



Differences between Audited and Unaudited Financial Statements for the Financial Year ended 31 December 2019

The board of directors (the “**Board**”) of Secura Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) refers to the Group’s unaudited full year financial results announcement for the financial year ended 31 December 2019 (“**FY2019**”) released via SGXNet on 18 February 2020 (the “**Unaudited Financial Statements**”).

Pursuant to Rule 704(5) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Company would like to highlight and clarify the material variances between the Unaudited Financial Statements and the Audited Financial Statements for FY2019 (“**Audited Financial Statements**”).

The material variances between the Audited Financial Statements and the Unaudited Financial Statements, and the explanations thereon, are set out as follows:

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited Results S\$'000	Unaudited Results S\$'000	Material Variances S\$'000	Notes
Revenue	38,704	38,702	(2)	i/m
Cost of sales	(32,927)	(32,925)	(2)	i/m
Gross profit	5,777	5,777		
Other operating income	1,727	1,697	30	i/m
Distribution and selling expenses	(1,623)	(1,613)	(10)	i/m
Administrative expenses	(5,127)	(5,127)		
Finance cost	(322)	(322)		
Share of results of joint ventures and associates	(4,896)	26	(4,922)	Note B
(Impairment loss)/write back on financial assets	(8)	12	(20)	i/m
Impairment of investment in joint venture	—	(115)	115	Note C
(Loss)/Profit before tax	(4,472)	335		
Income tax credit/(expense)	15	27	(12)	i/m
(Loss)/Profit for the year	(4,457)	362		
Other comprehensive income				
Items that may be classified subsequently to profit or loss				
Share of foreign currency translation of joint ventures and associates	(15)	(10)	(5)	i/m
Total comprehensive income for the year	(4,472)	352		
(Loss)/profit for the year attributable to:				
Owner of the Company	(4,453)	366	(4,819)	Note B
Non-controlling interests	(4)	(4)		
	(4,457)	362		
Total comprehensive income attributable to:				
Owner of the Company	(4,468)	356	(4,824)	Note B
Non-controlling interests	(4)	(4)		
	(4,472)	352		

STATEMENT OF FINANCIAL POSITION (GROUP LEVEL)

	Audited 31/12/2019 S\$'000	Unaudited 31/12/2019 S\$'000	Material Variances S\$'000	Notes
Non-current assets				
Property, plant and equipment	26,070	25,948	122	Note A
Right-of-use assets	1,446	1,568	(122)	Note A
Investment property	537	537		
Intangible assets	1,214	1,214		
Investment in joint ventures	789	783	6	i/m
Investment in associates	1,912	6,740	(4,828)	Note B
Trade and other receivables	2	2		
	<u>31,970</u>	<u>36,792</u>		
Current assets				
Inventories	2,288	2,288		
Trade and other receivables	8,263	8,263		
Contract assets	350	350		
Prepaid operating expenses	348	348		
Amount due from a joint venture	87	87		
Cash and cash equivalents	14,479	14,479		
	<u>25,815</u>	<u>25,815</u>		
Current liabilities				
Trade and other payables	3,024	3,024		
Contract liabilities	2,272	2,272		
Accrued operating expenses	1,224	1,223	1	i/m
Lease liabilities	148	148		
Bank loan	833	833		
Income tax payable	391	389	2	i/m
	<u>7,892</u>	<u>7,889</u>		
Net current assets				
	<u>17,923</u>	<u>17,926</u>		
Non-current liabilities				
Lease liabilities	1,030	1,032	(2)	i/m
Provision of reinstatement cost	122	122		
Bank loan	7,742	7,741	1	i/m
Deferred tax liabilities	629	629		
	<u>9,523</u>	<u>9,524</u>		
Net assets				
	<u>40,370</u>	<u>45,194</u>		
Equity				
Share capital	61,644	61,644		
Merger reserve	(16,291)	(16,291)		
Foreign currency translation reserve	(102)	(97)	(5)	i/m
Employee share option reserve	371	371		
(Accumulated losses)/ retained earnings	(5,301)	(482)	(4,819)	Note B
	<u>40,321</u>	<u>45,145</u>		
Non-controlling interests	49	49		
Total equity	<u>40,370</u>	<u>45,194</u>		

STATEMENT OF FINANCIAL POSITION (COMPANY LEVEL)

	Audited 31/12/2019 S\$'000	Unaudited 31/12/2019 S\$'000	Material Variance S\$'000	Note
Non-current assets				
Property, plant and equipment	14,871	14,871		
Investment property	2,685	2,685		
Investment in subsidiaries	21,034	21,034		
Investment in associates	952	6,221	(5,269)	Note B
Deferred tax asset	220	220		
	<u>39,762</u>	<u>45,031</u>		
Current assets				
Trade and other receivables	58	58		
Prepaid operating expenses	18	18		
Amounts due from subsidiaries	1,593	1,593		
Cash and cash equivalents	7,820	7,820		
	<u>9,489</u>	<u>9,489</u>		
Current liabilities				
Trade and other payables	268	268		
Accrued operating expenses	173	173		
Bank loan	833	833		
Amount due to subsidiaries	4,650	4,650		
	<u>5,924</u>	<u>5,924</u>		
Net current assets	<u>3,565</u>	<u>3,565</u>		
Non-current liabilities				
Bank loan	7,742	7,742		
	<u>7,742</u>	<u>7,742</u>		
Net assets	<u>35,585</u>	<u>40,854</u>		
Equity				
Share capital	61,644	61,644		
Employee share option reserve	361	361		
Accumulated losses	(26,420)	(21,151)	(5,269)	Note B
Total equity	<u>35,585</u>	<u>40,854</u>		

Note

- A** The difference was due to reclassification of accounts.
- B** The difference was due to the following:
- (i) With the finalisation of the audited accounts of both associates, Custodio Technologies Pte. Ltd. (“**Custodio Technologies**”) and Secura Bangladesh Ltd, the Company adjusted for the share of results of joint ventures and associates.
 - (ii) Impairment of goodwill on acquisition of Custodio Technologies which amounted to approximately S\$4,779,000.
 - (iii) Reclassification of impairment of investment in joint venture to share of results of joint ventures and associates.
- C** The difference was due to B(iii).
i/m Immaterial variance

The material variances between the Unaudited Financial Statements and the audited financial statements for FY2019 do not have any impact to the FY2019 consolidated cash flow statement of the Group.

As a result of the changes above, the Group’s loss per share (based on weighted average number of shares) for FY2019 was 1.11 cents instead of earnings per share of 0.09 cents, and the net asset value per share of the Group and the Company as at 31 December 2019 was 10.08 cents and 8.90 cents respectively, instead of 11.29 cents and 10.21 cents respectively.

BY ORDER OF THE BOARD

Kan Kheong Ng
Chief Executive Officer

Lim Siok Leng
Chief Financial Officer

7 April 2020

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

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

The contact person for the Sponsor is Mr Chia Beng Kwan, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.