



(Incorporated in the Republic of Singapore on 14 August 2015)
(Company Registration No. 201531866K)

PROPOSED ACQUISITION AND INVESTMENT OF 51.0% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF ONESECURE ASIA PTE. LTD.

1. INTRODUCTION

The board of directors (“**Directors**” or “**Board**”) of Secura Group Limited (“**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company had, on 1 August 2023, entered into a sale and purchase agreement (“**SPA**”) with Mr. How Chee Keong (“**Vendor**”), pursuant to which, the Vendor has agreed to sell, and the Company has agreed to purchase 291,429 shares (“**Sale Shares**”) representing 51.0% of the issued and paid-up share capital of Onesecure Asia Pte. Ltd. (“**Target**”) for a total consideration of up to S\$2,000,000, upon the terms and subject to the conditions in the SPA (the “**Proposed Acquisition**”).

On completion of the Proposed Acquisition, the Target will become a subsidiary of the Company. The remaining 49.0% of the issued and paid-up share capital of the Target will continue to be held by the Vendor.

In connection with the Proposed Acquisition, the Company, the Vendor and the Target had, on 1 August 2023, also entered into a shareholders’ agreement, conditional upon the completion of the Proposed Acquisition, to regulate their relationship amongst each other and in the conduct of the business and affairs of the Target (“**Shareholders’ Agreement**”).

2. INFORMATION ON THE TARGET AND THE VENDOR

The Target is a private company limited by shares incorporated in Singapore on 12 June 2008.

The Target is an established and fast-growing cybersecurity company with presence in Singapore, Malaysia and Indonesia, that delivers customised technology solutions across various industry verticals. A Singapore SME 500 company and a Global Top 250 Managed Security Service Providers, coupled with an ISO 27001 certification, the Target serves a diverse clientele across various industries, including airline, education, finance, property, retail, technology and telecommunication. The Target provides a wide range of cybersecurity services that protect the confidentiality, integrity and availability of its clients’ business-critical infrastructure and data, and its offerings include a Security Operations Centre, DDoS Detection and Mitigation, Web Spoofing Detection and Website Defacement Monitoring. These services are designed to meet the unique requirements of customers, delivering customised solutions with distinct features to ensure optimal protection for their businesses.

As at the date of this announcement, the Target has an issued and paid-up share capital of S\$500,000 comprising 571,429 ordinary shares. The Target holds 100% of the issued and paid-up capital of Onemonitor Sdn. Bhd. (“**Onemonitor**”), a private company incorporated in Malaysia on 20 June 2019 that carries on the business of information technology services, software development, solutions and services.

The Vendor is the sole director and shareholder of the Target and owns the entire issued and paid-up share capital of the Target. The Vendor is not related to the Directors or controlling

shareholders of the Company and their respective associates. As at the date of this announcement, the Vendor does not hold shares, directly or indirectly, in the Company.

Based on the latest audited consolidated financial statements of the Target and its subsidiary, Onemonitor (collectively, the “**Target Group**” and individually, a “**Target Group Company**”) for the financial year ended 31 December 2022 (“**FY2022**”), the net tangible asset and book value of the Target Group was approximately S\$344,000 and the net profit of the Target Group was approximately S\$43,000. Accordingly, the net tangible asset and book value of the Sale Shares as at 31 December 2022 was approximately S\$175,000 and the net profit attributable to the Sale Shares for FY2022 was approximately S\$22,000. No valuation on the Sale Shares was commissioned in connection with the Proposed Acquisition.

3. RATIONALE FOR AND BENEFITS OF THE PROPOSED ACQUISITION

With the cyber threat landscape evolving rapidly in an increasingly complex environment, cybersecurity has become one of the key priorities in many businesses. The Proposed Acquisition would allow the Group to expand its presence in the cybersecurity market and capitalise on the growing demand for robust security solutions. By combining the Group’s expertise and resources with the Target’s industry recognition and regional reach, this would allow the Group to offer enhanced cybersecurity services and support to customers across the region. The Proposed Acquisition is expected to bring positive revenue growth for the Group and the creation of synergies that drive continued expansion in the cybersecurity market.

The Board has considered the terms of the Proposed Acquisition and the prospects of the Target Group and is of the view that the Proposed Acquisition is in the best interest of the Company and its shareholders.

4. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

4.1 Principal Terms of the SPA

4.1.1 Consideration for the Sale Shares

Under the terms of the SPA, the Company will acquire the Sale Shares for an aggregate purchase consideration of up to S\$2,000,000 (“**Total Consideration**”) in cash.

The Total Consideration comprises the following:

- (a) S\$1,000,000, to be paid in cash by the Company to the Vendor on the date of the completion (“**Completion**”) of the Proposed Acquisition (“**Completion Date**”); and
- (b) an amount of up to S\$1,000,000 (“**Earn-out Consideration**”), payable by the Company to the Vendor, subject to and in the manner provided in paragraph 4.1.2 below.

The Total Consideration was arrived at on willing-buyer and willing-seller basis and after taking into account, amongst other things (a) the Target Group’s background and its technical capability, track record and operating history, (b) the historical financial performance and financial position of the Target Group, (c) the Target Group’s order book, (d) the net asset value of the Target Group, and (e) the potential synergistic benefits to the Group arising from the Proposed Acquisition.

The Proposed Acquisition will be funded through the Group’s internal resources.

4.1.2 Earn-out Consideration

The Earn-out Consideration comprises the amount payable by the Company to the Vendor as described below.

The parties have agreed that, subject to completion of the Proposed Acquisition being effected, in the event that the audited consolidated net profit after taxation and minority interest (but excluding and disregarding extraordinary items) of the Target Group as determined on a consistent basis and in accordance with accounting principles, standards and practices generally accepted in Singapore (“NPAT”) for each of its financial years ending 31 December (“FY”) 2024, 2025 and 2026 is equal to or more than the NPAT figure in respect of each FY2024, FY2025 and FY2026 set out in the second row of the table below (“NPAT Target”), the Company shall in respect of each such FY pay to the Vendor an amount set out in the third row of the table below (“Earn-out Amount”):

	FY2024	FY2025	FY2026	Total
NPAT Target (S\$)	250,000	850,000	1,300,000	2,400,000
Earn-out Amount (S\$)	100,000	400,000	500,000	1,000,000

The NPAT shall be ascertained from the audited consolidated financial statements of the Target Group for FY2024, FY2025 and FY2026 respectively.

The NPAT Targets are cumulative. If the NPAT Target for a particular FY is achieved, only the balance amount of the NPAT (that exceeds the relevant NPAT Target) shall be carried over and added to the NPAT for the following FY. If the NPAT Target for a particular FY is not achieved, the entire NPAT for such FY shall be carried over and added to the NPAT for the following FY, save that the NPAT Target or cumulative NPAT Target for FY2026 may be not carried over into FY2027.

If the NPAT Target for a particular FY is not achieved, the Vendor shall not be entitled to payment of the corresponding Earn-out Amount in respect of such FY. To the extent that the cumulative NPAT Target in respect of FY2024, FY2025 and FY2026 of S\$2,400,000 has not been achieved by reference to the cumulative NPAT for FY2024, FY2025 and FY2026, the Vendor shall not receive any Earn-out Amount as described above, but he shall be entitled to receive such payment to be computed in the manner set out in the following paragraph.

In such event, the Company shall nonetheless, within five (5) business days after the audited consolidated financial statements of the Target Group for FY2027 have been signed off by the Company’s auditors, pay to the Vendor an amount computed as follows:

$$\text{Amount payable to Vendor} = N / T \times E$$

Where:

- N = the cumulative NPAT for FY2024, FY2025 and FY2026 that is achieved, less the NPAT Target for any FY that has been met;
- T = the aggregate NPAT Target for FY2024, FY2025 and FY2026, less the NPAT Target for any FY that has been met; and
- E = S\$1,000,000 less any Earn-out Amounts that have been paid to the Vendor in respect of the NPAT Target for any FY that has been met.

For the avoidance of doubt, in no event shall the aggregate of the Earn-out Consideration exceed S\$1,000,000.

It should be noted that the NPAT Targets are purely for purposes of determining the Earn-out Consideration, and are not indicative or projections of the future performance of the Target Group.

4.1.3 Conditions Precedent

Completion of the Proposed Acquisition is conditional upon the fulfilment or waiver of, *inter alia*, conditions precedent (“Conditions Precedent”), among other things:

- (a) completion of a business, legal, tax and financial due diligence exercise on the Target Group by the Company and its representatives and advisers, and the results of such exercise being satisfactory to the Company in its absolute discretion;
- (b) all amounts owing by or due from each Target Group Company's directors and/or his connected persons and connected companies having been fully repaid and received by the relevant Target Group Company;
- (c) the Target having entered into a service agreement with the Vendor (which shall be renewable on an annual basis), in form and substance acceptable to the parties;
- (d) the execution of the Shareholders' Agreement, in form and substance acceptable to the parties;
- (e) receipt by the Company of such approvals, consents and waivers as may be necessary to enable the Company to be registered as holders of the Sale Shares;
- (f) all other necessary approvals, consents, waivers, licences, authorisations, orders, grants, clearances, confirmations, recognitions, permissions and/or registrations ("**Approvals**"), for the Proposed Acquisition and the transactions contemplated under the SPA having been obtained, and all Approvals which are necessary for the carrying on of the business of the Target (both before and immediately after completion) having been granted by all third parties including all governmental authorities, to the Company, the Vendor and the Target (as the case may be), and not withdrawn or amended, on or before the Completion Date, and if such Approval(s) are subject to any condition(s) or restriction(s), such condition(s) or restriction(s) being reasonably acceptable to the parties;
- (g) compliance with all applicable requirements as prescribed under the Listing Manual: Section B: Rules of Catalist of the Singapore Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**") in relation to the Proposed Acquisition; and
- (h) there being no material change to any of the employment terms of any employee of any Target Group Company.

If any of the Conditions Precedent is not fulfilled or waived by the Company on or before 31 October 2023 or such other date as the parties may mutually agree, the SPA shall *ipso facto* cease and determine and none of the parties shall have any claim against the others for costs, damages, compensation or otherwise, save for any claim by the Company against the Vendor arising from a breach of his undertakings to procure fulfilment of certain Conditions Precedent.

As at the date of this announcement, the Conditions Precedent set out in paragraphs 4.1.2 (b) and (d) above have been fulfilled.

4.1.4 Completion

Completion Date shall be the date falling five (5) business days after fulfilment of the Conditions Precedent set out in paragraph 4.1.3 above, or such other date as the parties may mutually agree in writing.

4.1.5 Loan Agreement

The Vendor shall on completion of the Proposed Acquisition enter into a loan agreement with the Target pursuant to which he shall grant to the Target an interest-free shareholder's loan in the aggregate amount of up to S\$700,000 (the "**Loan Agreement**"). The loan shall be available for drawdown by the Target in tranches of at least S\$100,000 or multiples thereof during the period commencing on the date of the Loan Agreement and ending on the date falling five (5) years thereafter (or such later date as may be mutually agreed between the Vendor and the Target) (the "**Availability Period**"), each tranche of such loan to be repayable by the Target to the Vendor on mutually agreed terms save that the date of repayment shall not be later than the date falling five (5) years after the expiry of the Availability Period.

4.1.6 Other Material Terms

The Vendor has under the SPA given customary representations, warranties and undertakings and indemnities to the Company.

The Vendor has also undertaken to use his best endeavours to procure that the employees of each Target Group Company at the date of the SPA remains and continues as employees of the relevant company after completion of the Proposed Acquisition.

In addition, the Vendor has agreed with the Company that the Vendor shall both before and after completion of the Proposed Acquisition continue to provide his personal guarantees to the Target's existing banks in respect of all borrowings extended by such banks to the Target Group that remain outstanding as at the Completion Date, until the earlier of:

- (a) all such borrowings having been fully repaid; and
- (b) the date on which the Vendor ceases to be a director of the Target and ceases to hold any of the issued shares in the capital of the Target, whereupon the Company (so long as it is the largest shareholder of the Target and if required by the Target's banks) shall provide a corporate guarantee to the banks (as the case may be) in lieu of the Vendor's personal guarantee.

If the personal guarantee(s) given by the Vendor are called on, the Company shall indemnify the Vendor in respect of such portion of the liability owed by the Vendor to the banks under such personal guarantee(s), in proportion to the Company's shareholding percentage in the Target at the time such personal guarantee(s) are called on.

The Vendor is also the legal and beneficial owner of all the issued shares in Onesecure Group Pte. Ltd., which has been dormant since incorporation. Under the SPA, the Vendor has undertaken that Onesecure Group Pte. Ltd. shall at all times remain dormant, and he shall as soon as practicable after completion of the Proposed Acquisition procure that it be struck off or wound up.

4.2 Shareholders' Agreement

The Shareholders' Agreement sets out the respective rights and obligations of the Company, the Vendor and the Target as well as to regulate their relationship *inter se* in the conduct of the business and related affairs of the Target.

The Shareholders' Agreement contains customary provisions relating to the management and governance of the Target including without limitation, co-sale rights, drag along rights, reserved matters in favour of the Company, the voting rights of the shareholders and directors, constitution of the board of directors, pre-emptive provisions and non-competition obligations on the part of the Vendor.

5. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition on the Group are set out below strictly for illustrative purposes, and do not necessarily reflect the actual financial performance and position of the Group following the Proposed Acquisition. The financial effects of the Proposed Acquisition have been computed based on the Group's audited consolidated financial statements for FY2022 and the audited consolidated financial statements of the Target Group for FY2022 and applying the Total Consideration of S\$2,000,000.

(a) Net tangible assets (“**NTA**”) per share

Assuming that the Proposed Acquisition had been effected on 31 December 2022, the effects of the Proposed Acquisition on the Group’s NTA per share as at 31 December 2022 would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$’000)	43,588	41,687
Number of shares (’000)	400,002	400,002
NTA per share (cents)	10.90	10.42

(b) Earnings per share (“**EPS**”)

Assuming that the Proposed Acquisition had been effected on 1 January 2022, the effects of the Proposed Acquisition on the Group’s EPS for FY2022 would be as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit attributable to shareholders (S\$’000)	1,289	1,311
Weighted average number of shares (’000)	400,002	400,002
EPS (cents)	0.32	0.33

6. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in respect of the Proposed Acquisition based on the audited consolidated financial statements of the Group for FY2022 and the audited consolidated financial statements of the Target Group for FY2022 are as follows:

Bases under Rule 1006	Relative figures
Rule 1006(a) – Net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable as this is not a disposal
Rule 1006(b) – Net profits attributable to the assets acquired or disposed of, compared with the Group’s net profits	1.5% ⁽¹⁾
Rule 1006(c) – Aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	8.1% ⁽²⁾
Rule 1006(d) – Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e) – Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	Not applicable as the Company is not a mineral, oil and gas company

Notes:

- (1) Based on the net profits attributable to the Sale Shares for FY2022 of approximately S\$22,000 and the Group’s net profits for FY2022 of approximately S\$1,512,000.
- (2) Based on the Total Consideration of S\$2,000,000 and the Company’s market capitalisation of approximately S\$24.8 million. The market capitalisation is based on 400,002,000 shares of the Company (“**Shares**”) in issue and the volume-weighted average price of S\$0.062 per share on 24 July 2023, which is the last full market day on which the Shares were traded prior to the date of the SPA.

Based on the relative figure computed above, the Proposed Acquisition constitutes a disclosable transaction under Chapter 10 of the Catalist Rules and approval from shareholders of the Company will not be required.

7. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect in the Proposed Acquisition, save for their respective shareholdings in the Company, if any.

8. SERVICE CONTRACTS

No person is proposed to be appointed to the Board in connection with the Proposed Acquisition. As such, no service contract is to be entered into between the Company and any such person.

9. DOCUMENTS FOR INSPECTION

A copy of the SPA and the Shareholders' Agreement are available for inspection during normal business hours at the registered office of the Company at 38 Alexandra Terrace, Singapore 119932, for a period of three (3) months from the date of this announcement.

10. FURTHER ANNOUNCEMENTS

The Company will make further announcements to keep shareholders informed, as and when there are further material updates and developments in respect of the Proposed Acquisition.

11. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. In particular, shareholders and potential investors should note that completion of the Proposed Acquisition is subject to fulfilment of various conditions as set out in the SPA. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors or other professional advisers.

12. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

Barry Kan
Executive Director and Chief Executive Officer

1 August 2023

This announcement has been prepared by 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 persons for the Sponsor are Mr. David Tham, Senior Director, Equity Capital Markets and 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.