



**Securities Investors Association (Singapore)**

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**Issuer:** Secura Group Limited

**Security:** Secura Group Limited

**Meeting details:**

Date: 25 April 2019

Time: 10.30 a.m.

Venue: 38 Alexandra Terrace, Level 2, Singapore 119932

**Company Description**

Secura Group Limited (Secura Group) is a Singapore-based provider of an integrated suite of security products, services and solutions. The Company provides security printing services of value documents, with anti-counterfeit features, and owns a check printing businesses in Singapore. The Company operates through four business segments: Security Printing; Security Guarding; Cyber Security, Technology and Systems Integration, and Security Consultancy and Services. Its products include bank cheques and passbooks; parking coupons; postage stamps; educational certificates; cash vouchers, and machine-readable betting slips. It provides unarmed, manned security guarding services for commercial premises, data centers, embassies, hotels, schools, hospitals, government buildings, high value industrial premises and residential properties. It has a customer base comprising customers in various industries, including multinational corporations, financial institutions and government agencies.

(Source: [http://www.sgx.com/wps/portal/sgxweb/home/company\\_disclosure/stockfacts?code=43B](http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=43B))

1. As noted in the Message to shareholders, FY2018 was an important year for the group as it undertook major steps that included:

- A corporate restructuring exercise that reinforced the group's core businesses
- Adopting a more measured approach on expansion
- Scaling back certain plans
- Reviewing underperforming operations
- Streamlining the business units into 3 main divisions each headed by a managing director

The three divisions are:

- (a) man-guarding which comprises business activities such as security guarding, remote surveillance and training,
- (b) technology which comprises homeland security and digital forensic, systems integration and cyber security, as well as
- (c) security printing.

For FY2018, the security printing segment showed a decrease in revenue of S\$1.78 million or 17.1%. The decrease is accelerating as the government has supported nation-wide initiatives to go paperless as businesses and consumers go digital. At the company's IPO in January 2016, the segment was the largest contributor of revenue and profit.

- (i) Has the board/management carried out scenario planning and prepared the group for a day where security printing will cease to be a material contributor? Even in the developing markets, would it be a matter of "how fast, how soon" and not a matter of "if"?**
- (ii) With the changes in the board and in the senior management team, has the board evaluated if the group currently has the human capital to execute on its strategic growth plans?**
- (iii) Would the board elaborate further on the growth trajectory of the 3 divisions for the next 2-3 years?**

2. Would the board/management provide shareholders with better clarity on the following operational matters? Specifically:

- (i) Integrated Command Centre (ICC): How receptive are potential customers to the concept of technology-enabled remote surveillance? The company has stated that it currently has over 30 sites. What is the capacity of the current ICC setup? Has the company developed any in-house service standards? How many sites can each security officer monitor?**
- (ii) Cellebrite: As the preferred seller in Singapore, does the group provide any value-added services such as analysis, training etc for the use of the products?**

- (iii) Custodio Technologies: Can the board/management help shareholders understand the strategic important of the 20% owned Custodio Technologies? What is the level of influence on the strategic direction and day-to-day operations of Custodio?** Revenue has stagnated at the \$3.4 million level and the associate slipped into a loss of \$(2.0) million in FY2018. **Did the audit committee consider if there are indicators of impairment for the investment in Custodio?** The investment is carried on the books at \$6.0 million.

3. In 2018/2019, the board experienced changes as the former executive director and CEO resigned with his last day of service on 5 January 2018. Mr Lock Wai Han and Mr Tan Wee Han also resigned as directors with effect from 31 March 2018 and 1 February 2019 respectively.

Mr Kan Kheong Ng was appointed as executive director and Chief Executive Officer of the company in February 2019.

In addition, Mr Lim Joey Matthias and Ms Christina Teo Tze Wei (Zhao Ziwei) were appointed as non-executive director and independent director respectively.

In addition, it is observed that three of the independent directors have current/past links to Thomson Medical Group Limited.

- (i) Would the nominating committee (NC) elaborate on its search and nominating process, especially for independent directors?**

It is observed that the newly appointed directors, namely Mr Kan Kheong Ng, Mr Lim Joey Matthias and Ms Christina Teo Tze Wei (Zhao Ziwei), are first-time directors of a listed issuer in Singapore.

- (ii) Does the board have sufficient experience to guide the group during this challenging period?**
- (iii) Did the NC consider how the relationships the directors have with the controlling shareholders could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company?**

A copy of the questions for the Annual Report for the financial year ended 31 December 2017 could be found here:

<https://sias.org.sg/qa-on-annual-reports/?company=Secura%20Group%20Ltd&cid=6443,4473>

The company's response could be found here: -----