

Key Features of Board Process

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

CORPORATE GOVERNANCE REPORT

The constitution of the Company ("**Constitution**") provides that telephonic and video-conference meetings may be held. The Directors, despite some having multiple board representations, attended all Board and Board Committee meetings for FY2023 and have given sufficient time and attention to the affairs of the Group.

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

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

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

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

The number of general meetings, the Board and Board Committee meetings held during FY2023 as well as the attendance of each Director at these meetings is set out below:

Name of director	Nature of appointment	Board	ARC	NC	RC	AGM
Number of meetings		4	4	1	1	1
Dr Ho Tat Kin	Chairman, Independent, Non-Executive	4	4	1	1	1
Kan Kheong Ng	Executive, CEO	4	4(1)	1(1)	1(1)	1
Lim Hoi Leong(2)	Executive, CFO	4(1)	4(1)	1(1)	1(1)	1(1)
Ong Pang Liang	Independent, Non-Executive	4	4	1	1	1
Gary Ho Kuat Foong	Independent, Non-Executive	4	4	1	1	1
Christina Teo Tze Wei (Zhao Ziwei)	Independent, Non-Executive	4	4(1)	1	1(1)	1
Goh Yi Shun Joshua(3)	Independent, Non-Executive	3	3	–	–	–
Wilson Sam	Non-Independent, Non-Executive	4	4	1(1)	1(1)	1

Notes:
(1) Attended as invitee
(2) Appointed on 1 January 2024
(3) Appointed on 1 May 2023

CORPORATE **GOVERNANCE REPORT**

Board Orientation and Training

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

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

During FY2023, the Board was provided with information on accounting and regulatory updates, including the Singapore Financial Reporting Standards (International), the Catalist Rules, the Companies Act 1967 of Singapore as well as other updates issued by the SGX-ST and the MAS, where applicable.

The details of seminars, conferences and training programmes attended by the Directors in FY2023 include:

- Climate Reporting Fundamentals for Listed Companies organized by SGX RegCo
- Environmental, Social and Governance Essentials organised by SID and other professional firms
- Cybersecurity, Board and Audit Committee responsibilities organised by CPA Australia
- CPA Congress and Professional Ethics in Focus organised by CPA Australia

Access to Complete, Adequate and Timely Information

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

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

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

CORPORATE GOVERNANCE REPORT

Board Composition and Guidance

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

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

As of the date of this report, the Board comprised 8 Directors of whom 5 are Independent and Non-Executive Directors, 1 Non-Independent Non-Executive Director and 2 Executive Directors. The Independent Non-Executive Directors make up the majority of the Board. Each Director has been appointed on the strength of his/her calibre and experience. The Board and the NC are of the view, given the nature and scope of the Group's operations, the current size of the Board is conducive for effective discussion and decision-making.

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

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

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

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

CORPORATE GOVERNANCE REPORT

Board Diversity

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

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

The current make-up of the Board reflects the Board's commitment to promote diversity in terms of gender, age, skills and knowledge. The profile of the Directors can be found on pages 8 to 11 of this annual report. The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:

Competencies	Number of Directors	Proportion of Board
Accounting or finance	6	75%
Business management	3	38%
Relevant industry, knowledge and experience	3	38%
Strategic planning experience	4	50%

On 1 January 2024, the Board further enhanced its gender diversity by appointing Ms Lim Hoi Leong, a female director. As of the date of this report, there are two female members serving on the Board. In addition, the appointments of Ms Lim Hoi Leong and Mr Goh Yi Shun Joshua also contribute to the Board diversity in terms of professional and financial expertise and age. Apart from gender representation, the NC will also focus and commence on the Board renewal process to ensure that the Board continues to be appropriately balanced to support the long-term success of the Company. Where appropriate, an external consultant will be engaged in the search process. One of the key considerations in the renewal process is to ensure that the new Directors are able to replace the skill sets of the long-serving Directors, and/or can supplement the collective skill sets of the remaining Directors and bring different perspectives to the Board.

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

Notwithstanding having a Board Diversity Policy in place, the Board and the NC, at this juncture, do not think that it is necessary to set any specific diversity factor targets and timelines because it believes in the importance of a holistic approach to diversity. This approach recognises the multifaceted nature of diversity, which includes but is not limited to gender, ethnicity, age, disability, and cultural background. By not setting rigid targets, the Board aims to ensure that the focus remains on fostering an inclusive environment that values and leverages the unique contributions of each individual, rather than merely meeting predetermined quotas within prescribed timelines.

CORPORATE GOVERNANCE REPORT

Board Independence

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

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

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

Chairman and Chief Executive Officer

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

The Chairman of the Board is an Independent Director, Dr Ho Tat Kin, and the CEO of the Company is Mr Kan Kheong Ng.

The Chairman and the CEO are not immediate family members and are not related to each other.

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

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

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

CORPORATE **GOVERNANCE REPORT**

Board Membership

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

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

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

The NC held 1 meeting in FY2023.

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

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

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

- determine the independence of Directors;

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

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

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

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

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

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

CORPORATE **GOVERNANCE REPORT**

Process for Selection and Appointment of New Directors

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

Rotation and Re-election of Directors

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

The Board has accepted the NC's recommendations to seek approval from Shareholders at the forthcoming AGM:

a) to re-elect Ms Christina Teo Tze Wei (Zhao Ziwei) and Mr Wilson Sam who will be retiring by rotation under Article 93 of the Constitution and are eligible for re-election. Ms Christina Teo Tze Wei (Zhao Ziwei) and Mr Wilson Sam have consented to their respective re-elections; and

b) to re-elect Ms Lim Hoi Leong and Mr Goh Yi Shun Joshua (both newly appointed Directors) who will be retiring pursuant to Article 99 of the Constitution and are eligible for re-election. Ms Lim Hoi Leong and Mr Goh Yi Shun Joshua have consented to their respective re-elections.

The Directors who will be standing for re-election at the forthcoming AGM have abstained from the Board's and the NC's deliberations and decision on their respective re-elections.

Additional information on the Directors who have been nominated for re-election, required under Appendix 7F of the Catalist Rules are set out on pages 157 to 164 of this annual report.

Directors' Time Commitment and Multiple Board Representations

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

CORPORATE GOVERNANCE REPORT

The NC determines annually whether a Director with other listed company representations and/or other principal commitments is able to and has been adequately carrying out his/her duties as a Director. The NC takes into account the conduct of the Director on the Board in making this determination. For FY2023, the NC reviewed the multiple board representations held by the Directors and their confirmations that they are able to devote sufficient time and attention to the matters of the Group. The NC was of the view that each Director had given sufficient time and attention to the affairs of the Company and had been able to discharge his/her duties as a Director effectively. The NC noted that based on the attendance of the Board and Board Committee meetings during FY2023, all the Directors were able to participate in the meetings in order to carry out their duties.

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

The key information (includes the listed company directorships and principal commitments) of the Directors is as set out on pages 8 to 11 of this annual report.

Succession Planning

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

Board Performance

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

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

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

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

The Company also conducted a self-evaluation to assess the performance of individual Directors. The performance of individual Directors is observed through their attendance and contributions at meetings, interactive and personal skills, knowledge, analytical skills and relevant experience, preparedness for the meeting 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.

CORPORATE **GOVERNANCE REPORT**

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

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his/her performance or re-appointment as a Director of the Company.

For FY2023, based on the completed assessment forms submitted by all Directors, with the consultation of the NC, the Board is of the view that the Board, the Board Committees and the Directors have fared well against the performance criteria and are satisfied with the performance of the Board and the Board Committees and each Director's contribution to the overall effectiveness of the Board. The Company has engaged Boardroom Corporate & Advisory Services Pte Ltd as an external facilitator to carry out the evaluation process.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Level and Mix of Remuneration

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

Mr Gary Ho Kuat Foong (Chairman)
Dr Ho Tat Kin
Mr Ong Pang Liang
Mr Goh Yi Shun Joshua

The RC held 1 meeting in FY2023.

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

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

CORPORATE GOVERNANCE REPORT

The Company's remuneration policy which covers all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, benefits-in-kind, bonuses, options, share-based incentives and awards, is one that seeks to attract, retain and motivate talent to achieve the Company's business vision and create sustainable value for its stakeholders. In setting remuneration packages, the Group takes into consideration the remuneration and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of the individual.

For remuneration for Directors, no Director shall involve in deciding his or her own remuneration packages.

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

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

In structuring and reviewing the remuneration packages, the RC seeks to align the interests of Directors and KMP with those of Shareholders by linking rewards to corporate and individual performance and ensuring that the remuneration commensurate with the roles and responsibilities of each Director and KMP.

The remuneration policy for the Executive Directors and KMP consists of two key components, fixed and variable. The fixed component includes salary, provident fund contributions and other allowances. The variable component comprises a performance-based bonus which is determined based on the achievement of individual and group performance targets. These variables which include both quantitative and qualitative, are determined annually based on specific key performance indicators ("**KPIs**") which are clearly set out each financial year.

For the Group's performance targets, it is based on revenue, EBITDA and annual profit growth while individual targets are based on the business unit revenue, operational margins and profitability growth, business retention and development, compliance and contribution to overall sustainability practices.

The Executive Directors will review the overall remuneration packages of KMP while the RC will review the overall remuneration packages of the Executive Directors. Thereafter, the RC will recommend to the Board for approval. The RC has reviewed and is satisfied that the performance conditions for the Executive Director and KMP were met for FY2023.

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

All Directors were granted options pursuant to the Secura Employee Share Option Scheme in FY2016, details of which can be found on pages 77 to 78 of this annual report. No further options pursuant to the Secura Employee Share Option Scheme have been granted since FY2016 and no awards pursuant to the Secura Performance Share Plan have been granted since its inception. No options have been exercised since the commencement of the Secura Employee Share Option Scheme till the end of FY2023.

CORPORATE GOVERNANCE REPORT

Non-Executive Directors' Remuneration

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

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

Disclosure on Remuneration

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

The breakdown of remuneration paid to or accrued to the Directors for FY2023 is as follows:

	Directors' fees (%)	Salary (including employer provident fund) (%)	Variable or performance bonus and other allowances (%)	Total (%)
Below S$250,000				
Dr Ho Tat Kin	100	–	–	100
Kan Kheong Ng	–	92	8	100
Ong Pang Liang	100	–	–	100
Gary Ho Kuat Foong	100	–	–	100
Christina Teo Tze Wei (Zhao Ziwei)	100	–	–	100
Goh Yi Shun Joshua(1)	100	–	–	100
Wilson Sam	100	–	–	100

Note:
(1) Appointed on 1 May 2023

The Company has disclosed the remuneration of each Director and the CEO as a breakdown (in percentage terms) into salary (including employer provident fund) and variable or performance bonus which include other allowances in bands of S$250,000. No other long-term incentives, termination, retirement or post-employment benefits have been granted to the Directors.

CORPORATE GOVERNANCE REPORT

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

Key Management Personnel Remuneration

The Code requires the remuneration of at least the top 5 KMP who are not in the capacity of a Director or the CEO within bands of S$250,000, to be disclosed. However, for FY2023, the Group only has 4 KMPs (who are not Directors or CEO) as follows:

- Lim Hoi Leong (Appointed to the Board on 1 January 2024)
- Goh Ching Hua Kelvin
- James Koh Wan Kai
- Edmund How Chee Keong

For FY2023, the remuneration bands for the top 4 KMPs (who are not Directors or CEO) are 3 KMPs below S$250,000 and 1 KMP between S$250,001 to S$500,000. No other long-term incentives, termination, retirement or post-employment benefits have been granted to the top 4 KMPs.

For competitive reasons and to maintain the confidentiality of staff remuneration in the interest of the Company, the remuneration details of these KMPs, including the aggregate remuneration paid to them are not disclosed.

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

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

The Company does not have any employee who is a substantial Shareholder or is an immediate family member of a Director, the CEO or a substantial Shareholder, and whose remuneration exceeds S$100,000 in FY2023.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

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

CORPORATE GOVERNANCE REPORT

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

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

The ARC reviews the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company. In addition, the ARC has received and reviewed a formal assurance from (a) the CEO and CFO that the financial records of the Group have been properly maintained and the financial statements in respect of FY2023 give a true and fair view of the Group's operations and finances, and (b) the Business Heads and other KMPs who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

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

Based on the work performed by the internal auditors, the statutory audit by the external auditors and reviews performed by Management, the Board, with the concurrence of the ARC, is of the opinion that for FY2023, the Company has adequate and effective risk management systems and internal controls in place to mitigate critical and significant risks in the following areas: Financial, Operational, Compliance and Information Technology Risks.

For FY2023, both the Board and the ARC had not identified any material weaknesses in the internal controls and risk management systems of the Group.

Audit and Risk Committee

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

The ARC comprises 5 Non-Executive Directors, the majority of whom, including the ARC Chairman, are Independent Directors:

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

The ARC held 4 meetings in FY2023.

CORPORATE **GOVERNANCE REPORT**

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

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

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

- assisting the Board in the discharge of its responsibilities on financial reporting matters;
- reviewing with the internal and external auditors their plans and reports;
- reviewing the financial statements announcements before submission to the Board for approval;
- reviewing and reporting to the Board, at least annually, the effectiveness and adequacy of the internal controls (including financial, operational, compliance and information technology controls) and risk management systems;
- reviewing the independence and objectivity of the internal and external auditors and recommending to the Board their appointment or re-appointment as well as their remuneration and terms of engagement;
- meeting with internal and external auditors without the presence of the Management at least annually;
- reviewing and discussing with the internal and external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response;
- reviewing the financial risk areas, with a view to providing an independent oversight of the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;
- reviewing the cooperation given by the Management to the internal and external auditors;
- reviewing interested person transactions;
- reviewing any potential conflicts of interest and setting out a framework to resolve or mitigate any potential conflict of interest; and
- reviewing and administering the Whistleblowing Policy.

CORPORATE GOVERNANCE REPORT

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

Key Audit Matters

The external auditors have set out the key audit matters in respect of FY2023 in the Independent Auditor's Report on pages 80 to 84 of this annual report. The ARC has reviewed and concurred with the basis and conclusions included in the Independent Auditor's Report with respect to the key audit matters.

External Auditors

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

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

EY confirmed that the firm has remained as an independent public accountant within the meaning of Rule 12 of the Companies Act 1967 and the Accountants (Public Accountants) Rules for the audit of the Group for FY2023.

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

A breakdown of the audit and non-audit fees that are charged to the Group by the external auditor for FY2023 is set out below.

Service Category	**Fees Paid/Payable (S$'000)**
Audit services	184
Non-audit services	48
Total fees	**232**

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

CORPORATE **GOVERNANCE REPORT**

Internal Auditors

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

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

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

The internal auditor conducted a review of the effectiveness of the Group's internal controls in FY2023 and no material weaknesses were identified.

For FY2023, the ARC is satisfied that the internal auditor is independent, effective and adequately staffed with persons with the relevant experience and qualifications. The internal auditor is led by a RSM partner who has more than 20 years of audit experience and the team is staffed by suitably qualified and experienced professionals with the relevant qualifications and experience.

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

Whistleblowing Policy

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

The ARC is responsible for oversight and monitoring of whistleblowing.

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

CORPORATE GOVERNANCE REPORT

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

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

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

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

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

Shareholders are entitled to attend the general meetings and are afforded the opportunity to participate effectively in and vote a general meeting. An independent polling agent is appointed by the Company for general meetings who will explain the rules, including the voting procedures that govern the general meetings of shareholders. An independent scrutineer is also appointed to count and validate the votes cast at the general meetings.

Shareholders are informed of general meetings through notices published in the newspaper (if required) and the Company's announcements and press releases via SGXNET as well as through reports/circulars sent to all Shareholders.

The Constitution allows a Shareholder to appoint up to 2 proxies to attend, speak and vote on their behalf at general meetings. Pursuant to the multiple proxies regime introduced by the Companies (Amendment) Act 2014, investors who hold Shares through nominees company or custodian bank may attend and vote at general meetings. Specified intermediaries, such as banks and capital markets services licence holders which provide custodial services, may appoint more than 2 proxies.

Resolutions requiring Shareholders' approval are tabled separately for adoption at the Company's general meetings unless they are closely related and are more appropriately tabled together. Reasons, and implications of why resolutions are bundled will be set out in the circular sent out.

CORPORATE GOVERNANCE REPORT

The detailed results showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET after the conclusion of the general meetings.

The Company requires all Directors (including the Chairman of the Board and the respective Board Committees Chairman) to be present at all general meetings, unless due to exigencies. The external auditor is also required to be present to address Shareholders' queries about the conduct of audit and the preparation and content of the independent auditor's report. All Directors and the external auditor were present at the AGM held in FY2023.

The Constitution allows for absentia voting (such as via mail or email). However, as the authentication of Shareholder identity information and other related security issues remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, e-mail or fax. Nonetheless, Shareholders can appoint proxies to vote on their behalf if they are not able to attend a general meeting as provided in the Constitution.

The Company Secretary prepares minutes of general meetings which include relevant and substantial questions and comments from shareholders in relation to the meeting agenda and responses from the Board and Management. All minutes of general meetings will be made available to shareholders on SGXNET and the Company's corporate website within one month after such meetings.

Engagement with Shareholders

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

The Company solicits feedback from and addresses the concerns of Shareholders (including institutional and retail investors) via the general meetings held during the financial year. Information is also disseminated to Shareholders and investors on a timely basis through:

a) annual reports and notices of general meetings issued to all Shareholders; and

b) half-year and full-year announcements of financial results and other announcements or press releases through the SGXNET.

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

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

CORPORATE GOVERNANCE REPORT

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

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced when compared to the needs and interests of its stakeholders. Stakeholders of the Company include but are not limited to customers, employees, suppliers, government, regulators, community, shareholders and investors.

The Company's sustainability report is integrated with this annual report and is accessible on SGXNET and the Company's corporate website. Details of where stakeholders can engage with the Company are set out in the sustainability report.

Dividend Policy

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

The Board has recommended a first and final tax exempt (one-tier) dividend of 0.1375 Singapore cents per share for FY2023 for approval by Shareholders at the forthcoming AGM.

INTERESTED PERSON TRANSACTIONS

Rules 907 and 1204(17) of the Catalist Rules

The Group complies with the provisions on interested person transactions under the Catalist Rules.

All interested person transactions ("**IPTs**") will be documented and submitted periodically to the ARC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company.

The Company does not have a general mandate from Shareholders for IPTs.

There is no interested person transaction entered into by the Group during the financial year.

CORPORATE GOVERNANCE REPORT

MATERIAL CONTRACTS

Rule 1204(8) of the Catalist Rules

Save for the service agreement between the Company and the Executive Director, disclosures under the sections “Interested Person Transactions” and the “Directors’ Statement” of this annual report and the financial statements of the Group, there were no other material contracts entered into by the Company or its subsidiaries involving the interests of any Director, the CEO or controlling Shareholder which is either subsisting at the end of FY2023 or, if not then subsisting, entered into since the end of FY2022.

DEALINGS IN SECURITIES

Rule 1204(19) of the Catalist Rules

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

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

The Company confirms it has complied with the best practice pursuant to the Catalist Rules in not dealing in its securities during the black-out period for FY2023.

NON-SPONSOR FEES

Rule 1204(21) of the Catalist Rules

There were no non-sponsor fees paid to the Company’s sponsor, United Overseas Bank Limited, in FY2023.

FINANCIAL **CONTENTS**

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Secura Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2023.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

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

Directors

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

Dr Ho Tat Kin	
Kan Kheong Ng	
Lim Hoi Leong	(appointed on 1 January 2024)
Ong Pang Liang	
Gary Ho Kuat Foong	
Christina Teo Tze Wei (Zhao Ziwei)	
Goh Yi Shun Joshua	(appointed on 1 May 2023)
Wilson Sam	

Arrangements to enable directors to acquire shares and debentures

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

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

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

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

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

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

Share options

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

Details of all the share options to subscribe for ordinary shares of the Company pursuant to the Secura ESOS as at 31 December 2023 are as follows:

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

DIRECTORS' **STATEMENT**

Share options (continued)

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

Name of directors	Options granted during financial year	Aggregate options granted since commencement of plan to end of financial year	Options cancelled or lapsed since commencement of plan to end of financial year	Aggregate options outstanding as at end of financial year
Dr Ho Tat Kin	–	1,200,000	–	1,200,000
Ong Pang Liang	–	800,000	–	800,000
Gary Ho Kuat Foong	–	800,000	–	800,000
Total	–	2,800,000	–	2,800,000

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

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

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

Share plan

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

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

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

DIRECTORS' **STATEMENT**

Audit and Risk Committee

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

Auditor

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

On behalf of the board of directors:

Kan Kheong Ng
Director

Lim Hoi Leong
Director

Singapore
1 April 2024

INDEPENDENT AUDITOR'S **REPORT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Secura Group Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for opinion

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

Key audit matters

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

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

INDEPENDENT AUDITOR'S **REPORT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Key audit matters (continued)

Impairment assessment of the Company's investment in subsidiaries and the related Group's property, plant and equipment of the cash generating unit ("CGU")

As at 31 December 2023, the Company's carrying amount of investment in subsidiaries amounted to $21.2 million. The Management has performed impairment testing on the investment in subsidiaries and the related property, plant and equipment of the CGU. The recoverable amounts of these assets are based on the value in use method using discounted cash flows which are determined based on a number of significant operational and predictive assumptions such as forecasted revenue, growth rate, profit margin and discount rate. These estimates require significant management's judgement. As such, we consider the impairment assessment of the Company's investments in subsidiaries and the related property, plant and equipment of the CGU to be a key audit matter for our audit.

Our audit procedures included, amongst others, obtained an understanding of management's process and methodology in arriving at the recoverable amount of the investment in subsidiaries and the CGU. We assessed the appropriateness of management's assumptions applied in the discounted cash flow models based on our knowledge of the operations and performances of these assets. This included obtaining an understanding of management's planned strategies and evaluating management's forecasting process by comparing previous forecasts to actual results. We engaged our internal valuation specialists to assist us in reviewing the reasonableness of the discount rates. In addition, we reviewed management's analysis of the sensitivity of the recoverable amounts to reasonably possible changes in the respective assumptions and assessed the reasonableness of the terminal growth rates. We have also assessed the adequacy of the disclosures in the financial statements in Note 3 Significant accounting judgements and estimates, Note 4 Property, plant and equipment and Note 8 Investment in subsidiaries to the financial statements.

Valuation of intangible assets and tangible assets/liabilities through business combination

During the year, the Group completed the acquisition of a subsidiary as disclosed in Note 7 to the financial statements. The Group has determined the acquisition to be business combination for which the purchase price is to be allocated between acquired assets and liabilities, identified intangible assets (including assessment of estimated useful lives) and contingent liabilities at their respective fair value, and leading to the resultant recognition of goodwill. Independent professional valuer was engaged by the Group to perform purchase price allocation exercise, including estimation of intangible assets useful life. The identification of such assets and liabilities, including intangible assets and contingent liabilities and their measurement at fair value is inherently judgmental, thus we considered this to be a key audit matter.

We have obtained the valuation prepared by independent valuer engaged by the Group for the assets and liabilities acquired through business combinations. Together with our valuation specialists, assessed the competence and capabilities of the valuer and objectivity of the valuer, and assessed the reasonableness of their conclusions having regard to the key assumptions including forecast cash flows focusing on revenues and net profit after taxation (NPAT) appropriateness of discount and growth rates whilst considering the risk of management bias and also the reasonableness of the useful lives of the intangible and tangible assets and the consideration given.

INDEPENDENT AUDITOR'S **REPORT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Other information

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

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

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

Responsibilities of management and directors for the financial statements

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S **REPORT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

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

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

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

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S **REPORT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Report on other legal and regulatory requirements

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

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

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
1 April 2024

BALANCE SHEETS

AS AT 31 DECEMBER 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Assets					
Non-current assets					
Property, plant and equipment	4	21,230	22,823	14,046	14,204
Right-of-use assets	5	1,141	997	–	–
Investment property	6	–	–	2,325	2,415
Intangible assets	7	1,716	–	26	–
Investment in subsidiaries	8	–	–	21,194	22,284
Investment in joint ventures	9	153	674	–	–
Investment in associates	10	1,784	1,516	–	–
Deferred tax assets	25	172	53	–	–
		26,196	26,063	37,591	38,903
Current assets					
Inventories	11	844	813	–	–
Trade and other receivables	12	12,450	9,046	32	16
Contract assets	21	2,278	2,794	–	–
Prepaid operating expenses		1,072	638	18	21
Amounts due from subsidiaries	13	–	–	2,514	133
Amounts due from joint ventures	14	–	227	–	–
Cash and short-term deposits	15	16,043	16,490	7,207	9,031
		32,687	30,008	9,771	9,201
Asset held for sale on investment in a joint venture	9	371	–	–	–
Total assets		59,254	56,071	47,362	48,104
Equity and liabilities					
Current liabilities					
Trade and other payables	16	8,614	7,464	683	510
Contract liabilities	21	837	385	–	–
Loans and borrowings	17	489	250	250	250
Lease liabilities		239	64	–	–
Amounts due to subsidiaries	13	–	–	3,977	5,078
Amounts due to joint ventures	14	47	–	–	–
Income tax payable		322	465	–	–
		10,548	8,628	4,910	5,838
Net current assets		22,510	21,380	4,861	3,363

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

BALANCE SHEETS

AS AT 31 DECEMBER 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Non-current liabilities					
Loans and borrowings	17	2,289	2,297	2,027	2,297
Lease liabilities		850	756	–	–
Deferred consideration	7	875	–	875	–
Provision for reinstatement cost	18	51	51	–	–
Deferred tax liabilities	25	864	751	–	–
		4,929	3,855	2,902	2,297
Total liabilities		15,477	12,483	7,812	8,135
Net assets		43,777	43,588	39,550	39,969
Equity					
Share capital	19	61,644	61,644	61,644	61,644
Other reserves	20	(16,652)	(16,555)	111	111
Accumulated losses		(1,456)	(1,501)	(22,205)	(21,786)
Equity attributable to owners of the Company		43,536	43,588	39,550	39,969
Non-controlling interest		241	–	–	–
Total equity		43,777	43,588	39,550	39,969

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

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 $'000	2022 $'000
Revenue	21	59,677	48,637
Cost of sales		(53,399)	(43,725)
Gross profit		6,278	4,912
Other operating income	22	3,163	2,508
Distribution and selling expenses		(1,789)	(1,551)
Administrative expenses		(6,656)	(4,697)
Finance costs		(95)	(81)
Share of results of joint ventures and associates		364	421
Profit before tax	23	1,265	1,512
Income tax expenses	25	(229)	(223)
Profit for the year		1,036	1,289
Other comprehensive income: item that may be reclassified subsequently to profit or loss			
Share of foreign currency translation of joint ventures and associates		(101)	(333)
Total comprehensive income for the year		935	956
Profit for the year attributable to:			
Owners of the company		1,045	1,289
Non-controlling interest		(9)	–
Profit for the year		1,036	1,289
Total comprehensive income attributable to:			
Owners of the company		944	956
Non-controlling interest		(9)	–
Total comprehensive income for the year		935	956
Earnings per share (cents per share):			
Basic and diluted earnings per share	26	0.26	0.32

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

STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Attributable to owners of the Company								
	Share capital $'000	**Merger reserve $'000** (Note 20(a))	**Foreign currency translation reserve $'000** (Note 20(b))	**Employee share option reserve $'000** (Note 20(c))	**Other reserves $'000**	**Accumulated losses $'000**	**Total $'000**	**Non-controlling interest $'000**	**Total equity $'000**
Group									
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
Other comprehensive income									
Share of foreign currency translation of joint ventures and associates	–	–	(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)
Contributions by and distributions to owners									
Dividends paid on ordinary shares (Note 27)	–	–	–	–	–	(1,000)	(1,000)	–	(1,000)
Changes in ownership interests in a subsidiary									
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

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

STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Attributable to owners of the Company					
	Share capital $'000	Merger reserve $'000 (Note 20(a))	Foreign currency translation reserve $'000 (Note 20(b))	Employee share option reserve $'000 (Note 20(c))	Other reserves $'000	Accumulated losses $'000	Total equity $'000
Group							
At 1 January 2022	61,644	(16,291)	(42)	396	(15,937)	(1,475)	44,232
Profit for the year	–	–	–	–	–	1,289	1,289
Other comprehensive income							
Share of foreign currency translation of joint ventures and associates	–	–	(333)	–	(333)	–	(333)
Other comprehensive income for the year, net of tax	–	–	(333)	–	(333)	–	(333)
Total comprehensive income for the year	–	–	(333)	–	(333)	1,289	956
Contributions by and distributions to owners							
Forfeited equity-settled share options to employees (Note 24)	–	–	–	(285)	(285)	285	–
Dividends paid on ordinary shares (Note 27)	–	–	–	–	–	(1,600)	(1,600)
At 31 December 2022	61,644	(16,291)	(375)	111	(16,555)	(1,501)	43,588

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

STATEMENT OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Share capital $'000	Other reserves $'000 (Note 20(c))	Accumulated losses $'000	Total equity $'000
Company				
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>				
Dividends paid on ordinary shares (Note 27)	–	–	(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>				
Forfeited equity-settled share options to employees (Note 24)	–	(285)	285	–
Dividends paid on ordinary shares (Note 27)	–	–	(1,600)	(1,600)
At 31 December 2022	61,644	111	(21,786)	39,969

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

CONSOLIDATED CASH FLOW **STATEMENT**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 $'000	2022 $'000
Operating activities:			
Profit before tax		1,265	1,512
Adjustments for:			
Amortisation of intangible assets	7	9	–
Amortisation of right-of-use assets	5	155	109
Depreciation of property, plant and equipment and investment property	4, 6	1,231	1,246
Write-down of the asset held for sale	9	145	–
Finance costs	23	95	81
Gain on disposal of property, plant and equipment	22	(16)	(2)
Impairment loss on property, plant and equipment	4	1,000	–
Interest income	22	(310)	(106)
Share of results of joint ventures and associates		(364)	(421)
(Reversal of)/allowance for expected credit losses on trade receivables, net	12	(5)	10
Unrealised exchange loss, net		4	23
Operating cash flows before working capital changes		3,209	2,452
Increase in inventories		(31)	(108)
Increase in trade and other receivables and contract assets		(1,862)	(3,379)
Decrease in prepaid operating expenses		(293)	(254)
Increase in trade and other payables and contract liabilities		699	3,140
Decrease/(increase) in amount due from a joint venture		274	(418)
Cash flows generated from operations		1,996	1,433
Interest received		293	106
Interest paid		(95)	(65)
Tax paid		(391)	(256)
Net cash flows generated from operating activities		1,803	1,218
Investing activities:			
Proceeds from disposal of property, plant and equipment		20	2
Additions to property, plant and equipment and intangible assets		(135)	(277)
Net cash outflow from acquisition of a subsidiary	7	(702)	–
Dividend received from an associate company		69	131
Net cash flows used in investing activities		(748)	(144)
Financing activities:			
Dividends on ordinary shares	27	(1,000)	(1,600)
Payment of principal portion of leases liabilities	5	(143)	(95)
Repayment of bank loans	17	(360)	(279)
Net cash flows used in financing activities		(1,503)	(1,974)
Net decrease in cash and short-term deposits		(448)	(900)
Effect of exchange rate changes on cash and short-term deposits		1	(22)
Cash and short-term deposits at 1 January		16,490	17,412
Cash and short-term deposits at 31 December	15	16,043	16,490

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

1. Corporate information

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

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

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

2. Material accounting policy information

2.1 Basis of preparation

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

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

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

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

Material accounting policy information

The Group adopted Amendments to SFRS(I)1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand the other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements:* Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 16 *Leases:* Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1 *Presentation of Financial Statements:* Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures:* Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

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

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

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.4 Basis of consolidation and business combinations (continued)

(b) Business combinations and goodwill

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

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.5 Transactions with non-controlling interests

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

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

2.6 Foreign currency

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

(a) Transactions and balances

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

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

(b) Consolidated financial statements

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.7 Joint arrangements

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

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

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

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

2.8 Joint ventures and associates

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.8 Joint ventures and associates (continued)

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

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

2.9 Subsidiaries

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

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

2.10 Property, plant and equipment

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

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

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

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

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

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

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.11 Investment property

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

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

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

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

2.12 Intangible assets

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

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

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

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

Amortisation of intangible assets is computed on a straight–line basis over the estimated useful lives of the intangible assets as follows:

Customer relationships	–	4 years
Order backlogs	–	3 years
Trademarks	–	10 years

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.12 Intangible assets (continued)

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

2.13 Impairment of non-financial asset

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

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

Impairment losses are recognised in profit or loss.

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

2.14 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.14 Financial instruments (continued)

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

Subsequent measurement

Amortised cost

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

De-recognition

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

(b) Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

De-recognition

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

2.15 Cash and short-term deposits

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.16 Impairment of financial assets

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

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

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

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

2.17 Inventories

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

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

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

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

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.18 Provisions

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

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

2.19 Employee benefits

(a) Defined contribution plans

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

(b) Employee share option plans

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

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

(c) Employee leave entitlement

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.20 Leases – As lessee

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

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

(a) Rights-of-use assets

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

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

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

(b) Lease liabilities

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

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.20 Leases – As lessee (continued)

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

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

2.21 Revenue

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

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

(a) Security guarding and cybersecurity services

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

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

(b) Security printing

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.21 Revenue (continued)

***(b) Security printing* (continued)**

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

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

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

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

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

(d) Security training

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

(e) Interest income

Interest income is recognised using the effective interest method.

(f) Dividend income

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

(g) Rental income

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.22 Taxes

(a) Current income tax

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

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

(b) Deferred tax

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

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

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

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

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

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.22 Taxes (continued)

(b) Deferred tax (continued)

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

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

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

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

(c) Sales tax

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

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

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

2.23 Contingencies

A contingent liability is:

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

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

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. Material accounting policy information (continued)

2.23 Contingencies (continued)

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

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

2.24 Segment reporting

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

The segment managers report directly to the management of the Group who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 29, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

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

2.26 Government grants

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made certain judgements, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Valuation of intangible and tangible assets/liabilities through business combination

Business combination is 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. The fair value of such assets and liabilities are estimated by independent professional valuer where significant, or using the discounted cash flow model, which requires the Group to make an estimate of the expected future cash flows of the acquired business and choosing a suitable discount rate. In addition, the Group also assesses the reasonableness of the estimated useful lives of such newly acquired assets which would also have an impact to the underlying fair valuation. The business combination completed during the current financial year are disclosed in Note 7.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period 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.

Impairment assessment of the Company's investment in subsidiaries and the related Group's property, plant and equipment of the cash generating unit ("CGU")

An impairment exists when the carrying value of an asset exceeds its recoverable amount based on value in use. The value in use calculation is based on a discounted cash flow model and requires the Group to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The value in use calculations are determined based on a number of significant operational and predictive assumptions such as forecasted revenue and discount rate which involve significant estimates.

Changes in these above assumptions may result in changes in recoverable values. The carrying amount of the Company's investment in subsidiaries and the related Group's property, plant and equipment at the balance sheet date is disclosed in Note 8 and Note 4 respectively.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. Property, plant and equipment

	Freehold land $'000	Buildings and improvements $'000	Plant and machinery $'000	Furniture and fittings $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Group							
Cost							
At 1.1.2022	12,500	15,833	9,877	263	1,713	406	40,592
Additions	–	–	46	–	220	11	277
Disposals	–	–	(37)	–	(22)	–	(59)
Transfer from investment property (Note 6)	–	599	–	–	–	–	599
At 31.12.2022 and 1.1.2023	12,500	16,432	9,886	263	1,911	417	41,409
Addition in relation to business combination (Note 7)	–	15	–	11	403	–	429
Additions	–	–	5	4	93	–	102
Disposals	–	–	(50)	(2)	(8)	(13)	(73)
Transfer from right-of-use asset (Note 5)	–	–	–	–	–	262	262
At 31.12.2023	12,500	16,447	9,841	276	2,399	666	42,129
Accumulated depreciation and impairment loss							
At 1.1.2022	–	6,443	8,759	252	1,516	244	17,214
Depreciation charge for the year	–	689	377	4	129	34	1,233
Disposals	–	–	(37)	–	(22)	–	(59)
Transfer from investment property (Note 6)	–	111	–	–	–	–	111
Adjustment of provision for reinstatement cost	–	87	–	–	–	–	87
At 31.12.2022 and 1.1.2023	–	7,330	9,099	256	1,623	278	18,586
Depreciation charge for the year	–	694	272	5	200	60	1,231
Transfer from right-of-use asset (Note 5)	–	–	–	–	–	151	151
Disposals	–	–	(45)	(2)	(8)	(14)	(69)
Impairment	–	1,000	–	–	–	–	1,000
At 31.12.2023	–	9,024	9,326	259	1,815	475	20,899
Net carrying amount							
At 31.12.2022	12,500	9,102	787	7	288	139	22,823
At 31.12.2023	12,500	7,423	515	17	584	191	21,230

NOTES TO THE **FINANCIAL STATEMENTS**

4. Property, plant and equipment (continued)

	Freehold land $'000	Buildings and improvements $'000	Furniture and fittings $'000	Office equipment $'000	Total $'000
Company					
Cost					
At 1.1.2022	12,500	2,651	106	708	15,965
Additions	–	–	–	21	21
Disposals	–	–	–	(4)	(4)
At 31.12.2022 and 1.1.2023 and 31.12.2023	12,500	2,651	106	725	15,982
Accumulated depreciation					
At 1.1.2022	–	813	104	688	1,605
Depreciation charge for the year	–	151	1	25	177
Disposals	–	–	–	(4)	(4)
At 31.12.2022 and 1.1.2023	–	964	105	709	1,778
Depreciation charge for the year	–	150	–	8	158
At 31.12.2023	–	1,114	105	717	1,936
Net carrying amount					
At 31.12.2022	12,500	1,687	1	16	14,204
At 31.12.2023	12,500	1,537	1	8	14,046

Assets pledged as security

The Group's freehold land and building with a carrying amount of $15,988,000 (2022: $16,123,000) are mortgaged to secure the Company's bank borrowing (Note 17).

Impairment of property, plant and equipment

During the year, the Group assessed the recoverable amount of its CGU relating to its Security Printing division. Based on the assessment, the recoverable amount of $4,900,000 (2022: $5,600,000) is lower than the carrying amount of the CGU due to lower demand in cheque printing. An impairment loss of $1,000,000 (2022: $Nil) representing the write-down of the property, plant and equipment was recognised in "Administrative expenses" line item of the consolidated statement of comprehensive income for the financial year ended 31 December 2023.

The recoverable amounts of the CGU have been determined based on value in use calculation using cash flow projection budget approved by management covering the five-year period. The pre-tax discount rate applied to the cash flow projection is 13.3% (2022: 13.3%).

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

5. Leases

Group as a lessee

The Group has lease contracts for leasehold lands, office premise, motor vehicles and machineries used in its operations. As at 31 December 2023, leasehold lands have remaining lease term between 10 and 20 years (2022: 11 and 21) years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets.

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

	Leasehold lands $'000	Office premise $'000	Plant and machinery $'000	Motor vehicles $'000	Total $'000
At 1 January 2022	963	–	7	165	1,135
Amortisation	(77)	–	(7)	(25)	(109)
Disposal	–	–	–	(29)	(29)
At 31 December 2022 and 1 January 2023	886	–	–	111	997
Addition in relation to business combination (Note 7)	–	318	–	–	318
Addition	–	92	–	–	92
Amortisation	(78)	(77)	–	–	(155)
Transfer to property, plant and equipment (Note 4)	–	–	–	(111)	(111)
At 31 December 2023	808	333	–	–	1,141

The movements in lease liabilities during the year are disclosed in Note 17.

(b) Lease liabilities

The maturity analysis of lease liabilities is disclosed in Note 31.

(c) Amounts recognised in profit or loss (Note 23)

	2023 $'000	2022 $'000
Amortisation expense of right-of-use assets	155	109
Interest expense on leases liabilities	31	30
Total amount recognised in profit or loss	186	139

(d) Total cash outflow

The Group had total cash outflows for leases of $174,000 (2022: $125,000), which included principal repayments of $143,000 (2022: $95,000).

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. Investment property

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Cost				
At beginning of the year	–	599	2,993	2,993
Transfer to property, plant and equipment (Note 4)	–	(599)	–	–
At end of the year	–	–	2,993	2,993
Accumulated depreciation				
At beginning of the year	–	98	578	488
Charge for the year	–	13	90	90
Transfer to property, plant and equipment (Note 4)	–	(111)	–	–
At end of the year	–	–	668	578
Net carrying amount				
At 31 December	–	–	2,325	2,415

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

During 2022, the Group ended its lease agreement with an external party. Subsequent to the termination, the area which was once leased is now being used by the Group itself and therefore been reclassified as property, plant and equipment.

As at 31 December 2023, the fair value of the investment property is estimated to be approximately $3,623,000 (2022: $3,570,000) for the Company based on the income approach. The fair value is estimated using rental cash inflows as the Level 3 inputs of the fair value hierarchy. The highest and best use of the investment property does not differ from its current use.

The direct operating expense (including repairs and maintenance) arising from the investment property during the current financial year is approximately $44,000 (2022: $43,000).

The investment property held by the Company as at 31 December 2023 is as follows:

Description and Location	**Existing Use**	**Tenure**
38 Alexandra Terrace, Singapore 119932	Offices	Freehold

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. Intangible assets

(a) Business combination

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:

	2023
	$'000
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
Loans and 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 16)	875
Total consideration	1,875
Less: Cash and cash equivalents acquired	(298)
Less: Deferred consideration	(875)
Net cash outflow on acquisition of subsidiary	702

7. Intangible assets (continued)

(a) Business combination (continued)

Deferred cash consideration

In addition to the amount paid during the year of $1,000,000, the Group has agreed to pay the vendor additional consideration of up to $1,000,000 in cash if OSA achieves the earn-out target of net profit after taxation ("NPAT") over 3 years commencing in 2024. The Group has included $875,000 as deferred consideration, which represents the fair value (Note 33) at the date of acquisition. At 31 December 2023, the fair value remains as $875,000.

The potential undiscounted amount of all future payments that the Group could be required to make under the deferred consideration arrangement is between $900,000 to $1,000,000.

Trade and other receivables acquired

Trade and other receivables acquired comprise gross trade and other receivables amounting to $1,074,000, which approximates fair value. It is expected that the full contractual amount of the receivables can be collected.

Transaction costs

Total transaction costs related to the acquisition of $44,000 (2022: $57,000) have been recognised in the "Administrative expenses" line item in the Group's statement of comprehensive income.

Goodwill arising from the acquisition

Goodwill of $1,615,000 represents the synergies expected to be achieved from the acquisition.

Impact of the acquisition on profit or loss

From the date of acquisition date, OSA contributed $1,376,000 of revenue and $19,000 of loss before tax. If the combination had taken place at the beginning of 2023, the Group's revenue would have been $62,444,000 and the profit before tax would have been $1,138,000.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. Intangible assets (continued)

(b) Carrying amounts of intangible assets

	Goodwill $'000	Customer relationships $'000	Order backlogs $'000	Trademarks $'000	Total $'000
Group					
Cost					
As at 1 January 2022, 31 December 2022 and 1 January 2023	2,382	1,354	–	–	3,736
Additions	–	–	–	33	33
Additions arising from business combination (Note 7 (b))	1,615	43	34	–	1,692
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	

Goodwill and customer relationships acquired through business combinations in prior years were allocated to the Security Printing segment, which was also the reportable operating segment, were fully impaired in 2020.

7. Intangible assets (continued)

(b) Carrying amounts of intangible assets (continued)

	Trademarks $'000
Company	
Cost	
As at 1 January 2023	–
Additions	27
As at 31 December 2023	27
Accumulated amortisation	
As at 1 January 2023	–
Amortisation	1
As at 31 December 2023	1
Net carrying amount	
As at 31 December 2022	–
As at 31 December 2023	26
Average remaining amortisation (years)	9.6

(c) Impairment testing of goodwill

Impairment testing of goodwill

Goodwill of $1,615,000 allocated to the Cyber Security segment has been recognised based on purchase price allocation exercise performed by management for the current year acquisition.

The recoverable amount of the CGU has been determined based on value in use calculation using cash flow projections from financial budgets approved by management covering a five–year period. The pre-tax discount rate applied to the cash flow projections and the forecasted terminal growth rate used to extrapolate cash flow projections are 13.3% and 1% respectively.

Key assumptions used in the value in use calculation

The calculation of value in use for the CGU is most sensitive to the following assumptions:

Terminal growth rate – The growth rates indicated are estimated by management based on published industry research and do not exceed the long-term average growth rate for the industry relevant to the CGU.

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

Sensitivity to changes in assumptions

With regards to the assessment of the value in use, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value to materially exceed its recoverable amount.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. Investment in subsidiaries

	Company	
	2023	**2022**
	$'000	**$'000**
Unquoted equity shares at cost	40,784	40,584
Acquisition of shares in subsidiary (Note 7(a))	1,875	–
Allowance for impairment losses	(21,465)	(18,300)
	21,194	22,284

Composition of the Group

The Group has the following investment in subsidiaries.

Name of subsidiaries	**Principal activities**	**Country of incorporation**	**Effective interest % 2023**	**2022**
Held by the Company				
Soverus Pte. Ltd. ("SPL")[(1)]	Provision of unarmed security guarding services	Singapore	100	100
Secura Singapore Pte. Ltd. ("SSPL")[(1)]	Security printing of value documents	Singapore	100	100
Secura Technology & Consultancy Pte. Ltd. ("STCPL")[(1),(4)]	Provision of security technology and consultancy services	Singapore	100	100
Soverus Kingdom Systems Pte. Ltd. ("SKSPL")[(1)]	Provision of security system integration services	Singapore	100	100
Secura Training Academy Pte. Ltd. ("STAPL")[(1)]	Provision of training services	Singapore	100	100
Red Sentry Pte. Ltd. ("RSPL")[(1),(3)]	Provision of cybersecurity products, services and solutions	Singapore	100	100
Soverus Consultancy and Services Pte. Ltd. ("SCSPL")[(2)]	Provision of security consultancy services and private investigations	Singapore	100	100
Onesecure Asia Pte. Ltd. ("OSA")[(5)]	Information technology cybersecurity consultancy and retail sale of cybersecurity software, hardware and peripheral equipment	Singapore	51	–

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. Investment in subsidiaries (continued)

Composition of the Group (continued)

Name of subsidiaries	Principal activities	Country of incorporation	Effective interest % 2023	2022
Held through Secura Singapore Pte. Ltd.				
Secura Forms Pte. Ltd. (“SFPL”)(1)	Printing of computer forms and stationery	Singapore	100	100
Secura Security Printing Sdn. Bhd. (“SSPSB”)(2)	Dormant	Malaysia	100	100
Secura Documation Pte. Ltd. (“SDPL”)(2)	Provision of secured data solutions, eStatement, eArchiving, security data processing, printing and stationery	Singapore	100	100
Held through Onesecure Asia Pte. Ltd.				
Onemonitor Sdn Bhd (“OMS”)(5)	Information technology cybersecurity consultancy	Malaysia	100	100

(1) Audited by Ernst & Young LLP, Singapore

(2) Placed under members’ voluntary liquidation

(3) 66.67% held by the Company and 33.33% held by STCPL as at 31 December 2022. On 22 March 2023, STCPL transferred all its 33.33% equity shares to the Company

(4) Formerly known as Soverus Technology Pte. Ltd. and the change of name is effective from 17 February 2023

(5) Audited by other auditors

Impairment testing of investment in subsidiaries

Key assumptions used in the value in use calculations

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

	Terminal growth rate 2023	2022	Pre-tax discount rate 2023	2022
SPL	1%	1%	13.3%	13.3%
SSPL	0%	1%	13.3%	13.3%

Terminal growth rates – The growth rates indicated are estimated by management based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

8. Investment in subsidiaries (continued)

Impairment testing of investment in subsidiaries (continued)

Impairment loss/reversal recognised

During the current financial year, an impairment loss of $3,165,000 (2022: $459,000) was recognised to write down the carrying value of investment in SSPL in the security printing segment to its recoverable amount of $12,068,000 (2022: $15,233,000). The impairment loss was attributed to the reduced offtake of printing services from customers.

In 2022, a reversal of impairment losses of $459,000 was recognised to increase the carrying value of investment in SPL in the security guarding segment to its recoverable amount of $6,751,000. The reversal was due to the improvement of business outlook in the security guarding segment. There is no such reversal of impairment losses in current financial year.

Below is the movement of the allowance for impairment loss:

	Company	
	2023	**2022**
	$'000	**$'000**
At 1 January	18,300	18,300
Provision	3,165	459
Reversal	–	(459)
At 31 December	21,465	18,300

9. Investment in joint ventures

	Group	
	2023	**2022**
	$'000	**$'000**
Unquoted shares, at cost	587	587
Share of post-acquisition results, including exchange re-alignment	82	87
Transfer to asset held for sale	(516)	–
	153	674

Name of joint ventures	Principal activities	Country of incorporation	Effective interest % 2023	Effective interest % 2022
Held through Secura Singapore Pte. Ltd.				
Secura Foremost eMage Pte. Ltd.[1]	Printing of pressure seal mailers and sale of pressure seal mailer equipment	Singapore	50	50
Foremost Secura Corporation[1]	Printing of cheques and vouchers	Taiwan	50[2]	50

(1) Not audited

(2) Transferred to asset held for sale during the year, disposal was completed on 12 January 2024.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. Investment in joint ventures (continued)

Transfer to asset held for sale

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 Foremost Secura Corporation ("FSC") to FEC for a cash consideration of $384,000 (NT$9,000,000). Accordingly, the investment in FSC was reclassified to "Asset held for sale". The disposal was completed on 12 January 2024.

The detail of the asset held for sale is as follow:

	Group 2023 $'000
Cash consideration, net of tax	384
Less: Transaction costs	(13)
Fair value less costs to sell	371
Carrying value of investment in FSC	(516)
Write-down of the asset held for sale (Note 23)	(145)

The Group measured "Asset held for sale on investment in a joint venture" at the lower of the carrying amount and fair value less costs to sell. The $145,000 write-down of the asset held for sale was recognised in "Administrative expenses" line item of the consolidated statement of comprehensive income for the financial year ended 31 December 2023.

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

	Secura Foremost eMage Pte. Ltd.		**Foremost Secura Corporation**	
	2023 $'000	**2022 $'000**	**2023 $'000**	**2022 $'000**
Summarised balance sheet				
Assets:				
Current assets	307	542	–	726
Non-current assets	–	–	–	339
Total assets	307	542	–	1,065
Liabilities:				
Current liabilities	1	228	–	30
Total liabilities	1	228	–	30
Net assets	306	314	–	1,035
Proportion of the Group's ownership	**50%**	**50%**	**50%**	**50%**
Group's share of net assets	153	157	–	517
Carrying amount	153	157	–	517

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. Investment in joint ventures (continued)

	Secura Foremost eMage Pte. Ltd.		Foremost Secura Corporation	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Summarised statement of comprehensive income				
Revenue	354	544	212	462
Other income	–	2	3	29
Expenses	(362)	(547)	(217)	(412)
(Loss)/profit for the year	(8)	(1)	(2)	79
Other comprehensive income	–	–	–	(106)
Total comprehensive income	(8)	(1)	(2)	(27)

10. Investment in associates

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Unquoted shares, at cost	6,591	6,591	6,221	6,221
Share of post-acquisition results, including exchange re-alignment	1,414	1,146	–	–
Less: Impairment losses	(6,221)	(6,221)	(6,221)	(6,221)
	1,784	1,516	–	–

Name of associates	Principal activities	Country of incorporation	Effective interest % 2023	Effective interest % 2022
Held by the Company				
Custodio Technologies Pte. Ltd.[(1)]	Researcher and developer on information technology and trading in sales of solutions developed	Singapore	19	19
Held through Secura Singapore Pte. Ltd.				
Secura Bangladesh Ltd.[(2)]	Security printing of value documents	Bangladesh	30	30

(1) Audited by BDO LLP, Singapore.

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

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

	2023	**2022**
	$'000	**$'000**
Loss for the year	(490)	(1,391)
Other comprehensive income	–	(15)
Total comprehensive income	(490)	(1,406)

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

10. Investment in associates (continued)

Secura Bangladesh Ltd.

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

	Secura Bangladesh Ltd. 2023 $'000	Secura Bangladesh Ltd. 2022 $'000
Summarised balance sheet		
Assets:		
Current assets	5,247	5,389
Non-current assets	1,829	1,973
Total assets	7,076	7,362
Liabilities:		
Current liabilities	1,267	2,249
Total liabilities	1,267	2,249
Net assets	5,809	5,113
Proportion of the Group's ownership	30%	30%
Group's share of net assets	1,743	1,534
Other adjustments	41	(18)
Carrying amount	1,784	1,516
Summarised statement of comprehensive income		
Revenue	6,191	5,460
Other income	316	154
Expenses	(4,799)	(4,347)
Profit for the year	1,708	1,267
Other comprehensive income	(547)	(933)
Total comprehensive income	1,161	334

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

11. Inventories

	Group	
	2023	**2022**
	$'000	**$'000**
Raw materials	454	454
Work-in-progress	152	166
Finished goods	359	314
	965	934
Less: Allowance for stock obsolescence	(121)	(121)
Total inventories at lower of cost and net realisable value	844	813

Movements in allowance for stock obsolescence during the financial year:

	2023	**2022**
	$'000	**$'000**
At 1 January	121	132
Charge for the year	–	2
Reversal of allowance	–	(2)
Written off	–	(11)
At 31 December	121	121

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

Inventories amounting to $1,668,000 (2022: $2,036,000) were recognised as an expense in cost of sales during the financial year.

12. Trade and other receivables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'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
Add:				
Amounts due from subsidiaries (Note 13)	–	–	2,514	133
Amounts due from joint ventures (Note 14)	–	227	–	–
Cash and short-term deposits (Note 15)	16,043	16,490	7,207	9,031
Total financial assets carried at amortised cost	28,493	25,763	9,753	9,180

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

12. Trade and other receivables (continued)

Trade receivables are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Expected credit losses ("ECL")

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

	Group Trade receivables	
	2023	**2022**
	$'000	**$'000**
Movement in allowance accounts:		
At 1 January	11	7
Charge for the year	–	11
Reversal of allowance	(5)	(1)
Written off	(6)	(6)
At 31 December	–	11

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

13. Amounts due from/(to) subsidiaries

	Company	
	2023	**2022**
	$'000	**$'000**
Amounts due from subsidiaries	3,209	1,071
Less: Allowance for impairment	(695)	(938)
	2,514	133
Movement in allowance accounts:		
At 1 January	938	639
Charge for the year	–	417
Reversal of allowance	(243)	(118)
At 31 December	695	938
Amounts due to subsidiaries	3,977	5,078

Amounts due from/(to) subsidiaries

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

In 2022, the Company assessed that there was a significant increase in credit risk since origination of the amounts due from its subsidiaries. Accordingly, the Company has recognised an allowance amounting to $417,000, representing credit losses expected over the remaining life of the exposure, irrespective of the timing of default (i.e. lifetime ECL). During the year, a reversal of $243,000 was made from the allowance due to repayment from the subsidiaries.

NOTES TO THE **FINANCIAL STATEMENTS**

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14. Amounts due from/(to) joint ventures

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

15. Cash and short-term deposits

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Short-term 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 short-term deposits with financial institutions are at rates ranging from 2.60% to 4.00% (2022: 0.50% to 4.00%) per annum. These short-term deposits mature in varying periods.

The Group has no significant cash and short-term deposits denominated in foreign currencies as at 31 December 2023 and 2022.

16. Trade and other payables

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'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				
Deferred consideration (Note 7)	875	–	875	–
Trade and other payables	9,489	7,464	1,558	510
Add:				
Loans and borrowings (Note 17)	2,778	2,547	2,277	2,547
Lease liabilities	1,089	820	–	–
Amounts due to subsidiaries (Note 13)	–	–	3,977	5,078
Less:				
Goods and services tax payable	(1,091)	(818)	(22)	(18)
Total financial liabilities carried at amortised costs	12,265	10,013	7,790	8,117

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

16. Trade and other payables (continued)

Trade and other payables

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

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

	Group	
	2023	**2022**
	$'000	**$'000**
Euro	–	33
United States Dollar	327	130
Indonesian Rupiah	2	–

17. Loans and borrowings

	Group		Company	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Current:				
Bank loans	489	250	250	250
Non-current:				
Bank loans	2,289	2,297	2,027	2,297
Total loans and borrowings	2,778	2,547	2,277	2,547

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

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.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. Loans and borrowings (continued)

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

			Non-cash changes				
	1.1.2023 $'000	**Cash flows $'000**	**Addition in relation to business combination (Note 7) $'000**	**Accretion of interests $'000**	**Addition $'000**	**Other $'000**	**31.12.2023 $'000**
Lease liabilities							
– current	64	(174)	119	31	92	107	239
– non-current	756	–	201	–	–	(107)	850
Bank loans							
– current	250	(360)	260	–	–	339	489
– non-current	2,297	–	331	–	–	(339)	2,289
	3,367	(534)	911	31	92	–	3,867

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

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

18. Provision for reinstatement cost

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

19. Share capital

	Group and Company			
	2023		**2022**	
	No. of shares	**$'000**	**No. of shares**	**$'000**
Issued and fully paid ordinary shares				
At 1 January and 31 December	400,002,000	61,644	400,002,000	61,644

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

NOTES TO THE **FINANCIAL STATEMENTS**

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20. Other reserves

(a) *Merger reserve*

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

(b) *Foreign currency translation reserve*

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

(c) *Employee share option reserve*

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

21. Revenue

(a) *Disaggregation of revenue from contracts with customers*

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

	Group	
	2023	**2022**
	$'000	**$'000**
Major product or service lines		
Sales of services	53,636	42,703
Sale of goods	6,041	5,934
Total revenue from contract with customers	59,677	48,637
Timing of revenue recognition		
Services transferred over time	53,636	42,703
Good transferred over time	994	1,244
Good transferred at point in time	5,047	4,690
	59,677	48,637

Further disaggregation of revenue from contracts with customers by business segment is disclosed in Note 29.

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. Revenue (continued)

(b) *Contract balances*

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

	Group		
	31 December		1 January
	2023	2022	2022
	$'000	$'000	$'000
Receivables from contracts with customers (Note 12)	10,592	8,035	6,921
Contract assets	2,278	2,794	890
Contract liabilities	837	385	336

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

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

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

	2023	2022
	$'000	$'000
Contract assets reclassified to receivables	2,777	890

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

	2023	2022
	$'000	$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	360	300

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22. Other operating income

	2023 $'000	2022 $'000
Government grant income	2,567	1,938
Handling fee	177	136
Interest income	310	106
Rental income from investment properties	11	52
Scrap sales	30	25
Gain on disposal of property, plant and equipment	16	2
Management fee from a joint venture	–	4
Others	52	245
	3,163	2,508

Government grants income include Special Employment Credit ("SEC"), Progressive Wages Credit Scheme ("PWCS") and Job Growth Incentive ("JGI"). SEC was introduced by the Singapore Government to support employers as well as to raise the employability of older low-wage Singaporeans. PWCS was introduced to help businesses in Singapore to adjust to the wage increases for lower-wage workers. JGI was to provide wage subsidies to the Group for new hires from September 2020 onwards. It was introduced as a response to the COVID-19 pandemic to support the hiring of local workforce.

23. Profit before tax

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

	2023 $'000	2022 $'000
Audit fees:		
– Auditor of the Company	184	158
– Other auditors	36	25
Non-audit fees:		
– Auditor of the Company	48	47
– Other auditors	48	16
Amortisation of right-of-use assets (Note 5)	155	109
Amortisation of intangible assets (Note 7)	9	–
Depreciation of property, plant and equipment and investment property (Note 4, 6)	1,231	1,246
Directors' fees	279	249
Employee benefits (Note 24)	48,630	38,340
Write-down of the asset held for sale (Note 9)	145	–
Finance costs		
– Interest expense on bank borrowings	64	35
– Interest expense on leases	31	30
– Interest expense on unwinding of provision for reinstatement cost	–	16
Impairment loss on property, plant and equipment	1,000	–
(Reversal of)/allowance for expected credit losses on trade receivables	(5)	10

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24. Employee benefits (including directors)

	2023 $'000	2022 $'000
Wages, salaries and bonuses	42,083	33,258
Central Provident Fund contributions	4,055	3,587
Other short-term benefits	2,492	1,495
	48,630	38,340

Employee share option plan

Secura Employee Share Option Scheme

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

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

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

There has been no options granted or cancellation or modification to the ESOS during 2022 and 2023.

Movement of share options during the financial year

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

	2023		2022	
	No.	WAEP	No.	WAEP
Outstanding at 1 January	2,800,000	0.25	8,400,000	0.25
– Forfeited	–	–	(5,600,000)	0.25
Outstanding at 31 December	2,800,000	0.25	2,800,000	0.25
Exercisable at 31 December	2,800,000	0.25	2,800,000	0.25

In 2022, the forfeited share options of 5,600,000 or $285,000 were transferred from "Share option reserve" to "Accumulated losses".

NOTES TO THE FINANCIAL STATEMENTS

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24. Employee benefits (including directors) (continued)

Employee share option plan (continued)

Fair value of share options granted

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

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

The expected life of the share options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The weighted average remaining life of the options is 2.36 years (2022: 3.36 years).

25. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2023 and 2022 are:

	2023 $'000	2022 $'000
Current income tax		
– current year	318	425
– over provision in respect of previous years	(10)	(27)
	308	398
Deferred tax		
– withholding tax on undistributed retained earnings of an associate	47	(54)
– origination and reversal of temporary differences	(122)	(121)
– over provision in respect of previous years	(4)	–
	(79)	(175)
Income tax expense recognised in profit or loss	229	223

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. Income tax expense (continued)

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 2023 and 2022 is as follows:

	2023	**2022**
	$'000	**$'000**
Profit before tax	1,265	1,512
Tax at statutory rate of 17% (2022: 17%)	215	257
Adjustments:		
Income not subject to taxation	(37)	(54)
Non-deductible expenses	281	89
Over provision in respect of previous years:		
– current income tax	(10)	(27)
– deferred income tax	(4)	–
Effect of partial tax exemption and enhanced allowance	(269)	(52)
Benefits from previously unrecognised capital allowances	(11)	–
Deferred tax assets not recognised relating to tax losses	85	104
Withholding tax on undistributed retained earnings of an associate	47	(54)
Share of results of joint ventures and associates	(62)	(71)
Others	(6)	31
Income tax expense recognised in profit or loss	229	223

Deferred income tax

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

	Group	
	2023	**2022**
	$'000	**$'000**
Deferred tax assets	172	53
Deferred tax liabilities	(864)	(751)
Net deferred tax liabilities	(692)	(698)

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

25. Income tax expense (continued)

Deferred income tax (continued)

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

	Group			
	Balance sheet		**Income statement**	
	2023	**2022**	**2023**	**2022**
	$'000	**$'000**	**$'000**	**$'000**
Deferred tax liabilities				
Acquisition of subsidiaries	(403)	(420)	(30)	(28)
Differences in depreciation	(91)	(44)	47	(60)
Grant receivables	(155)	(131)	24	49
Right-of-use assets	(194)	(169)	25	(23)
Withholding tax on undistributed retained earnings of an associate	(161)	(114)	47	(54)
	(1,004)	(878)		
Amount offset against deferred tax assets	140	127		
Deferred tax liabilities	(864)	(751)		
Deferred tax assets				
Provisions and other temporary differences	76	(12)	(88)	(21)
Lease liabilities	185	139	(46)	(21)
Tax losses and capital allowances to be transferred as group relief	51	53	(58)	(17)
	312	180		
Amount offset against deferred tax liabilities	(140)	(127)		
Deferred tax assets	172	53		
Net deferred tax liabilities	(692)	(698)		
			(79)	(175)

The deferred tax liabilities balance includes an amount of $161,000 (2022: $114,000) which relates to withholding taxes that would be payable on the undistributed earnings of an overseas associate when remitted to the holding company in Singapore.

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

At the end of the financial year ended 31 December 2023, the Group has unutilised capital allowances and unutilised tax losses of approximately $2,785,000 (2022: $2,169,000) and $1,270,000 (2022: $829,000), respectively that are available for offset against future taxable profits of the Group, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these balances is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation.

Tax consequences of proposed dividends

There are no income tax consequences attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements as at 31 December 2023 (Note 27).

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

26. Earnings per share

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

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

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

	2023	**2022**
Profit for the year attributable to owners of the Company ('000)	1,045	1,289
Weighted average number of ordinary shares for basic and diluted earnings per share computation ('000)	400,002	400,002
Earnings per ordinary share – Basic and diluted (cents)	0.26	0.32

There were 2,800,000 (2022: 2,800,000) share options granted to directors under the ESOS which have not been included in the calculation of diluted earnings per share because they are anti-dilutive.

27. Dividends

	2023	**2022**
	$'000	**$'000**
Declared and paid during the financial year:		
Dividends on ordinary shares:		
First and final one-tier tax exempt dividend for 2022: 0.25 cents per share (2021: 0.4 cents per share)	1,000	1,600
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the AGM:		
First and final one-tier tax exempt dividend for 2023: 0.1375 cents per share (2022: 0.25 cents per share)	550	1,000

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

28. Related party disclosures

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

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

	2023 $'000	2022 $'000
Income		
Management fee from a joint venture	–	4
Sales to a joint venture	355	596
Expenses		
Purchases from a joint venture	–	29

(b) *Compensation of key management personnel*

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

	2023 $'000	2022 $'000
Short-term employee benefits	1,260	1,019
Central Provident Fund contributions	60	46
Total compensation paid to key management personnel	1,320	1,065
Comprise amounts paid to:		
Directors of the Company	793	573
Other key management personnel	527	492
	1,320	1,065

<u>Directors' interest in employee share option plan</u>

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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.

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

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

The Group's main business segments are as follows:

(a) Corporate
(b) Security guarding
(c) Security printing
(d) Security technology and consultancy
(e) Cyber security

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. Segment information (continued)

	Corporate $'000	Security Guarding $'000	Security Printing $'000	Security Technology and Consultancy $'000	Cyber Security $'000	Elimination $'000 (Note A)	Total $'000
Year ended 31 December 2023							
Revenue:							
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, 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 associates	–	–	364	–	–	–	364
Impairment loss on property, plant and equipment (Note 4)	–	–	(1,000)	–	–	–	(1,000)
Impairment loss on investment in a subsidiary (Note 8)	(3,165)	–	–	–	–	3,165	–
Write-down of the asset held for sale (Note 9)	–	–	(145)	–	–	–	(145)
Segment (loss)/profit	(506)	1,968	(399)	112	(139)	–	1,036
Assets:							
Segment assets, representing total assets	26,168	19,555	14,329	2,306	4,316	(7,420)	59,254
Liabilities:							
Segment liabilities, representing total liabilities	7,811	8,805	3,067	1,349	2,486	(8,041)	15,477

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. Segment information (continued)

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. Segment information (continued)

Geographical information

Revenue is solely generated from operations in Singapore.

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

	2023 $'000	2022 $'000
Non-current assets		
Singapore	24,412	24,030
Bangladesh	1,784	1,516
Taiwan	–	517
	26,196	26,063

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

30. Contingent liabilities

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

31. 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, liquidity risk and interest rate risk. The board of directors reviews and agrees on policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. It is, and has been throughout the financial years, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

(a) *Credit risk*

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. Financial risk management objectives and policies (continued)

(a) *Credit risk* (continued)

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

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

– Projected industry default rates
– Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Company and changes in the operating results of the debtor

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

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

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

Trade receivables

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. Financial risk management objectives and policies (continued)

(a) *Credit risk* (continued)

Trade receivables (continued)

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

	2023		2022	
	Gross carrying amount $'000	Loss allowance provision $'000	Gross carrying amount $'000	Loss allowance provision $'000
Current	4,587	–	4,261	–
Less than 30 days	3,040	–	2,396	–
31 days to 60 days	1,961	–	1,165	–
61 days to 90 days	358	–	137	–
More than 90 days	646	–	87	11
	10,592	–	8,046	11

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

Other receivables

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

Credit risk concentration profile

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

Financial assets that are neither past due nor impaired

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

(b) Liquidity risk

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

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

	One year or less $'000	One to five years $'000	More than five years $'000	Total $'000
Group				
2023				
Financial assets:				
Trade and other receivables	12,450	–	–	12,450
Cash and short-term deposits	16,043	–	–	16,043
Total undiscounted financial assets	28,493	–	–	28,493
Financial liabilities:				
Trade and other payables	8,614	–	–	8,614
Deferred consideration (Note 7)	–	1,000	–	1,000
Lease liabilities	277	527	426	1,230
Bank loans	631	1,705	832	3,168
Total undiscounted financial liabilities	9,522	3,232	1,258	14,012
Total net undiscounted financial assets/(liabilities)	18,971	(3,232)	(1,258)	14,481
2022				
Financial assets:				
Trade and other receivables	9,046	–	–	9,046
Amounts due from joint ventures	227	–	–	227
Cash and short-term deposits	16,490	–	–	16,490
Total undiscounted financial assets	25,763	–	–	25,763
Financial liabilities:				
Trade and other payables	6,646	–	–	6,646
Lease liabilities	90	359	516	965
Bank loan	356	1,464	1,162	2,982
Total undiscounted financial liabilities	7,092	1,823	1,678	10,593
Total net undiscounted financial assets/(liabilities)	18,671	(1,823)	(1,678)	15,170

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. Financial risk management objectives and policies (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	One year or less $'000	One to five years $'000	More than five years $'000	Total $'000
Company				
2023				
Financial assets:				
Trade and other receivables	32	–	–	32
Amounts due from subsidiaries	2,514	–	–	2,514
Cash and short-term deposits	7,207	–	–	7,207
Total undiscounted financial assets	9,753	–	–	9,753
Financial liabilities:				
Trade and other payables	683	–	–	683
Deferred consideration (Note 7)	–	1,000	–	1,000
Bank loan	379	1,433	833	2,645
Amounts due to subsidiaries	3,977	–	–	3,977
Total undiscounted financial liabilities	5,039	2,433	833	8,305
Total net undiscounted financial assets/(liabilities)	4,714	(2,433)	(833)	1,448
2022				
Financial assets:				
Trade and other receivables	16	–	–	16
Amounts due from subsidiaries	133	–	–	133
Cash and short-term deposits	9,031	–	–	9,031
Total undiscounted financial assets	9,180	–	–	9,180
Financial liabilities:				
Trade and other payables	492	–	–	492
Bank loan	356	1,464	1,162	2,982
Amounts due to subsidiaries	5,078	–	–	5,078
Total undiscounted financial liabilities	5,926	1,464	1,162	8,552
Total net undiscounted financial assets/(liabilities)	3,254	(1,464)	(1,162)	628

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. Financial risk management objectives and policies (continued)

(c) *Interest rate risk*

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

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

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 50 (2022: 50) basis points lower/higher with all other variables held constant, the Group's profit before taxation would have been $14,000 higher/lower (2022: $13,000 higher/lower), arising mainly as a result of lower/higher interest expense on floating interest rate.

32. Capital management

The Group manages its capital structure by a balanced mix of debt and equity. Necessary adjustments are made on the capital structure considering the factor vis-à-vis the changes in the general economic conditions, available options of financing and the impact of the same on the liquidity position. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 31 December 2022.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital. The Group includes within net debt, trade and other payables, deferred consideration, bank loans, less cash and short-term deposits. Total capital is calculated as total equity plus net debt.

		Group	
	Note	**2023**	**2022**
		$'000	**$'000**
Trade and other payables	16	8,614	7,464
Deferred consideration	7	875	–
Loans and borrowings	17	3,867	3,367
Less: Cash and short-term deposits	15	(16,043)	(16,490)
Net debt		(2,687)	(5,659)
Total equity		43,777	43,588
Total capital		41,090	37,929
Gearing ratio		–*	–*

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

33. Fair value of financial instruments

Fair value of financial instruments that are carried at fair value

The fair value of the deferred consideration arrangement of $875,000 (Note 7) was estimated by discounting the probability weighted earn-out target amount under the three scenarios of base, worst and best case at a discount rate of 3.92%. The fair value measurement is based on significant inputs that are not observable in the market, which SFRS(I) 13 *Fair Value Measurement* refers to as Level 3 inputs. Key assumptions include forecasted accumulated NPAT for three years in OSA of $2,160,000 to $2,400,000.

As of 31 December 2023, neither the amount recognised for the deferred consideration arrangement, nor the range of outcomes or the assumptions used to develop the estimates had changed.

There is no further disclosure on sensitivity analysis of the inputs to fair value as the amount is insignificant.

<u>Fair value hierarchy</u>

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices), and

- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Financial instruments whose carrying amounts approximates fair value

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

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

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

NOTES TO THE **FINANCIAL STATEMENTS**

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

34. Subsequent event

On 12 January 2024, the disposal of 900,000 shares in one of the Group's joint venture (Note 9), FSC, has been completed.

35. Authorisation of financial statements for issue

The financial statements for the year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 1 April 2024.

STATISTICS OF **SHAREHOLDINGS**

AS AT 15 MARCH 2024

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

The Company does not have any treasury shares and subsidiary holdings.

Shareholdings Held in Hands of Public

Based on information available to the Company as at 15 March 2024, approximately 51.33% of the issued ordinary shares of the Company are held by the public and therefore Rule 723 of the Catalist Rules is complied with.

ANALYSIS OF SHAREHOLDINGS

RANGE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	1	0.07	63	0.00
100 – 1,000	505	33.07	488,900	0.12
1,001 – 10,000	325	21.28	1,968,300	0.49
410,001 – 1,000,000	661	43.29	80,102,937	20.03
1,000,001 AND ABOVE	35	2.29	317,441,800	79.36
	1,527	**100.00**	**400,002,000**	**100.00**

TOP 20 SHAREHOLDERS

No.	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	KESTREL INVESTMENTS PTE LTD	165,928,900	41.48
2	CITY DEVELOPMENTS LIMITED	27,294,900	6.82
3	DBS NOMINEES (PRIVATE) LIMITED	17,406,500	4.35
4	TAN KAH HENG (CHEN JIAXING)	17,405,600	4.35
5	CHIEW POH CHENG	10,000,000	2.50
6	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	9,637,900	2.41
7	TAN INSURANCE BROKERS PTE LTD	6,740,500	1.69
8	PHILLIP SECURITIES PTE LTD	5,387,600	1.35
9	ANG HAO YAO (HONG HAOYAO)	4,706,900	1.18
10	RAFFLES NOMINEES (PTE.) LIMITED	4,257,000	1.06
11	TAN CHOR KHER TERRY	3,890,000	0.97
12	LIM TIEN LOCK CHRISTOPHER	3,445,900	0.86
13	HSBC (SINGAPORE) NOMINEES PTE LTD	3,327,500	0.83
14	TAN WEE HAN	3,168,000	0.79
15	MORPH INVESTMENTS LTD	2,650,000	0.66
16	LAI WENG KAY	2,600,500	0.65
17	OCBC SECURITIES PRIVATE LIMITED	2,586,000	0.65
18	IFAST FINANCIAL PTE. LTD.	2,341,100	0.59
19	LOCK WAI HAN	2,032,000	0.51
20	CHIN KIAM HSUNG	1,900,000	0.47
	TOTAL	**296,706,800**	**74.17**

STATISTICS OF SHAREHOLDINGS

AS AT 15 MARCH 2024

SUBSTANTIAL SHAREHOLDERS

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

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 165,928,900 shares held by Kestrel Investments Pte Ltd by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore ("**SFA**").

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

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the annual general meeting ("**AGM**") of Secura Group Limited (the "**Company**") will be held at 38 Alexandra Terrace, Level 2, Singapore 119932 on **Monday, 29 April 2024 at 2.00 p.m.** to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023 ("**FY2023**") together with the Auditors' Report thereon. **Resolution 1**

2. To declare a first and final tax exempt (one-tier) dividend of 0.1375 Singapore cents per share for FY2023. **Resolution 2**

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

4. To re-elect Ms Christina Teo Tze Wei (Zhao Ziwei), a Director retiring pursuant to Article 93 of the Constitution. **Resolution 4**
(Refer to explanatory note (ii) provided)

5. To re-elect Mr Goh Yi Shun Joshua, a Director retiring pursuant to Article 99 of the Constitution. **Resolution 5**
(Refer to explanatory note (iii) provided)

6. To re-elect Ms Lim Hoi Leong, a Director retiring pursuant to Article 99 of the Constitution. **Resolution 6**
(Refer to explanatory note (iv) provided)

7. To approve the payment of Directors' fees of up to S$339,000 for the financial year ending 31 December 2024, payable quarterly in arrears. (FY2023: S$339,000) **Resolution 7**

8. To re-appoint Ernst & Young LLP as the auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. **Resolution 8**

AS SPECIAL BUSINESS

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

9. **Authority to allot and issue shares in the capital of the Company** **Resolution 9**
(Refer to explanatory note (v) provided)

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

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

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

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

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

NOTICE OF **ANNUAL GENERAL MEETING**

provided that:

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

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

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

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

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

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

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

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

10. **Authority to grant options and/or awards and to allot and issue Shares under the Secura Employee Share Option Scheme and/or the Secura Performance Share Plan (collectively, the "Share-Based Incentive Plans").** **Resolution 10**
(Refer to explanatory note (vi) provided)

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

NOTICE OF **ANNUAL GENERAL MEETING**

11. **Renewal of the Share Buyback Mandate** **Resolution 11**
(Refer to explanatory note (vii) provided)

That:

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

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

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

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

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

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

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

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

in this resolution:

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

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

NOTICE OF **ANNUAL GENERAL MEETING**

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

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

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

where:

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

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

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

By Order of the Board

Ngiam May Ling
Company Secretary

Singapore, 12 April 2024

NOTICE OF **ANNUAL GENERAL MEETING**

Explanatory Notes:

(i) *Ordinary Resolution 3*
Mr Wilson Sam will, upon re-election as a Director, remain as a member of the Audit and Risk Committee. He will be considered non-independent for the purposes of Rule 704(7) of the Catalist Rules.

(ii) *Ordinary Resolution 4*
Ms Christina Teo Tze Wei (Zhao Ziwei) will, upon re-election as a Director, remain as a member of the Nominating Committee.

(iii) *Ordinary Resolution 5*
Mr Goh Yi Shun Joshua will, upon re-election as a Director, remain as a member of the Audit and Risk and Remuneration Committees. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

(iv) *Ordinary Resolution 6*
Ms Lim Hoi Leong will, upon re-election as a Director, remain as the Executive Director and Chief Financial Officer.

Additional information on Mr Wilson Sam, Ms Christina Teo Tze Wei (Zhao Ziwei), Mr Goh Yi Shun Joshua and Ms Lim Hoi Leong, which is required under Rule 720(5) of the Catalist Rules, is set out on pages 157 to 164 in the Company's FY2023 annual report ("**Annual Report 2023**"). Save as disclosed, Ms Christina Teo Tze Wei (Zhao Ziwei) and Mr Goh Yi Shun Joshua have no relationship with the Company, its related corporations, its substantial Shareholders or its officers.

(v) *Ordinary Resolution 9*, if passed, will empower the Directors, effective until the conclusion of the next AGM, or the date by which the next AGM is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a pro rata basis to Shareholders.

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

(vi) *Ordinary Resolution 10*, if passed, will empower the Directors, effective until the conclusion of the next AGM, or the date by which the next AGM is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares pursuant to the exercise of options granted and/or Shares to be awarded under the Share-Based Incentive Plans up to a number not exceeding in aggregate 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.

(vii) *Ordinary Resolution 11*, if passed, will empower the Directors from the date of the passing of the resolution until the earlier of the date of the next AGM, or the date by which the next AGM is required by law to be held, to purchase or otherwise acquire, by way of Market Purchases or Off-Market Purchases, up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of passing of the resolution on the terms of the Share Buyback Mandate as set out in the Letter to Shareholders dated 12 April 2024 ("**Letter**"), unless such authority is earlier revoked or varied by Shareholders at a general meeting.

The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this notice of AGM as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares. Illustrative financial effects of the Share Buyback Mandate based on the audited financial statements of the Group for FY2023 and certain assumptions are set out in paragraph 2.8 of the Letter.

Notes:

General

1. The AGM will be held, in a wholly physical format, at the venue, date and time stated above. Shareholders, including SRS investors, and (where applicable) duly appointed proxies and representatives will be able to ask questions and vote at the AGM in person. There will be no option for Shareholders to participate virtually.

2. Printed copies of this notice of AGM, Proxy Form, Request Form and the Letter will be sent to Shareholders by post. These documents will also be made available on the Company's website at the URL https://securagroup.com.sg/investors-and-media/#event-calendar and the SGX's website at the URL https://www.sgx.com/securities/company-announcements.

NOTICE OF **ANNUAL GENERAL MEETING**

Register in person to attend the AGM

3. Members and (where applicable) duly appointed proxies can attend the AGM in person. To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the day of the AGM. Every attendee is required to bring his/her NRIC/passport to enable the Company to verify his/her identity. The Company reserves the right to refuse admittance to the AGM if the attendee's identity cannot be verified accurately.

Submission of proxies

4. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the AGM. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

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

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

5. A proxy need not be a shareholder of the Company. A Shareholder may choose to appoint the Chairman of the AGM as his/her/its proxy.

6. The Proxy Form must be submitted to the Company in the following manners:

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

   (b) if submitted electronically, be submitted via email to agm@securagroup.sg,

   and in either case, must be lodged or received (as the case may be) by 2.00 p.m. on Friday, 26 April 2024, being not less than 72 hours before the time appointed for the holding of the AGM.

   A member who wishes to submit a Proxy Form must complete and sign it before submitting it by post to the address provided above, or before scanning and submitting it via email to the email address provided above.

7. The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

8. In the case of members whose Shares are entered against their names in the Depository Register (as defined in Part 3AA of the Securities and Futures Act 2001 of Singapore), the Company may reject the form of proxy submitted if such members' names do not appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM.

9. An investor who buys shares using SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his/her votes at the AGM in person if appointed as proxy of his/her SRS Operators. If the SRS Investors who are unable to attend the AGM but would like to vote, may inform their SRS Operators to appoint the Chairman of the AGM to act as their proxy by 2.00 p.m. on Thursday, 18 April 2024 to submit their votes.

Submission of questions

10. Members and SRS Investors may submit substantial and relevant questions related to the resolutions to be tabled at the AGM ahead of the AGM by email to agm@securagroup.sg by 2.00 p.m. on 19 April 2024.

11. The Company will endeavour to address all substantial and relevant questions if received by the prescribed deadline above at the AGM. For substantial and relevant questions received after the prescribed deadline, the Company will also address them together with questions raised at the AGM. Where substantially similar questions are received, they will be consolidated and not all questions may be individually addressed.

Minutes of the AGM

12. The minutes of the AGM together with the responses to the substantial and relevant questions by Shareholders not already answered and announced, will be posted on the SGX's website and the Company's website within one month after the date of the AGM.

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

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

Mr Wilson Sam, Ms Christina Teo Tze Wei (Zhao Ziwei), Mr Goh Yi Shun Joshua and Ms Lim Hoi Leong are the Directors seeking re-election at the forthcoming annual general meeting of the Company to be convened on 29 April 2024 ("**AGM**") (collectively, the "**Retiring Directors**").

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

	MR WILSON SAM	MS CHRISTINA TEO TZE WEI (ZHAO ZIWEI)	MR GOH YI SHUN JOSHUA	MS LIM HOI LEONG
Date of Appointment	1 July 2020	1 February 2019	1 May 2023	1 January 2024
Date of last re-appointment (if applicable)	20 April 2021	21 April 2022	NA	NA
Age	48	50	33	46
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board has considered the Nominating Committee's ("**NC**") recommendation and assessments of Mr Sam's qualifications and experiences and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board. Mr Sam has abstained from the deliberations of the Board pertaining to his re-election. Mr Sam is considered a Non-Independent Director and will, upon re-election, continue to serve as the Non-Executive Non-Independent Director and member of the Audit and Risk Committee.	The Board has considered the NC's recommendation and assessments of Ms Teo's qualifications and experiences and is satisfied that she will continue to contribute relevant knowledge, skills and experience to the Board. Ms Teo has abstained from the deliberations of the Board pertaining to her re-election. Ms Teo is considered an Independent Director and will, upon re-election, continue to serve as the Independent Director and member of the NC.	The Board has considered the NC's recommendation and assessments of Mr Goh's qualifications and experiences and is satisfied that he will continue to contribute relevant knowledge, skills and experience to the Board. Mr Goh has abstained from the deliberations of the Board pertaining to his re-election. Mr Goh is considered an Independent Director and will, upon re-election, continue to serve as the Independent Director, member of the Audit and Risk Committee and the Remuneration Committee.	The Board has considered the NC's recommendation and assessments of Ms Lim's qualifications and experiences and is satisfied that she will continue to contribute relevant knowledge, skills and experience to the Board. Ms Lim has abstained from the deliberations of the Board pertaining to her re-election. Ms Lim will, upon re-election, continue to serve as the Executive Director and Chief Financial Officer of the Group.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Executive
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	• Non-Executive Non-Independent Director • Member of the Audit and Risk Committee	• Independent Director • Member of the NC	• Independent Director • Member of the Audit and Risk Committee • Member of the Remuneration Committee	• Executive Director • Chief Financial Officer

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

	MR WILSON SAM	MS CHRISTINA TEO TZE WEI (ZHAO ZIWEI)	MR GOH YI SHUN JOSHUA	MS LIM HOI LEONG
Professional qualifications	• Bachelor of Business Studies (Honours), with major in Financial Analysis and a minor in Accountancy, Nanyang Technological University • Chartered Financial Analyst	• Master of Business Administration, Harvard Business School • Bachelor of Business Administration (Finance) Honours, National University of Singapore	• Bachelor of Commerce (Double Major in Accounting & Finance), Monash University	• Chartered Accountant with Institute of Singapore Chartered Accountants • Fellow Member of the Association of Chartered Certified Accountants • Master of Arts, Accounting and Financial Management, University of Hertfordshire, UK
Working experience and occupation(s) during the past 10 years	**Mar 2019 – Present:** • Executive Director and Group CFO, Thomson Medical Group Limited **2014 – 2019:** • Senior Vice President, Investments, Kestrel Capital Pte Ltd	**Jan 2022 – Present:** • Independent Director, Thomson Medical Group Limited **Jan 2021 – Present:** • Personal Data Protection Commission, Data Protection Advisory Committee Member **Jan 2020 – Present:** • Singapore Management University, Adjunct Teaching Mentor **Oct 2016 – Present:** • uCare.io Pte Ltd, CEO **2020** • Heliconia Capital Management Pte Ltd, Consultant **2015 – 2016** • Catpital Private Limited, CEO	**Aug 2022 – Present:** • CEO, Scorpio Electric **Sep 2021 – Aug 2022** • Deputy CEO, Scorpio Electric **Nov 2020 – Sep 2021:** • Executive Assistant – CEO Office of Scorpio Electric **Jan 2017 – Dec 2019:** • Assistant Manager – Operations of EuroAutomobile Pte Ltd **2012, 2014, 2016:** • Executive, COO office – Corporate Development of EuroSports Auto Pte Ltd **Jul 2016 – Dec 2016** • Associate, Corporate restructuring of nTan Corporate Advisory **May 2015 – May 2016** • Analyst, Investment of Capital Private Limited **Jan 2014 – Feb 2014** • Intern, Investment Banking Division of Religare Capital Markets Corporate Finance	**2022 – Present:** • Chief Financial Officer, Secura Group Limited **2018 – 2022** • Group Financial Controller, Thomson Medical Group Limited **2015 – 2018** • VP Finance, Kestrel Capital Pte Ltd **2014 – 2015** • Finance Manager, Quantum Crude Tankers Ltd **2005 – 2014** • Senior Manager, Ernst & Young LLP
Shareholding interest in the listed issuer and its subsidiaries	None	None	None	None

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

	MR WILSON SAM	MS CHRISTINA TEO TZE WEI (ZHAO ZIWEI)	MR GOH YI SHUN JOSHUA	MS LIM HOI LEONG
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No	No	No
Conflict of interest (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
Other Principal Commitments Including Directorships#* ** "Principal Commitments" has the same meaning as defined in the Code – "principal commitments" includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments* *# These fields are not applicable for announcement of appointments pursuant to Rule 704(8)*	**Past directorship (for the last 5 years)** • Catpital Private Limited • TI Health Pte Ltd • TMC Life Sciences Berhad • VB2 Property Sdn Bhd • Renewable Metal Resources Pte Ltd • Klouder Limited **Present directorship (listed company):** • Thomson Medical Group Limited **Present directorship (non-listed company):** • Adifore Finance Ltd • Arnel Services S.A • Asia Fertility Holdings Pte Ltd • Far East Medical Vietnam Limited • FVH Singapore Pte Ltd • Grvty Media Pte Ltd • Hatch Health Pte. Ltd. • Mint Media Sports Limited • Mint Media Sports Pte Ltd • PCC Products Pte Ltd • PT Thomson Medical • Sasteria (M) Pte Ltd • Sasteria Pte Ltd • Sasteria (VN) Pte Ltd • Skies VB Sdn Bhd • Smartparents Pte Ltd • Thomson Kids Pte Ltd • Thomson Medical Pte Ltd	**Past directorship (for the last 5 years)** • Catpital Private Limited (struck-off) • Custodio Technologies Pte Ltd **Present directorship (listed company):** • Thomson Medical Group Limited **Present directorship (non-listed company):** Director: • uCare.io Pte Ltd • Project eLeonie **Other principal commitment:** • CEO of uCare.io Pte Ltd	**Past directorship (for the last 5 years)** • None **Present directorship (non-listed company):** Director: • EuroSports Auto Pte Ltd • EuroAutomobile Pte Ltd • Scorpio Electric Pte Ltd • Delacour Asia Pacific Pte Ltd • Prosper Auto Pte Ltd • JES Auto Pte Ltd • EVI Electric Pte Ltd • Scorpio Electric (Shenzhen) Co., Ltd • Scorpio Electric Europa, Sociedad de Responsabilidad Limitada **Other principal commitment:** • CEO of Scorpio Electric Pte Ltd, formerly known as Eurosports Technologies Pte Ltd	**Past directorship (for the last 5 years)** • None **Present directorship (non-listed company):** Director: • Secura Singapore Pte Ltd • Secura Forms Pte Ltd • Secura Documation Pte Ltd (In Liquidation – Member's Voluntary Winding up) • Secura Technology & Consultancy Pte Ltd • Soverus Kingdom Systems Pte Ltd • Secura Training Academy Pte Ltd • Red Sentry Pte Ltd • Onesecure Asia Pte Ltd

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

	MR WILSON SAM	MS CHRISTINA TEO TZE WEI (ZHAO ZIWEI)	MR GOH YI SHUN JOSHUA	MS LIM HOI LEONG
	• Thomson Paediatric Centre Pte Ltd • Thomson Specialists Pte Ltd • Thomson Women Cancer Centre Pte Ltd • Thomson Women's Clinic Holdings Pte Ltd • Thomson X Pte Ltd • Thomson International Health Services Pte Ltd • Vantage Bay JB Sdn. Bhd. • Zuju Gameplay Pte. Ltd. • ZujuGP Pte. Ltd. **Other principal commitment:** • Executive Director and Group CFO of Thomson Medical Group Limited			
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.				
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR WILSON SAM	MS CHRISTINA TEO TZE WEI (ZHAO ZIWEI)	MR GOH YI SHUN JOSHUA	MS LIM HOI LEONG
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No

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

	MR WILSON SAM	MS CHRISTINA TEO TZE WEI (ZHAO ZIWEI)	MR GOH YI SHUN JOSHUA	MS LIM HOI LEONG
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR WILSON SAM	MS CHRISTINA TEO TZE WEI (ZHAO ZIWEI)	MR GOH YI SHUN JOSHUA	MS LIM HOI LEONG
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–				
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No	No

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

	MR WILSON SAM	MS CHRISTINA TEO TZE WEI (ZHAO ZIWEI)	MR GOH YI SHUN JOSHUA	MS LIM HOI LEONG
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No	No

PROXY FORM

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

IMPORTANT

1. This Proxy Form is not valid for use by investors who hold shares in the Company through relevant intermediaries (as defined in Section 181 of the Companies Act 1967). Such investors should approach their relevant intermediary as soon as possible to specify their voting instructions.

PERSONAL DATA PRIVACY

2. By submitting this Proxy Form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 12 April 2024.

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

of (Address) ____

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

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

*and/or (delete as appropriate)

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

as my/our proxy(ies) to attend, speak and vote for me/us on my/our behalf at the annual general meeting of the Company ("**Meeting**") to be held at 38 Alexandra Terrace, Level 2, Singapore 119932, on Monday, 29 April 2024 at 2.00 p.m., and at any adjournment thereof. I/We direct my/our proxy(ies) to vote for or against, or to abstain from voting on, the resolutions to be proposed at the Meeting as indicated hereunder.

		No. of votes or to indicate with a tick (√)*		
No.	**Resolutions relating to:**	**For**	**Against**	**Abstain**
Ordinary business				
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023 ("**FY2023**") together with the Auditors' Report thereon			
2	Payment of first and final tax exempt (one-tier) dividend of 0.1375 Singapore cents per share for FY2023			
3	Re-election of Mr Wilson Sam as a director of the Company ("**Director**")			
4	Re-election of Ms Christina Teo Tze Wei (Zhao Ziwei) as a Director			
5	Re-election of Mr Goh Yi Shun Joshua as a Director			
6	Re-election of Ms Lim Hoi Leong as a Director			
7	Directors' fees of up to S$339,000 for the financial year ending 31 December 2024, payable quarterly in arrears			
8	Re-appointment of Ernst & Young LLP as auditors of the Company			
Special business				
9	Authority to allot and issue shares in the capital of the Company ("**Shares**")			
10	Authority to grant options and/or awards and to allot and issue Shares under the Secura Employee Share Option Scheme and/or the Secura Performance Share Plan			
11	Renewal of the Share Buyback Mandate			

* All resolutions would be put to vote by poll in accordance with the listing rules of Singapore Exchange Securities Trading Limited. A tick within the box provided would represent you are exercising all your votes "For" or "Against" or "Abstain" from voting on the relevant resolution.

Dated this __________ day of __________________ 2024

Total number of Shares held in:

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

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

Notes:

1. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

   (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak 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. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

2. A proxy need not be a shareholder of the Company. A shareholder may choose to appoint the Chairman of the Meeting as his/her/its proxy.

3. A shareholder should insert the total number of Shares held. If the shareholder has Shares entered against his/her/its name in the Depository Register (maintained by The Central Depository (Pte) Limited), he/she/it should insert that number of Shares. If the shareholder has Shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of Shares. If the shareholder has Shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Shares. If no number is inserted, this Proxy Form shall be deemed to relate to all the Shares held by the shareholder.

4. The appointment of a proxy(ies) shall not preclude a member from attending, speaking and voting at the Meeting. Any appointment of a proxy(ies) 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(s) appointed under the instrument of proxy, to the Meeting.

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

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

   (b) if submitted electronically, be submitted via email to agm@securagroup.sg,

   and in either case, must be lodged or received (as the case may be) by 2.00 p.m. on Friday, 26 April 2024, being not less than 72 hours before the time appointed for the holding of the Meeting.

   Shareholders who wish to appoint a proxy(ies) can use the printed copy of the Proxy Form (which was sent by post to them), by completing and signing the Proxy Form before submitting it by post to the address provided above or, alternatively, scanning and submitting it via email to the email address provided above.

6. The instrument appointing a proxy or proxy(ies) must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of its attorney or a duly authorised officer.

7. Where the instrument appointing a proxy or proxy(ies) is signed on behalf of the appointor by an attorney, the power of attorney (or other authority under which it is signed, if applicable) or a duly certified copy thereof must (failing previous registration with the Company), if the instrument is submitted by post, be lodged with the instrument, or if the instrument is submitted electronically via email, be emailed together with the instrument, failing which the instrument may be treated as invalid.

8. The Company shall be entitled to reject the instrument appointing a proxy(ies) if it is incomplete, improperly completed, 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(ies) (including any related attachment). In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy(ies) lodged or submitted, if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for the holding of the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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PERMIT NO. 09676

SECURA GROUP LIMITED
38 Alexandra Terrace
Singapore 119932

GLUE ALL SIDES

CORPORATE **DIRECTORY**

BOARD OF DIRECTORS

Dr Ho Tat Kin
(Chairman and Independent Director)

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

Ms Lim Hoi Leong
(Executive Director and Chief Financial Officer)

Mr Ong Pang Liang
(Independent Director)

Mr Gary Ho Kuat Foong
(Independent Director)

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

Mr Goh Yi Shun Joshua
(Independent Director)

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

AUDIT AND RISK COMMITTEE

Mr Ong Pang Liang *Chairman*

Mr Gary Ho Kuat Foong *Member*

Dr Ho Tat Kin *Member*

Mr Goh Yi Shun Joshua *Member*

Mr Wilson Sam *Member*

NOMINATING COMMITTEE

Dr Ho Tat Kin *Chairman*

Mr Ong Pang Liang *Member*

Mr Gary Ho Kuat Foong *Member*

Ms Christina Teo Tze Wei (Zhao Ziwei) *Member*

REMUNERATION COMMITTEE

Mr Gary Ho Kuat Foong *Chairman*

Dr Ho Tat Kin *Member*

Mr Ong Pang Liang *Member*

Mr Goh Yi Shun Joshua *Member*

COMPANY SECRETARY

Ms Ngiam May Ling *(LLB (Hons))*

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

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

INDEPENDENT AUDITOR

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

Partner-in-charge: Mr Tan Soon Seng
Since the financial year ended 31 December 2020

SPONSOR

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

INVESTOR RELATION

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

REGISTERED OFFICE

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

Secura Building 38 Alexandra Terrace Singapore 119932
Tel: (65) 6813 9500 Fax: (65) 6813 9629
www.securagroup.com.sg

2023 Secura Group Limited Annual Report | Company Registration No. 201531866K | Incorporated in the Republic of Singapore on 14 August 2015