Securities Investors Association (Singapore)
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UEN No: S99SS0111B
GST Reg No: M90367530Y

Issuer: Secura Group Limited

Stock code: 43B

Meeting details:
Date: 20 April 2021
Time: 10.30 a.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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Q1. Would the board/management provide shareholders with greater clarity on the following operational matters? Specifically:

(i) **Cybersecurity:** As noted in the message to shareholders, the group has shifted its focus from offering packaged services to tailored solutions for business needs. **Can management elaborate further on the range of solutions that it can provide? What are the typical "tailored solutions" requested by its customers? What is the profile of the group's customers/target customers for cybersecurity?**

(ii) **Digital forensics: With the group deciding not to renew the Cellebrite distribution agreement, how will the group's product and service offerings be impacted? What are the major products and services offered by the group currently? How does the group differentiate itself from its competitors?**

(iii) **Security guarding: How did the group mitigate the manpower shortage as the border between Singapore and Malaysia remains closed for daily travels by workers?** For ad-hoc guarding projects, the group has disclosed that it has obtained better profit margins for such assignments. **What is the typical duration for such ad-hoc guarding projects? Can management help shareholders understand the reasons for the higher margins?**

(iv) **Investments:** Several investments were made by the group in recent years. Notably, the group's investment in Custodio Technologies has been fully written off as it has been loss-making for the past financial years. The group had invested $6.2 million in Custodio in June 2017. **Can the board elaborate further on its investment framework/policies and the level of oversight of its investments?**

Q2. As noted in the message to shareholders, the group's training business under Secura Training Academy (STAPL) has been temporarily suspended by SkillsFuture Singapore Agency ("SSG") for a year until August 2021. The company had earlier announced on 20 August 2020 that SSG had carried out an audit and assessment on the claims submitted by STAPL and found 5 breaches, including not updating the list of related companies which resulted in course fees being reimbursed at public instead of in-house rates.

In the announcement, the company noted that the above-mentioned breaches were due to an inadvertent administrative oversight by STAPL's management. The group has since implemented a two-prong rectification approach:

- The audit committee (AC) directed management to implement tighter internal controls on the administration of the funding and claims management
- The AC commissioned RSM Risk Advisory Pte Ltd to conduct an internal audit review for STAPL in respect of its compliance to the SkillsConnect General Terms and Conditions

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(i) **Can the AC/board help shareholders understand if the compliance of STAPL to meet the requirements of SSG has been identified as a key business risk prior to the audit by SSG?**

(ii) **What was the level of oversight provided by the board and by management prior to August 2020? What is the involvement of the board in the past 6 months to ensure that the STAPL's internal controls have improved and will be in compliance with SSG's requirements?**

(iii) **What is the expected loss due to the suspension by SSG? Other than the provision of training under SSG, what are the other business activities carried out by STAPL?**

(iv) **Was management able to redeploy the STAPL employees within the group?**

(v) **What improvements have management made to tighten internal controls on the administration of the funding and claims management?**

(vi) **What are the findings from the special internal audit review commissioned by the AC in respect of compliance to the SkillsConnect General Terms and Conditions?**

(vii) **Have all the enhanced internal control measures been implemented?**

On page 37, it was disclosed that the internal auditor had conducted a review of the effectiveness of the group's internal controls in FY2020 and no material weaknesses were found.

(viii) **In view of STAPL's suspension by SSG and the group's announcement dated 20 August 2020, can the AC help shareholders understand if its internal controls are effective given the risks in its businesses?**

Q3. The group is a leading provider of an integrated suite of security products, services and solutions. The group's operating businesses are organised into five reportable segments, namely Security Printing; Security Guarding; Cyber Security; Homeland Security and Digital Forensic and System Integration, Security Consultancy and Security Training.

(i) **Can the company help shareholders understand the management bench strength and the technical expertise the group possesses in the key business areas?**

(ii) **How does the group attract and retain talents (especially employees with strong technical background) in these fields?**

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The board oversees the business affairs of the group and provides entrepreneurial leadership to the company. The principal functions include supervising management and the affairs of the group; approving the group's strategic plans, key operational initiatives, major investments, disposals and funding decisions; identifying the group's business risks and ensure the implementation of appropriate systems to manage these risks.

The biographies of the directors are shown on pages 9 to 10 of the annual report. The board comprises 7 directors, namely 2 executive directors, 4 independent directors and 1 non-independent director. The non-executive directors have experience in business management, finance, risk management, AI across various industries.

The board stated that it believes that the current composition provides an appropriate balance of skills, experience, gender and knowledge which facilitates effective decision making. The directors hold core competencies such as accounting and finance, business and management as well as industry knowledge.

(iii) **Can the nominating committee help shareholders understand if the non-executive directors have sufficient industry knowledge to foster constructive debate and to avoid groupthink at board and board committee meetings?**

[The following question was sent to the company following the review of the 2018 annual report. The question has been updated and reposted to the company following the review of the 2020 annual report.]

Q4. It is observed that three of the four independent directors have current/past links to Thomson Medical Group Limited, its related corporations and the company's controlling shareholder.

Director	Comments
Dr Ho Tat Kin	Executive chairman of Rowsley Ltd (now known as Thomson Medical Group Limited) from August 2010 to December 2013
Mr Gary Ho Kuat Foong	Serves on the board of directors of Avarga Limited and TMC Life Sciences Berhad
Mr Ong Pang Liang	Independent director of Thomson Medical Group Limited
Mr Wilson Sam (non-independent)	Executive director and Group chief financial officer of Thomson Medical Group Limited

(Source: annual report)

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

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(ii) **Would the NC consider making use of professional search firms to enable the board to cast its net wider and further improve the diversity of the candidate pool?**

(iii) **Did the NC consider how the relationships the directors have with the controlling shareholder, and his related corporations, could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgement in the best interests of the company?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)