



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

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## PROPOSED SUBSCRIPTION OF SHARES IN CUSTODIO TECHNOLOGIES PTE. LTD.

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*Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Company's announcements dated 15 December 2016, 3 March 2017 and 20 April 2017 in relation to the Proposed Subscription (as defined below) ("**Announcements**").*

### 1. INTRODUCTION

Further to the Announcements, the board of directors (the "**Board**" or the "**Directors**") of Secura Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that the Company, Custodio Pte. Ltd. ("**Custodio**") and Custodio Technologies Pte. Ltd. ("**CTPL**") (collectively, the "**Parties**" and each a "**Party**") had, on 16 May 2017, entered into a subscription and shareholders' agreement ("**SSHA**") to subscribe for 200 new ordinary shares representing 20% of the enlarged issued and paid-up share capital of CTPL on the terms and subject to the conditions of the SSHA ("**Proposed Subscription**").

### 2. INFORMATION ON CUSTODIO AND CTPL

#### 2.1 CTPL

CTPL is a wholly-owned subsidiary of Custodio and was incorporated in Singapore in September 2016. Its principal activities are to carry on, in Singapore, the business and activities of research and development of new cybersecurity solutions and capabilities with a focus on cyber early warning technology.

As at the date of this announcement, CTPL has an issued and paid-up capital of S\$742,719.44 consisting of 800 ordinary shares.

Based on the management accounts of CTPL for the three-month period ended 31 March 2017, the net profit after tax was approximately S\$18,000. The book value and net tangible asset value was approximately S\$761,000. No independent valuation was conducted on CTPL.

#### 2.2 Custodio

Custodio was incorporated in Singapore in January 2014 and its ultimate shareholding company is Israel Aerospace Industries Ltd., Israel's largest aerospace and defence company and a globally recognised technology and innovation leader, specializing in developing and manufacturing advanced, state-of-the-art systems for air, space, sea, land, cyber and homeland security.

Custodio's principal activities in Singapore are to carry on, through CTPL, the business and activities of research and development of new cybersecurity solutions and capabilities with a focus on cyber early warning technology.

The shareholders of Custodio are not related to the Directors or controlling shareholders of the Company or their respective associates.

### 3. **CONSIDERATION**

The consideration ("**Consideration**") for the Proposed Subscription shall be US\$4.5 million in cash (or equivalent to approximately S\$6.3 million based on an exchange rate of US\$1.00:S\$1.40) and shall be funded through the Company's internal resources.

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 CTPL and the earnings and growth potential of CTPL.

### 4. **MATERIAL CONDITIONS OF THE SSHA**

#### 4.1 **Conditions Precedent**

The Proposed Subscription is conditional upon, *inter alia*:

- (a) the results of the financial, tax, commercial, regulatory, operations and legal due diligence on CTPL being reasonably satisfactory to the Company in its sole discretion;
- (b) completion of the asset transfer agreement (pursuant to which CTPL shall acquire the entire business conducted by Custodio ("**Custodio Business**") and its assets excluding certain assets such as cash and interests in other unrelated businesses) in accordance with its terms and the acquisition of the Custodio Business on terms satisfactory to the Company in its sole discretion; and
- (c) the Company and Custodio agreeing on the form of the restated constitution to be adopted by CTPL.

The Company may at any time waive in whole or in part and conditionally or unconditionally the conditions precedent. If the conditions precedent are not satisfied on or before the date falling six (6) months from the date of the SSHA (or such other date as the Parties may agree in writing) and as a result, completion of the Proposed Subscription will not take place, the SSHA shall lapse and no Party shall have any claim against any other Party.

#### 4.2 **Pre-Completion**

Each of Custodio and CTPL undertakes to procure and ensure that, between the period commencing on the date of the SSHA and ending on Completion Date (as defined below), CTPL:

- (a) shall carry on its business and the Custodio Business as a going concern in the ordinary and usual course as carried on prior to the date of the SSHA, save in so far as otherwise consented to in writing by the Company (such consent not to be unreasonably withheld or delayed);
- (b) without prejudice to the generality of the foregoing, CTPL shall not without the prior written consent of the Company:
  - (i) enter into, or exercise an option in relation to, any agreement or incur any commitment involving any capital expenditure in excess of S\$20,000 per item

and S\$200,000 in aggregate, in each case exclusive of the prevailing goods and services tax ("**GST**") or equivalent tax;

- (ii) enter into, or exercise an option in relation to, or amend, any agreement or incur any commitment which is not in the ordinary and usual course of business or which involves or may involve total annual expenditure in excess of S\$500,000, exclusive of GST or equivalent tax;
- (iii) acquire or dispose of, or agree to acquire or dispose of, any material asset or material stock, or enter into or amend any agreement or incur any commitment to do so, in each case involving consideration, expenditure or liabilities in excess of S\$500,000, exclusive of GST or equivalent tax;
- (iv) acquire or agree to acquire any shares or other interests in any company, limited liability partnership, partnership, business trust or other venture;
- (v) incur any additional borrowings or incur any other indebtedness;
- (vi) create, allot or issue any share capital or loan capital of CTPL or any option to subscribe for the same;
- (vii) repay, redeem or repurchase any share capital or loan capital of CTPL; or
- (viii) make any change to CTPL's accounting practices or policies or amend CTPL's constitution or other constitutive document.

#### **4.3 Other Salient Terms**

In the event the profit before tax of CTPL is less than S\$1.0 million for the financial year ended 2017, then for a period of 14 days commencing on and from the date of the audited consolidated financial statements of CTPL, the Company shall be entitled to require Custodio to sell to the Company such number of ordinary shares in CTPL representing 5% of the total issued share capital of CTPL on a fully diluted basis, for a nominal consideration of US\$1.

#### **5. COMPLETION**

Completion of the Proposed Subscription shall take place on a date falling within four (4) weeks from the date of the SSHA or such other date as the Parties may mutually agree ("**Completion Date**"), subject to the satisfaction of all the conditions precedent set out in the SSHA (unless waived by the Company).

#### **6. RATIONALE**

The Proposed Subscription will provide an opportunity for the Company to grow its cybersecurity business in the area of cyber early warning technology and establish itself as an innovation centre for the design and implementation of such firmware, hardware and software, which the Company believes has potential for growth.

The Proposed Subscription will also allow the Company to (i) tap into Israel's innovation; and (ii) have the right to distribute and sell products and solutions from CTPL's research and development efforts.

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

**7. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE LISTING MANUAL RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”) (“CATALIST RULES”)**

Based on the latest unaudited consolidated financial statements of the Group for the three-month period ended 31 March 2017 and the management accounts of CTPL for the three-month period ended 31 March 2017, the relative figures for the Proposed Subscription computed on the bases set out in Rule 1006 of the Catalist Rules are set out below:

<b>Rule 1006 of the Catalist Rules</b>	<b>Bases</b>	<b>Relative Figures (%)</b>
(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	-6.3% <sup>(1)</sup>
(c)	Aggregate value of the Consideration, compared with the Company's market capitalization	11.4% <sup>(2)</sup>
(d)	Number of equity securities issued by the Company as consideration for the Proposed Subscription, 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 loss before tax for the three-month period ended 31 March 2017 was approximately S\$284,000. CTPL's profit before tax for the three-month period ended 31 March 2017 was approximately S\$18,000.
- (2) The Company's market capitalisation of approximately S\$55.5 million was computed based on the Company's existing issued and paid-up share capital of 400,000,000 shares and the volume-weighted average price of S\$0.1387 per share on 11 May 2017, being the last market day preceding the date of the SSHA on which the Company's shares were traded.

Having regard to the above, as the absolute relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 5.0% but not 75.0%, the Proposed Subscription constitutes a “discloseable transaction” under the Catalist Rules.

**8. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION**

The financial effects of the Proposed Subscription are for illustration purposes only.

The financial effects have been computed based on (a) the Group's audited financial statements for the financial year ended 31 December 2016; and (b) the management accounts of CTPL for the financial year ended 31 December 2016.

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

Assuming that the Proposed Subscription had been completed on 31 December 2016, the effect of the Proposed Subscription on the Group's NTA per share as at 31 December 2016 would be as follow:

	<b>Before the Proposed Subscription</b>	<b>After the Proposed Subscription</b>
NTA <sup>(1)</sup> (S\$'000)	43,572	43,572
Number of issued shares ('000)	400,000	400,000
NTA per share (cents)	10.89	10.89

**Note:**

(1) NTA refers to total assets less total liabilities and intangible assets, net of non-controlling interests.

## **8.2 Earnings per share (“EPS”)**

Assuming that the Proposed Subscription had been completed on 1 January 2016, the effect of the Proposed Subscription on the EPS for the financial year ended 31 December 2016 would be as follow:

	<b>Before the Proposed Subscription</b>	<b>After the Proposed Subscription</b>
Profit attributable to owners of the Company (S\$'000)	954	954 <sup>(1)</sup>
Weighted average number of shares ('000) <sup>(2)</sup>	386,536	386,536
EPS (cents)	0.25	0.25

**Notes:**

(1) There is no financial effect as CTPL commenced business operations in January 2017.

(2) The weighted average number of shares is calculated based on the number of ordinary shares from the date of issuance of new shares pursuant to the Company's initial public offer, up to 31 December 2016.

## **9. SERVICE AGREEMENT**

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

## **10. 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 Subscription, save for their shareholdings in the Company.

## **11. 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 Subscription, 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.

## **12. DOCUMENT FOR INSPECTION**

A copy of the SSHA shall be available for inspection at the Company's registered office at 38 Alexandra Terrace, Singapore 119932 during normal business hours for a period of three (3) months from the date of this announcement.

### 13. 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 Subscription.

### 14. 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 of the Proposed Subscription is subject to fulfilment of various conditions as set out in the SSHA. 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

16 May 2017

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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.*

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