



(Incorporated in the Republic of Singapore on 14 August 2015)  
(Company Registration Number: 201531866K)

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## PROPOSED ACQUISITION OF RED SENTRY PTE. LTD.

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### 1. INTRODUCTION

The Board of Directors ("**Directors**") of Secura Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to the announcement dated 28 March 2016 in relation to the signing of a memorandum of understanding for the proposed acquisition of Red Sentry Pte. Ltd. ("**RPL**") and Red Sentry Consultancy Pte. Ltd. ("**RCPL**") ("**Announcement**").

*Unless otherwise defined, all capitalised terms used herein shall bear the meanings as ascribed to them in the Announcement.*

Further to the Announcement, the Directors are pleased to announce that the Company's wholly-owned subsidiary, Soverus Technology Pte. Ltd. ("**STPL**"), had, on 16 June 2016, entered into a sale and purchase agreement ("**SPA**") with Mr. Ong Hock Ling, Ms. Yew Lea Tiang Annie and Mr. Ng Chiang Chui (collectively, the "**Vendors**"), to acquire 100,000 ordinary shares ("**Sale Shares**") representing the entire issued and paid-up share capital of RPL on the terms and subject to the conditions of the SPA ("**Proposed Acquisition**").

### 2. INFORMATION ON RPL

RPL is an exempt private company limited by shares incorporated in Singapore on 16 June 2000, and carries on the business of wholesale of information technology products, including the provision of cyber security solutions, secure cloud solutions, and enterprise security and compliance solutions. As at the date of this announcement, RPL has an issued and paid-up capital of S\$100,000 comprising 100,000 ordinary shares.

Based on the unaudited management accounts of RPL for the financial year ended 31 March 2016, the book value and net tangible asset value was approximately S\$1,015,000. The net profit after tax was approximately S\$292,000. No independent valuation was conducted on RPL.

The Vendors are not related to the Directors, controlling shareholders of the Company and their respective associates.

### 3. CONSIDERATION

#### 3.1. Details of Consideration

The total consideration ("**Consideration**") for the Proposed Acquisition shall be an aggregate sum of S\$2,700,000 in cash of which S\$2,525,920 is payable in as follows:

- (a) S\$1,524,987, S\$385,467 and S\$115,000 shall be payable to Mr. Ong Hock Ling, Ms. Yew Lea Tiang Annie and Mr. Ng Chiang Chui respectively, on Completion Date (defined below); and

- (b) S\$385,466 and S\$115,000 shall be payable to Ms. Yew Lea Tiang Annie and Mr. Ng Chiang Chui respectively, on 31 March 2017.

The remainder of the Consideration, being S\$174,080 will be payable to Ms. Yew Lea Tiang Annie and Mr. Ng Chiang Chui, subject to both Ms. Yew Lea Tiang Annie and Mr. Ng Chiang Chui remaining in the service of the Company for a one (1) year period commencing from Completion Date, of which S\$134,080 and S\$40,000 will be payable to Ms. Yew Lea Tiang Annie and Mr. Ng Chiang Chui respectively.

The Consideration was determined based on arm's length negotiations and arrived at on a willing buyer, willing seller basis and taking into account, *inter alia*, the unaudited net profit after tax of RPL and the earnings and growth potential of RPL.

### 3.2. Funding of the Consideration

The Proposed Acquisition will be funded through the Company's internal resources.

## 4. MATERIAL CONDITIONS OF THE SPA

### 4.1. Conditions Precedent

The sale and purchase of the Sale Shares is conditional upon, *inter alia*:

- (a) delivery of a letter of undertaking from the Vendors to STPL to cease all operations of RCPL within one (1) month of Completion Date and to successfully strike off RCPL with six (6) months of Completion Date;
- (b) no dividends or distributions having been made to the existing shareholders of RPL from 1 February 2016 onwards;
- (c) no increments or bonuses having been awarded to any of the current employees of RPL unless they are part of substantiated normal annual payments;
- (d) all loans made by RPL to its directors and Vendors having been fully repaid;
- (e) all loans made to RPL by the Vendors having been capitalised into equity;
- (f) each pledge, charge, and encumbrances on the shares and assets of RPL having been discharged or released;
- (g) the business of RPL having been carried on in a reasonably satisfactory manner and RPL not having disposed of any material assets or assumed or incurred any material liabilities (including contingent liabilities) other than those in the ordinary course of its business;
- (h) all necessary consents and approvals being granted by the directors and shareholders of RPL, including the delivery of a certified true copy of RPL's board resolution approving the sale of the Sale Shares to STPL;
- (i) the delivery of RPL's management accounts for the financial year ended 31 March 2016 and for the period from 1 April 2016 to 31 May 2016;
- (j) all monies or inter-company balances owing by (i) the Vendors; or (ii) any company controlled by any of the Vendors (save for RCPL) to RPL ("**Inter-co Balances**") as at the date of the SPA, having been paid and no Inter-co Balances arising after the date of the SPA;

- (k) delivery of a copy of each of Ms. Yew Lea Tiang Annie and Mr. Ng Chiang Chui's current and existing employment contract entered into with RPL;
- (l) delivery of a certificate from the director(s) of RPL that there are no intercompany billings, loans and monies transferred and/or owing between RPL and RCPL as at Completion Date;
- (m) all necessary consents and approvals being granted by third parties, bankers, financial institutions or governmental or regulatory authorities or competent authorities having jurisdiction over the sale of the Sale Shares and all necessary or appropriate filings having been made and all appropriate waiting periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated, in each case for or in connection with the completion of the Proposed Acquisition ("**Completion**") and to carry on the business of RPL, and where any abovementioned consent or approval is subject to any conditions, such conditions being reasonably acceptable to STPL;
- (n) the approval of the shareholders of STPL not being required for STPL to enter into the SPA and to effect Completion; and
- (o) deliver to the Vendors, at least three (3) business days prior to Completion Date, a guarantee in writing by the Company guaranteeing the payment of any amount of the Consideration due and payable by STPL to the Vendors and in a form acceptable to the Vendors.

#### **4.2. Completion**

The date of Completion is 30 June 2016 or such other date as may be agreed in writing between STPL and the Vendors ("**Completion Date**"), subject to the satisfaction of all the conditions precedent set out in the SPA (unless waived by STPL).

#### **4.3. Effect of Non-fulfilment of Conditions Precedent**

In the event that any of the conditions precedent set out in the SPA is not fulfilled by the relevant party or is not waived by STPL on or before 30 June 2016 or such other date that the parties may agree in writing, the SPA will lapse without any claim by any party against the other party save for any antecedent breaches.

#### **5. RATIONALE**

RPL is one of the leading providers of cyber security solutions services. The Company believes that the cyber security business of RPL will complement and further boost the Group's existing cyber security business, allowing the Group to expand its cyber security offerings and enlarge its market share in Singapore. The Directors believes that the Proposed Acquisition will create synergies within the Group.

The Directors consider the Proposed Acquisition to be in the interest of and is beneficial to the Group and shareholders of the Company ("**Shareholders**").

#### **6. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE CATALIST RULES**

Based on the latest unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2016 and the management accounts of RPL for the financial year ended 31 March 2016, the relative figures for the Proposed Acquisition computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the SGX-ST are set out below:

Rule 1006 of the Catalyst Rules	Bases	Relative Figures (%)
(a)	Net assets value of assets to be disposed of compared to the Group's net asset value	Not Applicable
(b)	Net profit attributable to the assets to be acquired, compared with the Group's net profits	5.2% <sup>(1)</sup>
(c)	Aggregate value of the Consideration, compared with the Company's market capitalisation	4.0% <sup>(2)</sup>
(d)	Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue	Not Applicable
(e)	The 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

**Notes:**

- (1) The Group's profit before tax for the three-month period ended 31 March 2016 was approximately S\$6,164,000. RPL's profit before tax for the financial year ended 31 March 2016 was approximately S\$320,000.
- (2) The Company's market capitalisation of approximately S\$67,480,000 was computed based on the Company's existing issued and paid-up share capital of 400,000,000 shares as at the date of this announcement and the volume-weighted average price of S\$0.1687 per share on 15 June 2016, being the last market day preceding the date of the SPA.

Having regard to the above, as the relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules exceeds 5.0% but not 75.0%, the Proposed Acquisition constitutes a "discloseable transaction" under Rule 1010 of the Catalyst Rules.

## 7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The financial effects of the Proposed Acquisition are for illustration purposes only and do not reflect the actual future financial position of the Group after Completion.

The pro forma financial effects have been computed based on (a) the Group's unaudited pro forma combined financial information for the financial year ended 31 December 2015; and (b) the management accounts of RPL for the financial year ended 31 March 2016.

### 7.1. Net tangible assets ("NTA") per share

Assuming that the Proposed Acquisition had been completed on 31 December 2015, the effect of the Proposed Acquisition on the Group's NTA per share as at 31 December 2015 would be as follow:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (S\$'000)	13,560	11,875
Number of issued shares ('000) <sup>(1)</sup>	400,000	400,000
NTA per share (cents)	3.39	2.97

**Note:**

- (1) Based on the post-IPO share capital of 400,000,000 shares which were assumed to be in issue throughout the entire year presented.

7.2. Earnings per share (“EPS”)

Assuming that the Proposed Acquisition had been completed on 1 January 2015, the effect of the Proposed Acquisition on the EPS for the financial year ended 31 December 2015 would be as follow:

	Before the Proposed Acquisition	After the Proposed Acquisition
Net profit after tax (S\$'000)	3,534	3,826
Weighted average number of shares ('000) <sup>(1)</sup>	400,000	400,000
EPS (cents)	0.88	0.96

**Note:**

- (1) Based on the post-IPO share capital of 400,000,000 shares which were assumed to be in issue throughout the entire year presented.

**8. SERVICE AGREEMENTS**

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

**9. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, directly or indirectly, in the Proposed Acquisition, save for their shareholdings in the Company.

**10. DIRECTORS' 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.

**11. DOCUMENT FOR INSPECTION**

A copy of the SPA shall be available for inspection at the Company's registered office at 8 Pioneer Road North, Singapore 628460 during normal business hours for a period of three (3) months from the date of this announcement.

## 12. 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.

## 13. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. In particular, Shareholders and potential investors should note that Completion 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 advisors.

BY ORDER OF THE BOARD

Lim Siok Leng  
Executive Director and Chief Financial Officer

17 June 2016

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*This announcement has been prepared by Secura Group Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and 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 Khong Choun Mun, Managing Director and Head, Equity Capital Markets and 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 6539 1177.*