



# SECURITY BEYOND BOUNDARIES

ANNUAL REPORT 2024

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## Get more information online

A pdf of the full Annual Report and further information about the Group and our businesses can be found online at our website: [www.ips-securex.com](http://www.ips-securex.com)

This Annual Report has been prepared by IPS Securex Holdings Limited ("Company") and has been reviewed by the Company's sponsor, United Overseas Bank Limited ("Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

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

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



## CORPORATE PROFILE

# A LEADING ONE-STOP SECURITY SOLUTIONS PROVIDER

IPS Securex Holdings Limited (“**IPS Securex**” or the “**Company**” and, together with its subsidiaries, the “**Group**”) has established itself as one of Singapore’s leading providers of security products and integrated security solutions to commercial entities and government bodies and agencies in the Asia-Pacific.

The Company was listed on the Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in 2014. Since 2000, the Group has been providing a diverse base of customers with security products and integrated security solutions which are deployed to address various security requirements, including checkpoint security, law enforcement and the protection and surveillance of buildings and critical infrastructure.

In Singapore, the Government Supplier Registration (“**GSR**”) is a process through which vendors and suppliers register with the government to be eligible to participate in certain public sector tenders and procurement opportunities. This registration process helps streamline the procurement process and ensures that only qualified suppliers are considered for certain government contracts.

The Company’s subsidiary, IPS Securex Pte. Ltd. (“**IPS Securex PL**”) is registered under the GSR with the financial grade of S9 and tendering capacity of up to S\$30,000,000. The Company’s subsidiary, Securex GS Pte. Ltd. (“**Securex GS**”) is also registered under GSR with the financial grade of S7 and tendering capacity of up to S\$5,000,000.

In Singapore, firms registered with Building and Construction Authority (“**BCA**”) and its Contractors Registration System (“**CRS**”) are eligible to participate in public sector construction tenders with project values corresponding to the tendering limit based on their grade. IPS Securex PL is registered with BCA and its CRS under the Mechanical & Electrical Workheads (ME) 04 for Communications & Security Systems with the financial grade of L6 and unlimited tendering limit. Securex GS is also registered with BCA under the same workhead with the financial grade of L5 and tendering limit of up to S\$16 million.

As a one-stop service provider that designs, supplies, installs, tests, commissions, maintains and leases security products and integrated security solutions, the Group has built an accomplished and thriving reputation in the security products and solutions industry.



# CHAIRMAN'S STATEMENT



**ONG BENG CHYE**

INDEPENDENT NON-EXECUTIVE CHAIRMAN

## DEAR SHAREHOLDERS,

On behalf of the Board of Directors (the “**Board**” or the “**Directors**”) of IPS Securex, I am pleased to present the annual report of the Company for the financial year ended 30 June 2024 (“**FY2024**”) (“**Annual Report**”).

### REVIEW OF FY2024

It has been a year of significant challenges and achievements for IPS Securex. Firstly, our Executive Director and Group CEO, Mr. Kelvin Lim Ching Song, decided to step down from his position to pursue personal interests and spend more quality time with his family.

In light of this transition, the Board has appointed Mr. Kendrick Boey Teik Heng, as the acting CEO of the Group. Prior to this new appointment, Mr. Boey was the Deputy Chief Operating Officer of Securex GS Pte Ltd – General Security Products division of the Group. Mr. Boey joined the Group as Vice President of Operations on 1 August 2017 and was responsible for the strategic planning, overall management and business development of the General Security Products division. In March 2020, Mr. Boey was promoted to General Manager to manage the sales and operations of the General Security Products division.

## BUSINESS HIGHLIGHTS

Revenue from the Security Solutions Business increased by approximately S\$1.8 million or 23.9% from S\$7.7 million in FY2023 to S\$9.5 million in FY2024. This was mainly attributable to an increase in revenue in FY2024 from providing integrated security solutions in Singapore of S\$1.3 million, an increase in the sale of security products to customers in Singapore of S\$90,000, in Rest of Southeast Asia<sup>(2)</sup> of S\$495,000; partially offset by a decrease in sales of security products to customers in Indochina<sup>(1)</sup> of S\$20,000, in East Asia<sup>(3)</sup> of S\$25,000 and in Others<sup>(4)</sup> of S\$8,000.

Revenue from the Maintenance and Leasing Business increased by approximately S\$314,000 or 8.1% from S\$3.9 million in FY2023 to S\$4.2 million in FY2024. This was mainly attributable to an increase in revenue from the provision of maintenance support services to a customer in Singapore of S\$1.1 million and partially offset by a decrease in revenue from the provision of maintenance support services to customers in Rest of Southeast Asia<sup>(2)</sup> of S\$783,000.

Looking ahead, we will continue to innovate and expand our market presence. Our focus on key strategic priorities such as customer satisfaction, operational efficiency, key market opportunities will position us for continued success in the evolving landscape of the security sector.

# CHAIRMAN'S STATEMENT

Improving operational effectiveness to achieve profitability remains a cornerstone, with a focus on refining processes to improve agility and responsiveness. Technological investments are being evaluated to drive innovation and efficiency, while sustainability initiatives are being strengthened to align with regulatory standards and enhance corporate reputation. These proactive steps are geared towards fortifying the Company's resilience and driving sustainable growth in a dynamic global landscape.

In Singapore, the GSR is a process through which vendors and suppliers register with the government to be eligible to participate in certain public sector tenders and procurement opportunities. This registration process helps streamline the procurement process and ensures that only qualified suppliers are eligible to participate in certain government contracts. The Company's subsidiary, IPS Securex PL is registered under the GSR with the financial grade of S9 and tendering capacity of up to S\$30,000,000. The Company's subsidiary, Securex GS is also registered under GSR with the financial grade of S7 and tendering capacity of up to S\$5,000,000.

In Singapore, firms registered with BCA and its CRS are eligible to participate in public sector construction tenders with project values corresponding to the tendering limit based on their grade. IPS Securex PL is registered with BCA and its CRS under the Mechanical & Electrical Workheads (ME) 04 for Communications & Security Systems with the financial grade of L6 and unlimited tendering limit. Securex GS is also registered with BCA under the same workhead with the financial grade of L5 and tendering limit of up to S\$16 million.

By focusing on key customers in sectors such as government sites, data centres, and commercial buildings, the Group aims to provide stable revenue streams, enhancing business stability and growth prospects.

Overall, these proactive measures underscore the Company's commitment to navigating challenges effectively, fostering resilience, and positioning itself for continued success in the evolving market landscape.

## SUSTAINABILITY CORE

The Group continues to hold sustainability in our core, allowing us to maintain our long-term value as a security solutions provider. Our commitment to sustainable practices encompasses various economic, environmental, social and governance factors ("EESG"). We have an end-to-end ESG solution that helps us to measure our emissions (Scope 1, 2 and 3), report ESG performance, and decarbonize our value chain. With the urgency of climate change, the Group acknowledges that attaining a net zero emission is challenging. Nevertheless, the Board is committed to accelerate its EESG scope and integrate the sustainability goals on climate change within our core business in the coming years.

I would like to take this opportunity to thank Mr. Chan Tien Lok and Mr. Joseph Tan Peng Chin for their support over the past 10 years since the Company's listing on the Catalist of the SGX-ST on 30 June 2014. Both Mr. Chan and Mr. Tan will be stepping down from the Board at the forthcoming annual general meeting of the Company for their retirement plans.

On behalf of my fellow Board members and management team, I would like to thank all our employees, customers and business partners for your continued support as we continue to traverse the challenges ahead. We would like to express our appreciation to our shareholders for your continued trust and unwavering support to IPS Securex through these challenging years as we continue to work towards achieving a sustainable growth path.

**ONG BENG CHYE**

INDEPENDENT NON-EXECUTIVE CHAIRMAN

### Notes:

- (1) "Indochina" includes Myanmar, Thailand, Laos, Cambodia and Vietnam.
- (2) "Rest of Southeast Asia" includes Malaysia, Brunei, Indonesia, Philippines and Timor Leste.
- (3) "East Asia" includes People's Republic of China, South Korea and Japan.
- (4) "Others" includes Australia, United States of America and India.

## BOARD OF DIRECTORS



**MR ONG BENG CHYE**  
INDEPENDENT NON-EXECUTIVE CHAIRMAN

**Mr Ong Beng Chye** was re-designated as the Independent Non-Executive Chairman on 1 August 2023 and was previously the Lead Independent Director of the Company. He was re-appointed to the Board on 25 October 2022.

Mr Ong has more than 28 years of experience in areas such as accounting, auditing, public listings, due diligence, mergers and acquisitions, and business advisory. He is currently a director of Appleton Global Private Limited, a business management and consultancy services firm. He is also serving as an independent director of other public listed companies in Singapore.

Mr Ong is a Fellow of The Institute of Chartered Accountants in England and Wales, a Chartered Financial Analyst conferred by the CFA Institute and a non-practising member of the Institute of Singapore Chartered Accountants. He holds a Bachelor of Science (Honours) from City, University of London.



**MR CHAN TIEN LOK**  
NON-EXECUTIVE DIRECTOR

**Mr Chan Tien Lok** is the Founder and was the Non-Executive Chairman of the Group. He was re-designated to Non-Executive director on 1 August 2023. He was re-appointed to the Board on 26 October 2023.

Mr Chan has over 19 years of experience in the security products and solutions industry. He founded IPS Group Pte. Ltd. (“IPSG”) in 1986 and is currently the Chairman of IPSG. He is responsible for the overall business development and strategic planning within IPSG.

Prior to the founding of IPSG, he was the managing director of United Machinery Services Pte Ltd (now known as Denyo United Machinery Pte. Ltd.) where he was responsible for managing the company’s overall operations from 1979 to 1986. He was the sole proprietor of Danill Machinery Services from 1976 to 1979, and had served as the service manager of Auto and Plant Services Pte Ltd from 1973 to 1976.



## BOARD OF DIRECTORS



**MR JOSEPH TAN PENG CHIN**  
INDEPENDENT DIRECTOR

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**Mr Joseph Tan Peng Chin** is an Independent Director of the Company. He was re-appointed to the Board on 26 October 2023.

Mr Tan has over 31 years of experience in legal practice. He was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1982 and thereafter practiced as a legal associate at Freshfields before founding Wong Yoong Tan & Molly Lim in 1987 and subsequently becoming its managing partner. He founded Tan Peng Chin LLC in 1994 and oversaw the company's practice as managing partner/senior director till his retirement from the firm in 2014. In addition, Mr Tan was also an Independent Director of Armstrong Industrial Corporation from 1995 to 2014 and has been an Independent Director of OM Holdings Limited, a company listed on both the Australian Securities Exchange and Bursa Malaysia.

Mr Tan graduated with a Bachelor of Laws (Hons) from the National University of Singapore. His expertise is in the areas of corporate finance, banking, corporate and commercial laws.

# MANAGEMENT TEAM

## MR BOEY TEIK HENG

ACTING CHIEF EXECUTIVE OFFICER

**Mr Boey Teik Heng** is the Acting Chief Executive Officer of the Group.

He joined the Group as Vice President of Operations on 1 August 2017 and was responsible for the strategic planning, overall management and business development of the General Security Products division. In March 2020, Mr Boey was promoted to General Manager to manage the sales and operations of the General Security Products division and on 20 September 2024, he was appointed as the Acting Chief Executive Officer of the Group to oversee the overall business development, strategic planning and operations of the Group.

Mr Boey has more than 20 years of experience in the security industry. He gained various experience in sales, service and project management related matters from managerial positions held in Johnson Controls, Tyco Fire, Security and Services, TJ Systems and Aeqon between 2005 and 2017. He is well versed in the design and implementation of integrated security management, cyber security operations and technology solutions.

In addition to his extensive experience, Mr Boey holds a Diploma in Marketing & Sales Management awarded to him in 2011 by the PSB Academy in collaboration with the University of Cambridge. He has also completed several courses and certifications including the “AWS Certified Solutions Architect”, “TAPA Facility Security Requirements (FSR) 2023 Authorised Auditor (AA)”, and “ISO/IEC 27001:2013 and ISO 22301: 2019 Internal Auditor”, which further adds to his qualifications and expertise.

## MR LEE YEOW KOON

CHIEF OPERATING OFFICER

**Mr Lee Yeow Koon** is the Chief Operating Officer of the Group.

He has more than 13 years of managerial experience in the security products and solutions industry and is responsible for overseeing and managing the day-to-day operations of the Group’s business operations. He joined the Group in 2005 as a service engineer for IPS Securex and was involved in the provision of maintenance support services to existing customers on the security products and integrated security solutions supplied by the Company. He subsequently assumed the role of sales engineer in the Company’s sales department, where he was responsible for the sales development and account management, and had also assisted the division manager in securing several key projects for the Company.

Mr Lee was promoted to contract manager in 2011 and was responsible for managing and reviewing the business contracts and agreements of IPS Securex, and the handling of key customer accounts. He then served as the General Manager – Operations of the Group from 2013 to September 2015, and was subsequently promoted to Chief Operating Officer of the Group. Prior to joining the Group, Mr Lee was a project executive with Premier Exhibition Services Pte. Ltd. from 2003 to 2005, where he assisted in the management and execution of consumer exhibitions. He was previously also an air defence systems specialist for the Republic of Singapore Air Force from 1997 to 2003 and had gained technical experience in the operation and maintenance of air defence systems. Mr Lee holds a Diploma in Electronics, Computer and Communications Engineering from Singapore Polytechnic.





# MANAGEMENT TEAM

## MS LEE SIEW HAN

FINANCE AND ADMINISTRATION DIRECTOR

**Ms Lee Siew Han** is the Finance and Administration Director of the Group.

She joined the Group in 2013 and is in charge of the Group's financial, administrative, and accounting operations. Ms Lee has more than 28 years of experience in accounting and finance related matters. Ms Lee has worked in the finance and administration department of IPSP as deputy general manager and financial controller with the responsibility of the management of the accounts and finance, sales administration support, purchasing, stock control and compliance functions of IPSP and its subsidiaries.

Before joining IPSP, Ms Lee gained experience in the management of accounting and finance matters from managerial positions held in KS Distribution Pte. Ltd., Aqua-Terra Supply Co., Ltd., and National University Hospital between 2004 and 2010. Prior to this, she had also held accounting positions at Sunshine Welfare Action Mission, NTUC Club, VICOM Ltd., AGRA Baymont Pte. Ltd. and Trident Travels Ltd. from 1984 to 2009.

Ms Lee is a member of the Institute of Singapore Chartered Accountants.

## MR LEE CHEA SIANG

GENERAL MANAGER (HOMELAND)

**Mr Lee Chea Siang** is the General Manager (Homeland) of the Group.

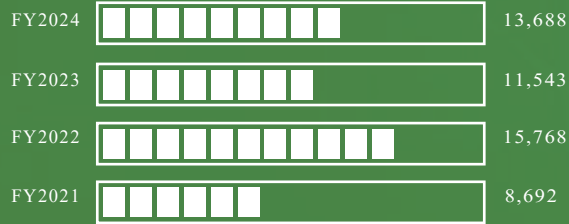
He joined the Group in 2005 and is responsible for the management of the project team and service team of IPS Securex. Mr Lee also oversees the project management of the Group's Homeland Security Products division, which includes the initial planning of the project, supervision of the works, setup and system integration, programme management, and planning and monitoring of the project progress.

Prior to joining the Group, Mr Lee gained project management experience as a project engineer for Wilson Parking (Singapore) Pte. Ltd. where he worked on systems integration and specialised in carpark systems from 2003 to 2005. He was also involved in research and development as a software engineer for Omron Asia-Pacific Technical Centre from 2001 to 2003.

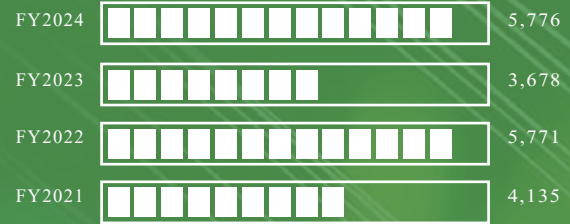
Mr Lee holds a Bachelor of Science with Honours in Computing and Management from the University of Bradford in 2000.

# FINANCIAL HIGHLIGHTS

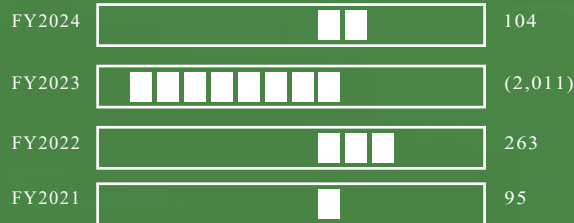
## REVENUE (S\$'000)



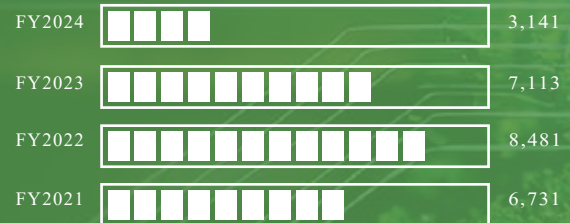
## GROSS PROFIT (S\$'000)



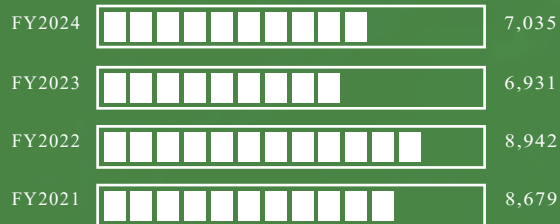
## PROFIT/(LOSS) (S\$'000)



## CASH AND CASH EQUIVALENTS (S\$'000)



## NET ASSETS (S\$'000)



# FINANCIAL AND OPERATIONS REVIEW

## REVENUE

The Group has two major business segments, namely (i) Security Solutions Business; and (ii) Maintenance and Leasing Business.

The Group's revenue increased by approximately S\$2.2 million or 18.6% from S\$11.5 million in FY2023 to S\$13.7 million in FY2024.

## SECURITY SOLUTIONS BUSINESS

Revenue from the Security Solutions Business increased by approximately S\$1.8 million or 23.9% from S\$7.7 million in FY2023 to S\$9.5 million in FY2024. This was mainly attributable to an increase in revenue in FY2024 from providing integrated security solutions in Singapore of S\$1.3 million, an increase in the sale of security products to customers in Singapore of S\$90,000, in Rest of Southeast Asia<sup>(2)</sup> of S\$495,000; partially offset by a decrease in sales of security products to customers in Indochina<sup>(1)</sup> of S\$20,000, in East Asia<sup>(3)</sup> of S\$25,000 and in Others<sup>(4)</sup> of S\$8,000.

## MAINTENANCE AND LEASING BUSINESS

Revenue from the Maintenance and Leasing Business increased by approximately S\$314,000 or 8.1% from S\$3.9 million in FY2023 to S\$4.2 million in FY2024. This was mainly attributable to an increase in revenue from the provision of maintenance support services to a customer in Singapore of S\$1.1 million and partially offset by a decrease in revenue from the provision of maintenance support services to customers in Rest of Southeast Asia<sup>(2)</sup> of S\$783,000.

## COST OF SALES

Cost of sales increased by approximately S\$46,000 or 0.6% in FY2024. This was comparable to FY2023 despite the increase in the Group's turnover, due to better margins on projects that were completed in FY2024.

## GROSS PROFIT

Gross margin increased from 31.9% in FY2023 to 42.2% in FY2024 due to higher margins from the Security Solutions Business and the Maintenance and Leasing Business.

## OTHER INCOME AND GAINS

Other income and gains increased by approximately S\$204,000 or 226.0% from S\$90,000 in FY2023 to S\$294,000 in FY2024. This was mainly due to trade payables derecognised amounting to \$208,000, increase in miscellaneous income of S\$4,000; and partially offset by a decrease in government grants and subsidies of S\$8,000.

## ADMINISTRATIVE EXPENSES

Administrative expenses increased by approximately S\$209,000 or 3.8% from S\$5.6 million in FY2023 to S\$5.8 million in FY2024. This was mainly due to an increase in employees' remuneration and benefit expenses of S\$128,000, an increase in IT computer enhancement expenses of S\$28,000, an increase in depreciation in relation to motor vehicles of S\$29,000, an increase in distribution and marketing expenses of S\$10,000, an increase in office related expenses of S\$30,000, and partially offset by a decrease in professional fees of S\$16,000.

## OTHER OPERATING EXPENSES

Other operating expenses increased by approximately S\$29,000 or 32.6% from S\$89,000 in FY2023 to S\$118,000 in FY2024. This was mainly due to an increase of inventory written off of S\$38,000; partially offset by a decrease in allowance for inventories obsolescence of S\$9,000.

## FINANCE INCOME

Finance income increased by approximately S\$1,000 or 162.7% from S\$600 in FY2023 to S\$1,500 in FY2024. This was mainly due to an increase in interest earned of S\$1,000.

## FINANCE COSTS

Finance costs decreased by approximately S\$36,000 or 34.3% from S\$105,000 in FY2023 to S\$69,000 in FY2024. This was mainly due to a decrease in interest expense of S\$35,000 due to lower utilisation of credit facilities and a decrease in foreign exchange loss (net) of S\$1,000 arising from the decrease in revaluation of bank balances held in United States Dollars of S\$11,000 against the decrease in revaluation of trade payables held in United States Dollars of S\$10,000.

## INCOME TAX (EXPENSE)/BENEFIT

Tax expense increased by approximately S\$20,000 from a tax credit of S\$8,000 in FY2023 to a tax expense of S\$12,000 in FY2024. This was due to overprovisions of S\$18,000 from prior years being reversed in FY2023 while there was an under provision of S\$2,000 for FY2023 corporate tax that was adjusted in FY2024.

### Notes:

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- (4) "Others" includes Australia, United States of America and India.

# FINANCIAL AND OPERATIONS REVIEW

## FINANCIAL POSITION

### CURRENT ASSETS

Current assets decreased by approximately S\$1.2 million from S\$12.3 million as at 30 June 2023 to S\$11.1 million as at 30 June 2024. The decrease in current assets was mainly due to:

- (i) a decrease in cash and cash equivalents of S\$4.0 million;
- (ii) a decrease in inventories of S\$122,000 arising from higher utilisation of parts and components for projects undertaken during FY2024 of S\$22,000 for the Security Business Solutions, inventories written off of S\$71,000, allowance for inventories obsolescence of S\$24,000 and transfer from inventory to plant and equipment for the Group's own use of S\$5,000;
- (iii) a decrease in contract cost of S\$45,000 mainly due to the decrease in costs incurred to fulfil contracts where the goods and services had yet to be transferred to the customers;
- (iv) a decrease in contract assets of S\$60,000 mainly due to an increase in billing upon the completion of integrated security solutions projects;

partially offset by:

- (v) an increase in trade and other receivables of S\$3.1 million mainly due to higher sales made on credit terms from the integrated security solutions business towards the end of FY2024; and
- (vi) an increase in restricted fixed deposits of S\$1,000.

### NON-CURRENT ASSETS

Non-current assets increased by approximately S\$456,000 from S\$416,000 as at 30 June 2023 to S\$872,000 as at 30 June 2024. The increase in non-current assets was mainly due to an increase in trade and other receivables in relation to refundable cash margin placed with a financial institution amounting to S\$534,000. The margin was required for the financial institution to issue performance guarantees for the Group's trade contracts entered into with its customers. The performance guarantee covered periods that exceeded 12 months from the end of the reporting year.

This was partially offset by a decrease in plant and equipment of S\$78,000 largely due to depreciation charges on plant and equipment.

## CURRENT LIABILITIES

Current liabilities increased by approximately S\$345,000 from S\$4.4 million as at 30 June 2023 to S\$4.8 million as at 30 June 2024. The increase in current liabilities was mainly due to:

- (i) an increase in trade and other payables of S\$831,000 mainly attributable to an increase in trade financing facilities of S\$354,000, increase in amount payable to trade suppliers of S\$947,000, increase in accrual of operating expenses of S\$220,000, increase in amount payable to non-trade due to related parties of S\$26,000 in relation to rental fees to IPS Realty Pte Ltd and Group services fees to IPS Group Pte Ltd, an increase in other payables of S\$181,000 which comprised mainly GST payables and payables for staff reimbursements, partially offset by a decrease in accrual of project cost for integrated security solutions projects of S\$689,000 and trade payables derecognised of S\$208,000;
- (ii) an increase in lease liabilities of S\$1,000.

partially offset by:

- (iii) a decrease in contract liabilities of S\$450,000 mainly due to delivery of services for which consideration had been received in advance; and
- (iv) a decrease in bank borrowings of S\$36,000 arising from the repayment of bank borrowings.



# FINANCIAL AND OPERATIONS REVIEW

## NON-CURRENT LIABILITIES

Non-current liabilities decreased by approximately S\$1.1 million from S\$1.3 million as at 30 June 2023 to S\$184,000 as at 30 June 2024. This was due to repayment of bank borrowings of S\$1.1 million in respect of the loan secured by the Group for general corporate purposes, and payment of lease liabilities of S\$11,000.

## CAPITAL AND RESERVES

Capital and reserves increased by approximately S\$104,000 from S\$6.9 as at 30 June 2023 to S\$7.0 million as at 30 June 2024. This was due to net profit recognised in FY2024 of S\$104,000.

## CASH FLOW

### NET CASH USED IN OPERATING ACTIVITIES

In FY2024, the net cash used in operating activities was approximately S\$3.0 million, which mainly consisted of operating cash inflow before working capital changes of S\$203,000, net working capital outflow of S\$3.2 million and income tax paid of S\$12,000.

The net working capital outflow arose mainly from the following:

- (i) an increase in trade and other receivables of S\$3.6 million mainly due to higher sales made on credit terms from the integrated security solutions business towards the end of FY2024; and also refundable cash margin placed with a financial institution amounting to S\$534,000 for the financial institution to issue performance guarantees for the Group's trade contracts entered into with its customers;
- (ii) a decrease in contract liabilities of S\$450,000 mainly due to delivery of services for which consideration had been received in advance;
- (iii) a decrease in inventories of S\$22,000 arising from higher utilization of parts and components for projects undertaken during the year for the Security Solutions Business;

- (iv) a decrease in contract assets of S\$60,000 mainly attributable to an increase in billing upon the completion of integrated security solutions projects;
- (v) an increase in trade and other payables of S\$680,000 mainly attributable to an increase in amount payable to trade suppliers of S\$947,000, increase in accrual of operating expenses of S\$215,000, increase in amount payable to non-trade due to related parties of S\$26,000 in relation to rental fees to IPS Realty Pte Ltd and Group services fees to IPS Group Pte Ltd, an increase in other payables of S\$181,000 which comprised mainly GST payables and payables for staff reimbursements, partially offset by a decrease in accrual of project cost for integrated security solutions projects of S\$689,000; and
- (vi) a decrease in contract cost of S\$45,000 mainly due to the decrease in costs incurred to fulfil contracts where the goods and services had yet to be transferred to the customers.

### NET CASH USED IN INVESTING ACTIVITIES

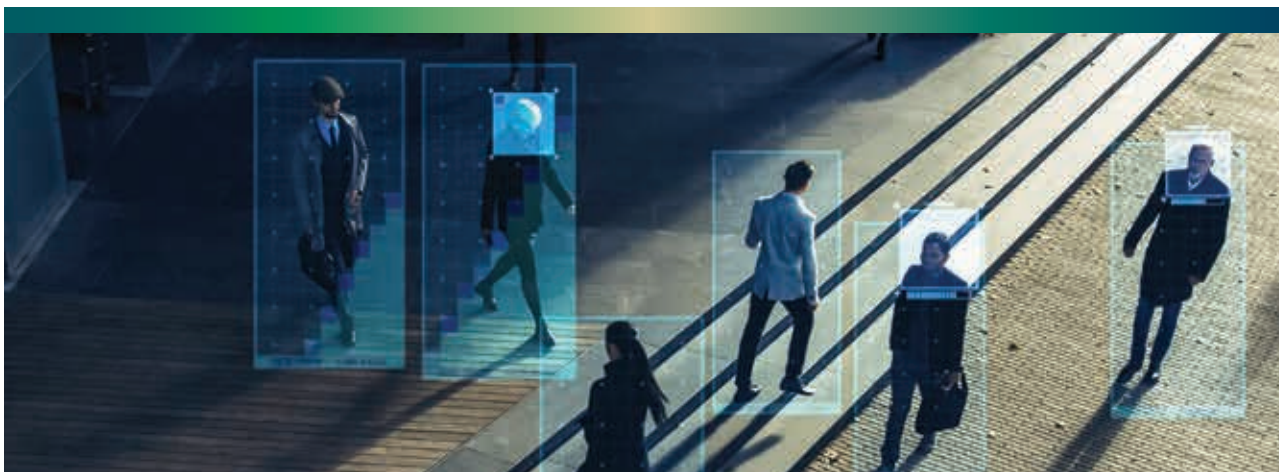
Net cash used in investing activities amounted to approximately S\$52,000 in FY2024 mainly arising from the purchase of plant and equipment of S\$55,000 and partially offset by proceeds from disposal of plant and equipment of S\$3,000.

### NET CASH USED IN FINANCING ACTIVITIES

Net cash used in financing activities amounted to approximately S\$786,000 in FY2024. This was mainly due to the repayment of bank borrowings of S\$1.2 million, payment of lease liabilities of S\$10,000, interest paid of S\$56,000 and partially offset by a decrease in restricted cash pledged of S\$86,000, and increase in net trade financing facilities utilised of S\$354,000.



## OUR BUSINESSES



### SECURITY SOLUTIONS

The Group distributes and sells a wide range of security products from suppliers who are well recognised for their product quality and innovation. These products can be generally classified as Homeland Security Products and General Security Products.

Homeland Security Products are supplied to government bodies and agencies such as police, customs and other law enforcement agencies. Such products may be deployed offsite or at seaports, airports, navy, police, army and air bases, and customs border checkpoints.

General Security Products are supplied to commercial entities, private consumers and government bodies and agencies, and are installed in buildings such as schools, residential, industrial and commercial buildings, at critical infrastructure facilities in townships such as train stations and roads, and in vehicles.

The Group also offers integrated security solutions that meet customers' security system requirements. In designing such solutions, the Group would typically integrate various security products from suppliers to create customised integrated security solutions that meet customers' specific needs.

For integrated security systems, the Group will normally design, supply and install the systems, including developing the proprietary software to operate the systems if necessary. Alternatively, the Group is also able to design and supply the integrated security systems for customers that prefer to engage their appointed contractors to install the systems. In both instances, the Group would conduct a comprehensive testing and commissioning of the integrated security systems before handing them over to customers. Customers who procure such integrated security solutions include commercial entities, government bodies and agencies.

For the supply of security products or the design, supply, installation, testing and commissioning of integrated security solutions, the Group typically takes between 2 to 18 months from the date of entering into an agreement with a customer to fulfil the order. The Group has distribution agreements and maintains close business relationships with reputable and reliable suppliers for the distribution of a carefully selected range of their security products in the Asia-Pacific.

### MAINTENANCE AND LEASING

The Maintenance and Leasing Business focuses on providing regular, extended and/or ad-hoc maintenance support services and leasing services for the security products and integrated security solutions provided to the customers.

Extended maintenance support services are provided to the customers under a separate maintenance contract ranging from one year to five years upon the expiry of the warranty period. In addition, the Group provides ad-hoc maintenance support services at the request of customers who do not have maintenance support service contracts with the Group.

The Group is also able to provide long-term lease-and-maintenance services to customers on a case-by-case basis for the integrated security solutions that it designs and supplies. Under a lease-and-maintenance arrangement, the Group will design, supply, install, test, commission and maintain the security systems for customers but would retain ownership of the systems, as well as the proprietary software that it develops. Customers would typically pay the Group an agreed monthly fee for the lease-and-maintenance of such systems, and such lease-and-maintenance contracts typically are for a period of at least seven years.

# AWARDS AND CERTIFICATIONS



# PROJECT REFERENCE

## AIRPORT SURVEILLANCE SECURITY

### PROJECT OVERVIEW

IPS Securex was selected to design, install, and integrate a comprehensive security solution for airport operators and authorities, focusing on advanced aerial radar surveillance systems. The objective was to monitor the airfields and surroundings against potential security and safety threats, including wildlife activities, for airport operations. The deployment included cutting-edge radar technology and countermeasures, integrated into a unified surveillance security system.

### SCOPE OF WORK

#### 1. Multiple Radar Sensors (Doppler Radars, Thermal Cameras, Long Range Cameras)

- o IPS Securex installed outdoor advanced radar sensors at specific locations in the airports, providing comprehensive coverage of the surrounding air space at the airfields and its boundaries beyond the airport buildings. These sensors are designed to operate in harsh outdoor conditions to ensure continuous scanning of the air space.

#### 2. Advanced Radar Surveillance System

- o An advanced radar surveillance system was customized and integrated as a management system for information analysis and processing. This system allows the airport operators and air traffic controllers to monitor the defined air space, adding an additional layer of security against potential threats.



#### 3. Countermeasures (Acoustic Hailing Devices)

- o A network of advanced acoustic hailing devices was deployed at specific locations in the airfields which can serve as both early warning systems to assist airport operators and countermeasures for wildlife control in the natural environment surrounding the airports. These devices are remotely controlled in real-time on activation to counter the identified threats, ensuring deterrence and prevention against these threats.





# PROJECT REFERENCE

## PORTS AND BORDERS SECURITY

### PROJECT OVERVIEW

IPS Securex was selected to design, install, and integrate a comprehensive security solution for ports and borders' authorities, focusing on advanced vehicle and cargo inspection systems. The objective was to detect and identify against potential security and safety threats, including illegal and smuggling activities, for border security. The deployment included cutting-edge scanning technology and protection, integrated into a unified inspection security system.

### SCOPE OF WORK

#### 1. Hostile Vehicle Mitigation

- o Crash Bollards: IPS Securex installed heavy-duty bollards to protect the inspection system and manage the incoming traffic. These bollards are designed to resist high-impact forces, providing a strong defensive barrier against potential hostile vehicle attacks.

#### 2. Optical Characteristic Recognition (OCR) System

- o An OCR system was deployed along the controlled access traffic lane, utilizing advanced sensors to detect and track all vehicles and cargoes. This system is integrated into the ISMS for immediate response and incident management.

#### 3. Advanced High Energy X-ray Scanners

- o IPS Securex installed outdoor advanced high energy X-ray scanners at designated entry points, providing controlled access for the scanning of the vehicles and cargoes. These scanners are designed to endure harsh outdoor conditions and integrate with the inspection system to ensure secured operations.

#### 4. Radiation Portal Monitors (RPM)

- o RPMs were integrated to monitor the radiation level of the vehicles and cargoes against potential radiation hazards and security threats. These monitors form a seamless operation along with the scanning process.

#### 5. Handheld Radiation Detectors and Identifiers

- o To enhance threat detection capabilities, handheld radiation detectors and identifiers were provided to allow for the secondary inspection of vehicles and cargoes, adding an additional layer of security against potential threats.



#### 6. Integrated Security Management System (ISMS)

- o An ISMS was implemented to centralize the monitoring and control of all integrated security systems for the inspection lane. This platform allows real-time information analysis, incident management, system diagnostics, and streamlined control across all security subsystems.

#### 7. Network CCTV Surveillance

- o A network of high-resolution IP cameras was deployed to monitor the inspection system. These cameras are integrated into the ISMS, providing continuous surveillance and real-time video analytics for threat detection, ensuring comprehensive visual coverage.



# PROJECT REFERENCE

## COMMERCIAL BUILDINGS SECURITY

### PROJECT OVERVIEW

IPS Securex was selected to design, install, and integrate comprehensive security solutions for various commercial buildings, focusing on advanced technologies and integrated security systems. The objective was to safeguard the buildings against potential security threats while ensuring continuous surveillance and mass notification for the public.

### SCOPE OF WORK

#### 1. Network Public Address System (PA)

- o A network of audio speakers integrated as a PA system was deployed, providing public address and mass notification within the buildings' premises, to inform and alert the public against any potential security threats as well as general notifications.

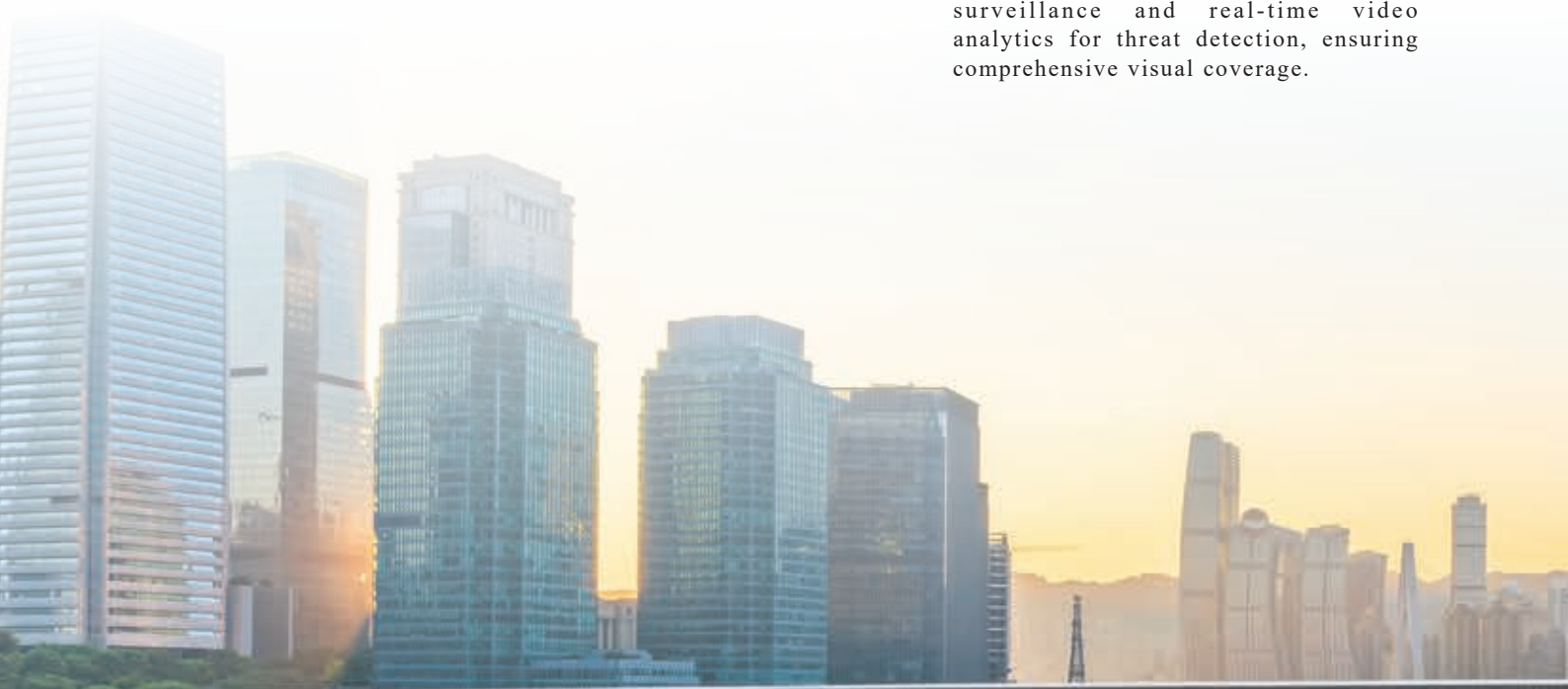
#### 2. Integrated Security Management System (ISMS)

- o An ISMS was implemented to centralize the monitoring and control of all security systems within the buildings. This platform allows real-time incident management, system diagnostics, and streamlined communication across all security subsystems, enhancing the facility's overall security posture.



#### 3. Network Video Surveillance

- o A network of high-resolution Internet Protocol ("IP") cameras was deployed across the buildings' internal and external areas. These cameras are integrated into the ISMS, providing continuous surveillance and real-time video analytics for threat detection, ensuring comprehensive visual coverage.





# PROJECT REFERENCE

## EDUCATIONAL FACILITIES SECURITY

### PROJECT OVERVIEW

IPS Securex was selected to design, install, and integrate comprehensive security solutions for various educational facilities, focusing on advanced technologies and integrated security systems. The objective was to safeguard the facilities against potential security threats while ensuring continuous surveillance and controlled access for the educators and students.

### SCOPE OF WORK

#### 1. Network Public Address System (PA)

- o A network of audio speakers was deployed along the facilities' perimeter, providing mass notification within the facilities, to inform and alert the users of the buildings against any potential security threats.

#### 2. Integrated Security Management System (ISMS)

- o An ISMS was implemented to centralize the monitoring and control of all security systems within the facilities. This platform allows real-time incident management, system diagnostics, and streamlined communication across all security subsystems, enhancing the facility's overall security posture.

#### 3. Network Video Surveillance

- o A network of high-resolution Internet Protocol ("IP") cameras was deployed across the facilities' internal and external areas. These cameras are integrated into the ISMS, providing continuous surveillance and real-time video analytics for threat detection, ensuring comprehensive visual coverage.



#### 4. Electronic Access Control System

- o To ensure secure access to sensitive areas, IPS Securex installed an electronic access control system featuring advanced biometric technology. This system controls and monitors access points, logging all entry attempts and integrating seamlessly with the ISMS for real-time alerts and reporting.

#### 5. Perimeter Intrusion Detection System (PIDS)

- o A PIDS was deployed along the facilities' perimeter, utilizing advanced sensors to detect and alert against any unauthorized intrusion attempts. This system is integrated into the ISMS for immediate response and incident management.



# PROJECT REFERENCE

## DATA CENTRE SECURITY

### PROJECT OVERVIEW

IPS Securex was selected to design, install, and integrate a comprehensive security solution for a leading data centre, focusing on advanced hostile vehicle mitigation and integrated security systems. The objective was to safeguard the facility against potential security threats while ensuring seamless and controlled access for authorized personnel. The deployment included cutting-edge technology and robust physical barriers, integrated into a unified security management system.

### SCOPE OF WORK

#### 1. Hostile Vehicle Mitigation

- o **Bi-Fold Crash Gate:** IPS Securex installed a heavy-duty bi-fold crash gate at the main vehicular entry point. This gate is designed to resist high-impact forces, providing a strong defensive barrier against potential hostile vehicle attacks. The gate meets stringent international standards for vehicle security.
- o **Road Blockers/Wedges:** Additional security was provided through the installation of road blockers and wedges at secondary access points. These devices are capable of rapid deployment and offer an immediate response to unauthorized vehicle entry attempts.

#### 2. Perimeter Intrusion Detection System (PIDS)

- o A PIDS was deployed along the data centre's perimeter, utilizing advanced sensors to detect and alert against any unauthorized intrusion attempts. This system is integrated into the ISMS for immediate response and incident management.

#### 3. Outdoor Full-Height Turnstile

- o IPS Securex installed outdoor full-height turnstiles at strategic entry points, providing controlled access for employees and visitors. These turnstiles are designed to endure harsh outdoor conditions and integrated with the access control system to ensure secure entry.



#### 4. Handheld Bomb Sniffer

- o To enhance threat detection capabilities, handheld bomb sniffers were provided for security personnel. These devices allow for the random inspection of vehicles and packages, adding an additional layer of security against potential threats.

#### 5. High-Security Mantrap Portals

- o High-security mantrap portals were installed at key access points to prevent unauthorized entry. These portals feature biometric verification and interlocking doors, ensuring that only one person can enter at a time, thereby eliminating the risk of tailgating.



# PROJECT REFERENCE

## DATA CENTRE SECURITY



### 6. Integrated Security Management System (ISMS)

- o An ISMS was implemented to centralize the monitoring and control of all security systems within the data centre. This platform allows real-time incident management, system diagnostics, and streamlined communication across all security subsystems, enhancing the facility's overall security posture.

### 7. Network Video Surveillance

- o A network of high-resolution Internet Protocol ("IP") cameras was deployed across the data centre's internal and external areas. These cameras are integrated into the ISMS, providing continuous surveillance and real-time video analytics for threat detection, ensuring comprehensive visual coverage.

### 8. Electronic Access Control System with Face Recognition

- o To ensure secure access to sensitive areas, IPS Securex installed an electronic access control system featuring advanced face recognition technology. This system controls and monitors access points, logging all entry attempts and integrating seamlessly with the ISMS for real-time alerts and reporting.

### 9. Intelligent Key Management System

- o The project included the deployment of an intelligent key management system to oversee the use and distribution of physical keys within the data centre. This system tracks key usage, logs transactions, and ensures that keys are only accessible to authorized personnel.

### 10. Identity Document ("ID") Badging and Printing

- o An ID badging and printing system was implemented to manage and issue secure identification credentials for all data centre personnel. This system is integrated with the electronic access control system to regulate access and ensure that only authorized individuals can enter restricted areas.

## PROJECTS OUTCOME

*The comprehensive security solutions provided by IPS Securex have significantly enhanced the security infrastructure of the projects listed above. The integration of various security systems into an unified platform has improved the facilities' ability to detect, deter, and respond to potential security threats. The projects were completed within the agreed timeframe and budget, meeting all clients' specifications and expectations.*



# SUSTAINABILITY REPORT

## MESSAGE FROM OUR BOARD OF DIRECTORS

We are pleased to present the annual Sustainability Report (“**Report**”) of IPS Securex Holdings Limited (“**IPS Securex**”, the “**Company**” and, together with its subsidiaries, the “**Group**”) for our financial year ended 30 June (“**FY**”) 2024.

This Report is set out on a “comply or explain” basis in accordance with Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). This Report has been prepared with reference to Global Reporting Initiative Standards 2021 (“**GRI Standards**”), Task Force on Climate-related Financial Disclosures (“**TCFD**”) Recommendations and SGX Core ESG Metrics. IPS Securex has chosen the GRI framework as it is a globally recognised sustainability reporting standard that holistically sets a benchmark across multiple facets of a company’s responsibilities and performance. Our TCFD-related disclosures included in this Report outlines our approach to assessing and managing climate-related risks and identifying opportunities within our operations. The Group aims to fully align with the TCFD Recommendations in the coming years as our climate reporting becomes more developed.

This Report highlights the key economic, environmental, social and governance (“**EESG**”) related initiatives undertaken over a 12-month period from 1 July 2023 to 30 June 2024 (“**Reporting Period**”) for all entities within our organisation. In defining our reporting content, we have applied GRI Standards’ principles by considering the Group’s activities, impacts and substantive expectations and interests of its stakeholders. We observed a total of four principles including materiality, stakeholder inclusiveness, sustainability index and completeness. For reporting quality, we observed principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The Board of Directors of the Company (the “**Board**”) determines the material EESG factors and oversees the management and monitoring of these factors and takes sustainability issues into consideration in the determination of the Group’s strategic direction and policies and the key management is responsible for the implementation of sustainability initiatives and submission of reports to the Board on an annual basis. The Board oversees the preparation of sustainability report and approve the sustainability report as part of the reporting process. Our senior management team, led by the Chief Operating Officer, ensures that our business objectives align with our commitments to sustainable development. We note that good sustainability practices contribute to the long-term success of the Group. The EESG data and information provided for the purpose of this Report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy. We will consider seeking external independent assurance for the sustainability report in the future.


The Board had attended the Listed Entity Director (LED) Programme – Environmental, Social and Governance Essentials Core Module (Core) by Singapore Institute of Directors (SID) in FY2022 as mandated by the SGX-ST.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to [investorrelations@ips-securex.com](mailto:investorrelations@ips-securex.com).

## OUR APPROACH TO SUSTAINABILITY






### STAKEHOLDERS ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material EESG factors relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies on sustainability. These key stakeholders include, but are not limited to, customers, suppliers, shareholders, regulators and employees. We adopt both formal and informal channels of communication to understand the needs of key stakeholders and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

Stakeholders	Engagement Platforms	Frequency	Key Concerns Raised	Our Responses
Suppliers 	Vendor assessment	Annually	Fair and transparent Procurement	Annual supplier evaluation exercise
	Face-to-face meetings	Ongoing		



# SUSTAINABILITY REPORT

Stakeholders	Engagement Platforms	Frequency	Key Concerns Raised	Our Responses
Shareholders 	Annual General Meeting/ Extraordinary General Meeting	Annually	<ul style="list-style-type: none"> <li>Financial and operational performance</li> <li>Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>Ensure compliance with the Catalyst Rules and Code of Corporate Governance</li> <li>Aim to deliver long-term profitability to its shareholders through financial sustainability</li> </ul>
	Annual Report	Annually		
	Results Announcement	Semi-Annually		
Customers 	Face-to-face meetings and virtual meetings	Ongoing	<ul style="list-style-type: none"> <li>Customer privacy</li> <li>Quality of services</li> </ul>	<ul style="list-style-type: none"> <li>Take steps to ensure that customer data are protected and secured</li> <li>Collaborate with external experts to strengthen information security systems and processes</li> </ul>
	Email feedback	Ongoing		
	Customer cold calls	Ongoing		
Employees 	Staff appraisal	Annually	<ul style="list-style-type: none"> <li>Equal employment opportunity</li> <li>Workplace safety and health</li> <li>Training and education opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Equal Opportunities Policy in place to ensure fair hiring and employment practices</li> <li>Ensure a safe and healthy workforce through strict set of workplace health, safety policies</li> <li>Provide career development programmes to employees</li> </ul>
	Training programs and courses	As required		
	Staff bonding sessions	As required		
Board 	Board meetings	Semi-Annually	<ul style="list-style-type: none"> <li>Financial sustainability</li> <li>Regular updates on operational activities</li> <li>Sustainability efforts</li> </ul>	<ul style="list-style-type: none"> <li>Aim to deliver long-term profitability to its shareholders through financial sustainability</li> <li>Conduct regular meetings to communicate business strategy</li> </ul>
	Board circulation via e-mails	Semi-Annually		
	Board papers	Semi-Annually		
Regulators 	SGX Announcements Annual Report	As required	<ul style="list-style-type: none"> <li>Ensuring full compliance with regulations</li> </ul>	<ul style="list-style-type: none"> <li>Strictly adhere to laws and regulations</li> </ul>

# SUSTAINABILITY REPORT

01

## IDENTIFICATION

Identification of the EESG factors that are of relevance to the Group’s activities based on the list of factors on the SGX 27 Core ESG Metrics

02

## PRIORITISATION

Prioritisation of the EESG factors that are deemed material based on their relative importance to the Group and stakeholders

03

## VALIDATION

Validation of the completeness of material EESG factors identified to finalise the sustainability report content

04

## REVIEW

Review focuses on the material factors in previous reporting period and also considers stakeholders’ feedback, changing business landscape and emerging trends

## MATERIALITY ASSESSMENT

In order to determine if a EESG factor is material, we assessed its likelihood of occurrence and the potential impact on the economy, environment and society and its influence on stakeholders. Applying the guidance from GRI Standards, we have identified the following material EESG factors:

### ECONOMIC

Economic Performance



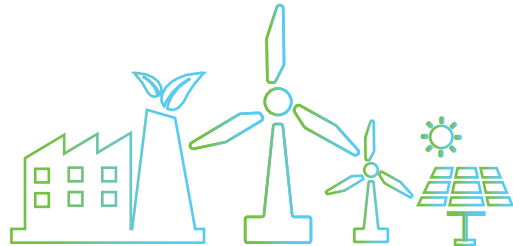
### SOCIAL

Customer Privacy | Occupational Health and Safety | Training and Education | Diversity and Equal Opportunity



### ENVIRONMENTAL

Greenhouse Gas (“GHG”) Emissions | Energy Efficiency



### GOVERNANCE

Corporate Governance | Business Ethics, Anti-corruption and Compliance | Enterprise Risk Management



While the Group has not formally engaged any stakeholders for a materiality assessment in FY2024, we have, as at the date of this Report, commenced engagement with targeted stakeholders. Management has reviewed previously prioritised material EESG factors for their continued relevance to the business and stakeholders.

As a result, the Group reaffirmed that the above material EESG factors remain relevant, whereby two EESG factors, namely “Supplier Environmental Assessment” and “Environmental Compliance” were excluded from the list as these were no longer deemed as material to the Group in FY2024 as the Group’s business operations are subject to very low potential risks relating to environmental matters. The Group will continue to regularly monitor and update the material EESG factors from time to time, considering the feedback received from various stakeholders.





# SUSTAINABILITY REPORT

## SUSTAINABILITY COMMITMENTS

In FY2024, we have formally adopted sustainability performance targets for short- (Year 2025), medium- (Year 2030) and long-term (Year 2050) to contextualise our efforts to manage sustainability-related risks and opportunities. Moving forward, we will be able to track our progress and make year-over-year comparisons as we continue to implement and improve upon our sustainability measures.

Pillars	EESG Factors	FY2024 Sustainability Performance/Initiative	Short Term Target	Medium Term Target	Long Term Target
<b>ECONOMIC</b>	Economic Performance	Refer to Annual Report for FY2024.	To ensure sustainable cash flow and earnings before interest, taxes, depreciation and amortisation EBITDA for continuous growth.		
<b>ENVIRONMENTAL</b>	Greenhouse Gas (GHG) Emissions	We have started to switch to electric vans and are in the midst of adopting and transitioning towards more sustainable energy sources.	Adopt use of renewable energy sources and energy efficient equipment/ vehicles with lower emissions.	(by 2030): Reduce GHG emission levels and emission intensities by 20% (from base FY2023).  Track Scope 3 emissions which are all indirect emissions (not included in Scope 2 which encompasses indirect emissions from the generation of purchased energy) that occur in the value chain of the company.  Disclose more categories under Scope 3 emissions.	(by 2050): Reduce GHG emission levels and emission intensities by 50% (from base FY2023).  Perform scenario analysis with more quantitative outcomes.
	Energy Efficiency	For the first time, we track, measure, and disclose our environmental performance including energy consumption and GHG emissions in this Report.	We will continue to enhance our disclosures on the implementation of our Net Zero Roadmap by 2050.  Adopt the use of energy efficient features and fittings.	(by 2030): Reduce electricity consumption and intensities by 10% (from base FY2023).  Launch initiatives to install solar panels.	(by 2050): To enforce green energy to be part of the Net Zero Carbon Emission 2050 roadmap.  Achieve 80% of features and fittings that are energy efficient and environmentally friendly.

# SUSTAINABILITY REPORT

Pillars	EESG Factors	FY2024 Sustainability Performance/Initiative	Short Term Target	Medium Term Target	Long Term Target
SOCIAL	Customer Privacy	We have not met the target and there was one ransomware incident reported on SGXNet on 2 January 2024. For more information, please refer to section: customer privacy.	We aim to achieve zero complaints of breaches of customer privacy and losses of customer data.		
	Occupational Health and Safety	We achieved target of zero-incident workplace environment in FY2024.  We have also received the SMRT Contractor Safety Award 2024.	We aim to maintain a zero-incident workplace environment.  Maintain zero incidents of non-compliance with health and safety laws, as well as regulations concerning the health and safety of our operations.		
	Training and Education	The number of total training hours clocked in FY2024 was 922 hours.  Average training hour per employee was 18 hours in FY2024.	We target to achieve an average of 16 training hours per employee for each financial year.	The Company aims to continue investing and developing its workforce by organising further courses, trainings and seminars for everyone.  Offer internal and external trainings that are beneficial to the development and career progression of our employees at all levels.	
	Diversity and Equal Opportunity	As of 30 June 2024, we had a workforce of 53 full-time employees for our operations across the Group.	Going forward, we strive to have a more diverse workplace in terms of gender, nationality and age group and provide an equal opportunity for all employees.  Improve employee recruitment and retention.  Increase ratio of local workers.	We endeavour to maintain and encourage a culture of inclusiveness and zero tolerance in any form of discrimination in the workplace.  Maintain gender equality and racial diversity as well as maintain low employee turnover (<30%).	



# SUSTAINABILITY REPORT

Pillars	EESG Factors	FY2024 Sustainability Performance/Initiative	Short Term Target	Medium Term Target	Long Term Target
<b>GOVERNANCE</b>	Corporate Governance	We have met the targets of zero breaches of policies, etc, set out in the previous year.	We also strive to maintain our compliance in environmental rules and regulations, anti-competitive practices, the Catalyst Rules and Code of Corporate Governance in the long run.		
	Business Ethics, Anti-corruption and Compliance	No significant fines or non-monetary sanctions for non-compliance with laws and regulations, as well as no reported incidents of corruption.	We endeavour to maintain this compliance and zero incident record for the upcoming year. We will also ensure that regular communication and training about anti-corruption will be conducted for the upcoming year.		
	Enterprise Risk Management (“ERM”)	As part of our annual ERM exercise, EESG risks are identified, assessed, and managed as regular business risks to ensure that these risk levels remain within our risk tolerance.	The Board is committed to ensuring that the Group has an effective and practical ERM framework in place to safeguard Shareholders’ interests, and the sustainability of the Group as well as provide a basis to make informed decisions having regard to the risk exposure of the Group.		

## ECONOMIC

### ECONOMIC PERFORMANCE

IPS Securex firmly believes that focus on financial sustainability is critical. We are fully committed to the highest standards of corporate governance. The Group’s basic principle is that long-term profitability and shareholders’ value is sustained by taking into account the interests of all stakeholders, such as shareholders, employees, customers, suppliers, business partners and society as a whole.

For details of our financial results for FY2024, please refer to the following sections in our FY2024 Annual Report:

- Financial Highlights, page 08
- Financial and Operations Review, pages 09 to 11
- Financial Statements, pages 77 to 109

### TCFD-RELATED DISCLOSURES

#### Governance Structure

The Board has overall responsibility for the Group’s sustainability strategy, including climate related risks and opportunities. The Board regularly evaluates potential climate-related risks and opportunities as part of the comprehensive risk assessment and maintains strategic risk management oversight. The Board also determines material EESG factors, including climate-related metrics and targets.

#### Strategy

Our strategy is to transform IPS Securex into a climate-resilient and future-ready business. Our climate strategy is to identify, assess, prioritise, mitigate, and monitor climate-related physical and transition risks in our business. We also seek to capitalise on climate-related opportunities with the global shift to a lower-carbon economy by 2030 and a net-zero standard by 2050. We expect our strategies to further develop and become more refined as we develop a deeper understanding of evolving risks and opportunities over the coming years.

# SUSTAINABILITY REPORT

## Scenario Analysis

To assess the impact of climate change on our business, we have performed scenario analysis to review the risks and opportunities under two specific climate scenarios. In the first scenario aligned to the Paris Agreement which is an international treaty that covers climate change mitigation, adaptation and finance that was signed by 196 parties including Singapore in 2015, we assessed transition risks in a scenario where the rise in global temperatures is limited to an average of well below 2°C above pre-industrial levels by the end of the century. In the second no mitigation scenario, we assessed physical risks by selecting a stressed physical scenario which assumes limited policy changes are implemented to curb the current volume of emissions, resulting in an increase of 4°C in average global temperatures within the same time frame.

Scenario	Paris Agreement-aligned scenario (below 2°C)	No mitigation scenario (4°C)
<b>Rationale</b>	We selected this scenario to assess the transition impacts in an economy shifting to a low carbon world. It reflects actions required to limit global warming within the century to under 2°C.	We selected this scenario to assess our physical risks under a high-emission scenario, consistent with a future with limited policy changes to reduce emissions.
<b>Underlying model</b>	International Energy Agency’s Sustainable Development Scenario	Intergovernmental Panel on Climate Change (“IPCC”) Representative Concentration Pathway 8.5
<b>Used to analyse</b>	Transition impacts	Physical impacts
<b>Assumptions</b>	Transition features: <ul style="list-style-type: none"> <li>• Carbon tax introduced</li> <li>• Fossil fuel subsidies phased out by 2050 in net-importers and by 2035 in net-exporters</li> <li>• Increased generation from renewable energy</li> </ul>	Physical features: <ul style="list-style-type: none"> <li>• Global emissions continue to rise because of high carbon intensity</li> <li>• Global mean sea level rise of 0.63 metres by year 2100</li> <li>• High frequency and intensity of heat waves and extreme precipitation events</li> </ul>

## Climate-related Risks and Opportunities

Taking into consideration the above scenarios, we have identified the following risks/opportunities and their impact on our business should the above scenarios materialise:

Climate-related Risks	
Risk Type	Impact
<b>Physical Risks</b>	
Acute: Increased severity of extreme weather events such as frequent flooding	<ul style="list-style-type: none"> <li>• Prolonged project timeline</li> <li>• Increased insurance premiums</li> <li>• Reduced revenue from lower sales output</li> </ul>
Chronic: Rising mean temperatures	<ul style="list-style-type: none"> <li>• Increased thermal stress and a health risk for our employees working on projects which require prolonged outdoor working situations</li> <li>• Lower work productivity</li> </ul>
<b>Transition Risks</b>	
Policy and Legal	<ul style="list-style-type: none"> <li>• Increased compliance costs and operation costs</li> <li>• Increased insurance premiums</li> </ul>
Technology	<ul style="list-style-type: none"> <li>• Capital investments into technology development for more sustainable products</li> <li>• Cost of adoption</li> <li>• Increased write-offs and early retirement of existing assets</li> <li>• Reduced demand for services</li> </ul>



# SUSTAINABILITY REPORT

Climate-related Risks	
Risk Type	Impact
Market	<ul style="list-style-type: none"> <li>• Shifts in energy costs</li> <li>• Changing client preferences such as demand for smart building facilities and green real estate could affect the yield of projects</li> <li>• Inability to meet customers' sustainability expectations could make our services less attractive</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>• Reduced revenue from negative image that may arise from adverse media and news.</li> <li>• Negative reputation may impact investors' confidence and lead to reduction in capital availability</li> </ul>
Climate-Related Opportunities	
Resource Efficiency	<ul style="list-style-type: none"> <li>• Enhancing energy efficiency in our operations can reduce costs</li> </ul>
Energy Sources	<ul style="list-style-type: none"> <li>• Reduced exposure to fossil fuel price increase</li> <li>• Returns on investment in low emission technology</li> <li>• Increased energy resilience</li> </ul>
Products and Services	<ul style="list-style-type: none"> <li>• Enhanced competitiveness</li> <li>• Product offerings with sustainable designs can attract clients looking for smart building and facility services</li> </ul>

The table below illustrates our key mitigation strategies for material risks:

Climate-related Risks	
Risk Type	Mitigating Measures
<b>Physical Risks</b>	
Acute: Increased severity of extreme weather events such as frequent flooding	<ul style="list-style-type: none"> <li>• Business continuity plan and crisis management plan</li> <li>• Develop climate-resilient policies and procedures as well as integrate them as a part of risk management</li> <li>• Conduct stress-test total exposure against projected climate hazards</li> </ul>
Chronic: Rising mean temperatures	<ul style="list-style-type: none"> <li>• Shorten exposure time and use frequent rest breaks for onsite workers</li> <li>• Provide a better indoor environmental quality for our employees</li> </ul>
<b>Transition Risks</b>	
Policy and Legal	<ul style="list-style-type: none"> <li>• Use of sustainable materials and technologies that are compliant with laws and regulations</li> <li>• Adoption of renewable energy</li> </ul>
Technology	<ul style="list-style-type: none"> <li>• Switch to low-emission technologies</li> </ul>
Market	<ul style="list-style-type: none"> <li>• Prioritise the reduction of emissions and pollutions in our value chain</li> <li>• Leverage on opportunities to develop new markets</li> </ul>
Reputation	<ul style="list-style-type: none"> <li>• Work closely with stakeholders to promote environmental-friendly practices in value chain</li> </ul>

# SUSTAINABILITY REPORT

## Risk Management

We have assessed and incorporated climate-related risks into our ERM risk register, ensuring these risks are identified, in line with our sustainability objectives and long-term business strategy. All climate-related risks identified are then presented to the Board for review and approval. For more detailed information about our climate-related risk management, kindly refer to our ERM section on page 34.

## ENVIRONMENTAL

Climate change such as rising global temperatures can lead to extreme weather conditions such as floods, heatwaves, and rising sea levels which can both directly and indirectly affect business supply chains, environmental ecosystems, as well as social well-being.

The Group seeks to contribute to the global efforts to combat climate change by reducing our GHG emissions and developing strategies to enhance our climate resilience across our business division. To achieve this, we have performed a comprehensive assessment to understand the potential climate related risks and opportunities, and their impacts on our business.

Even though the environmental impact of our office activities is relatively immaterial, we believe it is important to instil values of environmental stewardship in our people. Promoting a paperless environment culture, whereby documents should only be printed if necessary and required. We also stress the importance of ensuring that all devices are turned off or in sleep mode before the last person leaves the office. By regularly engaging our staff on environmental issues, we hope to be environmentally conscious in everything that we do.

## GHG EMISSIONS AND ENERGY EFFICIENCY

The majority of GHG emissions within the Group's operations arise from the use of electricity and fuel (diesel). Activities from our business operations are the key drivers of GHG emissions.

We monitor our GHG emissions regularly and report Scope 1 direct emissions and Scope 2 and 3 indirect emissions in line with the TCFD Recommendations and the GRI Standards.

### Scope 1 Emissions

Our office premises are installed with air-conditioning systems which utilize the R410A refrigerants. The burning of fossil fuels within motor vehicles gives rise to the emission of GHG. The introduction of the GHG to the atmosphere has environmental impacts including global warming, the formation of acid rain, lower visibility, and the development of respiratory issues.

To further curtail our GHG emissions, we ensured that our small goods vehicles weighing up to 3 tonnes are fuel efficient, equipped with eco-friendly technology, and comply with the Euro V Emission standards. Regular maintenance is performed to ensure optimal engine performance and fuel consumption. We are also gradually phasing out our diesel vehicles in favour of electric vehicles.

In FY2024, our Scope 1 GHG emissions intensity has decreased from 0.36 to 0.23 tCO<sub>2</sub>e/employee as compared to FY2023 level which was attributed to the decommissioning of 2 diesel company vehicles in FY2023 and 1 diesel company vehicle in FY2024.

Fuel Consumption and Scope 1 Emissions	FY2024	FY2023
Diesel Consumed (L)	2,980.31	4,978.02
Diesel Van CO <sub>2</sub> Emissions (tCO <sub>2</sub> e)	8.17	13.65
Electric Vehicles – CO <sub>2</sub> Emissions (tCO <sub>2</sub> e)	3.60	2.68
Office Air-Conditioning – CO <sub>2</sub> Emissions (tCO <sub>2</sub> e)	0.25	0.25
Total GHG Emissions (tCO <sub>2</sub> e) <sup>1</sup>	12.03	16.58
Number of Employees <sup>2</sup>	53	46
GHG Emissions Intensity (tCO <sub>2</sub> e/employee)	0.23	0.36



# SUSTAINABILITY REPORT

- 1 Emission factors and global warming potential used in computation of GHG emissions are derived from the following:
  - (i) Office Air-Conditioning – Emission factors for GHG reporting from United Kingdom Department for Business, Energy & Industrial Strategy (BEIS) [2023]
  - (ii) Diesel Van – Mobile Combustion for Diesel Vehicle Type of Industrial/Commercial Equipment from US EPA – United States [2023]
  - (iii) Electric Vehicles – Calculated Emissions based on the manufacturer’s specifications of the electric vehicle
- 2 Total number of employees as at 30 June 2024 and 30 June 2023 respectively.

## Scope 2 Emissions

Our GHG emissions are generated from the consumption of purchased energy in the form of electricity, which is a by-product of the burning of fossil fuels. Electricity is an indispensable part of our business operations to operate various electrical appliances.

The Group takes continuous effort and commitment to minimise our electricity consumption by adopting the following sustainable measures:

- Turning off any electrical appliance when not in use;
- Installation of motion-triggered lightings;
- Performing regular maintenance of equipment to optimise energy efficiency; and
- Purchasing only new energy-efficient electrical appliances, such as LED lights, air-conditioning systems and refrigerators with an NEA Tick Rating System of 4 and above.

During the Reporting Period, there was an increase in Scope 2 GHG emissions intensity by 8% and recorded at 0.80 (FY2023: 0.74) tCO<sub>2</sub>e/employee which was attributed to the additional hours required for business operations.

Electricity Consumption and Scope 2 Emissions	FY2024	FY2023
Office Premises – Electricity Consumed (kWh)	101,445.54	81,357.33
Total GHG Emissions (tCO <sub>2</sub> e) <sup>3</sup>	42.28	33.91
Number of Employees <sup>4</sup>	53	46
Energy Intensity (kWh/per employee)	1,914.07	1,768.64
GHG Emissions Intensity (tCO <sub>2</sub> e/employee)	0.80	0.74

- 3 GHG emissions from electricity purchased by IPS Securex are calculated based on the average emissions factor published by the Energy Market Authority.
- 4 Total number of employees as at 30 June 2024 and 30 June 2023 respectively.

# SUSTAINABILITY REPORT

## Scope 3 Emissions

Scope 3 emissions constitute the broadest category of greenhouse gas emissions, encompassing all indirect emissions across the Group's value chain not covered by Scope 2 emissions. These emissions extend beyond the Group's direct operational activities and stem from external factors that indirectly influence its carbon footprint. Managing scope 3 emissions presents unique challenges due to their diverse and extensive nature.

Scope 3 emissions are inherently complex to track and manage compared to Scope 1 and Scope 2 emissions. They are influenced by numerous external entities, necessitating data collection from multiple sources for thorough assessment. Despite the challenges, addressing Scope 3 emissions are crucial for gaining a comprehensive understanding of the Group's environmental impact and carbon footprint. We have started our journey in FY2024 in the following categories:

Scope 3 Category	Scope 3 Emissions	FY2024
6	Business Travelling via Air (tCO <sub>2</sub> e)	11.71
7	Employees Commute (tCO <sub>2</sub> e)	39.21
	Total Scope 3 Emissions <sup>5</sup> (tCO <sub>2</sub> e)	50.91
	Number of Employees <sup>6</sup>	53
	GHG Intensity (tCO <sub>2</sub> e/employee)	0.96

5 Emission factors and global warming potential used in computation of GHG emissions are derived from the following:

Business travelling by air

- (i) Commodity All Other Transit and Ground Passenger Transportation Without Margins – United States Environmental Protection Agency, Supply Chain Greenhouse Gas Emission Factors by the North American Industry Classification System (NAICS) – United States [2019]

Employee Commute

- (i) Business Travel Land Bus Local Bus (Not London) – Department for Business, Energy & Industry Strategy (“BEIS”) – United Kingdom [2023]
- (ii) Passenger Vehicle Cars (By Size) Average Car Petrol V2 – BEIS – United Kingdom [2023]
- (iii) Passenger Vehicle Motorbike Average V2 – BEIS – United Kingdom [2023]
- (iv) Business Travel Land Rail National Rail – Land Transport Authority – Singapore [2023]
- (v) Passenger Vehicle Cars (By Size) Average Car Hybrid – BEIS – United Kingdom [2023]

6 Total number of employees as at 30 June 2024.

## SOCIAL

We believe that the nature of the security industry which our businesses operate in, especially so for the range of security products and services we provide, greatly contribute to society in the form of personal security, law enforcement and value creation for businesses through the use of technology. We hold a diverse range of products that can be segregated into Homeland and General (Infrastructure) security.

We believe that every life counts and is important. Hence, our Homeland Security business segment prides itself in providing non-lethal countermeasures as not just alternate solutions, but systems that are more relevant, effective and expansive to law enforcement end users as compared to lethal solutions. This would minimise or prevent unnecessary loss of life, collateral damage, and enhance the ability of law enforcers.

An example of the societal contributions of our General Security business segment is seen in our Alert Alarm systems installed in accommodations designed for the elderly. The system installed allows for much quicker alert to any incidents and, hence, response. It also improves the efficiency of the organisation as compared to existing traditional monitoring systems by reducing manpower requirements and overhead costs.





# SUSTAINABILITY REPORT

## CUSTOMER PRIVACY

The Board is of the view that cyber security and data privacy are important in safeguarding both the Group's data and that of our customers, suppliers, business partners and employees. IPS Securex takes measures to guard against cyber risks, protecting confidential information for both our internal and external stakeholders. This also applies to our employment process where the privacy of all applicants is safeguarded and access to personal data is restricted to authorised personnel on a need-to-know basis.

In FY2024, there was one breach of customer privacy and loss of customer data (FY2023: Nil), where the Group had encountered a ransomware incident which was announced on SGXNet on 2 January 2024. Based on the Group's latest findings on 31 January 2024 with the assistance of its external experts, certain of its data had been leaked from the incident and the Group had taken steps to notify affected parties. The Group takes this incident seriously and with the assistance of its external experts, the Group conducted a thorough review of its systems and processes to strengthen them as information security remains paramount.

## OCCUPATIONAL HEALTH AND SAFETY

As human resource is a major contributing factor to our organisation, our employees' safety and health at the workplace is one of our top priorities, and our ultimate goal is to have a zero-accident workplace. We are committed to managing and reducing safety and health risks through effective risk management.

We have established a strict set of workplace health, safety and security policies and a risk management manual. This covers standard procedures to identify hazards relating to occupational health and safety, evaluate risks associated with these hazards and to ensure that appropriate actions are taken to manage the risks involved. In addition, all environmental aspects and occupational health safety hazards which are within our control or under our management, as well as those that we cannot control or directly manage but are expected to affect health and safety, are covered in the policies.

We have an Incident Investigation process to identify, establish, and maintain procedures for defining responsibility and authority for:

- The handling and investigation of:
  - ▶ Accidents
  - ▶ Incidents
  - ▶ Non-conformances
- Taking appropriate actions to rectify or mitigate any consequences arising from accidents, incidents, or non-conformances

The purpose of the procedures is to prevent further occurrence of the situation, by identifying and dealing with the root causes. Furthermore, the procedures must enable the early detection, analysis, and elimination of potential causes of accidents, incidents, and non-conformances. Staff who encounter accidents/incidents/non-conformity during their course of work shall identify and raise the necessary documentation such as the Accident Report, the Incident Report, the Non-conformity Report, etc. The Operations Manager is responsible to ensure that the accidents/incidents/non-conformities are investigated, and appropriate actions are carried out.

We also have group level insurance policies for our staff that is above the standard Workman Compensation required by regulations. This includes hospitalisation and personal accident insurance for all staff, travel insurance for all business-related travels, and term life, as a form of key man insurance.

We are ISO 45001:2018 certified, by Guardian Independent Certification (GIC), Certificate No. 736611. The certificate was renewed on 3 April 2024 and will expire on 3 April 2027. ISO 45001:2018 specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organisations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.

We are bizSAFE Level Star certified by the Workplace Safety and Health Council, Certificate No. E10555 & E12044. The certificates were issued on 27 August 2024 and 19 August 2024 respectively, and both certificates will expire on 3 April 2027. bizSAFE is a nationally recognised capability building programme designed to help companies build workplace safety and health capabilities. bizSAFE Level STAR recognizes that our company's Workplace Safety and Health Management System (WSHMS) identifies, manages and controls workplace risks or hazards in compliance with the Workplace Safety and Health (WSH) Act and international standards such as ISO 45001:2018.

# SUSTAINABILITY REPORT

Given that we value our employees' health and safety as a priority within our organization, achieving these certifications and implementing the framework of systems required are vital to our organization. The implementation of these frameworks has enabled us to systematically identify, reduce and mitigate risks involved in the operations of our organisation.

We have also received the SMRT Contractor Safety Award 2024 at the SMRT Contractors' Safety Forum held on 20 August 2024, an annual event to continually promote and further strengthen a culture of safety and enhance safety standards on SMRT premises and network and to foster closer industry collaboration to enhance Workplace Safety & Health.

Similar to FY2023, we have achieved a zero-incident workplace environment in FY2024, and we aim to maintain a zero-incident workplace environment for the coming year.

## TRAINING AND EDUCATION

It is in the interest of the Company that career development programmes are set for individual employees on an on-going basis based on their individual needs and goals. Managers assess and formulate training programmes needed to improve the employee's performance to keep up with the job demand as well as to meet his or her career objectives. Performance appraisals are held at appropriate intervals annually. The objective is to establish a two-way communication channel for both employee and his or her manager to evaluate and assess past performance, review areas for improvements, plan for future career development and to fulfil the career potential within the Group.

Average Training Hours Per Employee	FY2024	FY2023
<b>Gender</b>		
Male	21	24
Female	5	6
<b>Employee Category</b>		
Management	8	18
Non-Management	22	21

The number of total training hours clocked in FY2024 was 922 hours, compared to 1,067 hours recorded in FY2023. Average training per employee was 18 hours in FY2024 (FY2023: 20). The Company aims to continue investing and developing its workforce by organising further courses, trainings and seminars for everyone in the coming year.

## DIVERSITY AND EQUAL OPPORTUNITY

IPS Securex operates an Equal Opportunities Policy, and this means that no employees should be discriminated against on grounds of sex, sexual orientation, marital status, nationality, ethnic origin, race, religion or disability. This policy extends to all areas of employment including recruitment, training, career progression, performance review, promotion and dismissal. Employment by the Group and career progression within it depends entirely on personal merit and ability.

Employees have a responsibility in helping to achieve this objective and the Company will not tolerate any behaviour by any of its employees that may violate the principles of its Equal Opportunities Policy. In any event, legislation prohibits discrimination against any employee on the grounds of sex, race or disability and any individual employee who discriminates in this way or encourages others to discriminate will be subject to disciplinary action for misconduct or gross misconduct.

We endeavour to maintain and encourage a culture of inclusiveness and zero tolerance in any form of discrimination in the workplace.



# SUSTAINABILITY REPORT

## – BOARD DIVERSITY

We value a diverse workforce. We firmly believe that a Board comprising members with different backgrounds, experiences, and perspectives is essential for the growth and success of IPS Securex. We maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity.

All Board appointments are made based on different aspects of diversity, which includes the skills, experience, independence, and knowledge which the Board as a whole requires to be effective.

Board Diversity	FY2024	FY2023
<b>By Gender</b>		
Male	100%	100%
Female	0%	0%
<b>By Age Group</b>		
< 30 Years Old	0%	0%
30 – 50 Years Old	25%	25%
> 50 Years Old	75%	75%
<b>By Nationality</b>		
Singaporean	100%	100%

## – EMPLOYEE DIVERSITY

As of 30 June 2024 and 30 June 2023, our headcount was distributed as follows:

Employee Diversity	FY2024		FY2023	
	Managerial	Non-managerial	Managerial	Non-managerial
<b>Current Employee By Gender</b>				
Male	22.64%	54.72%	23.91%	47.83%
Female	7.55%	15.09%	8.70%	19.57%
<b>New Hire By Gender</b>				
Male	0.00%	0.00%	0.00%	4.35%
Female	0.00%	1.89%	0.00%	2.17%
<b>Current Employee By Age Group</b>				
< 30 Years Old	0.00%	5.66%	0.00%	8.70%
30 – 50 Years Old	22.64%	52.83%	26.09%	47.83%
>50 Years Old	7.55%	11.32%	6.52%	10.87%
<b>New Hire By Age Group</b>				
< 30 Years Old	0.00%	0.00%	0.00%	0.00%
30 – 50 Years Old	0.00%	0.00%	0.00%	4.35%
>50 Years Old	0.00%	1.89%	0.00%	2.17%
<b>Turnover By Gender</b>				
Male	0.00%	0.00%	0.00%	4.35%
Female	0.00%	1.89%	0.00%	2.17%
<b>Turnover By Age Group</b>				
< 30 Years Old	0.00%	0.00%	0.00%	0.00%
30 – 50 Years Old	0.00%	0.00%	0.00%	4.35%
>50 Years Old	0.00%	1.89%	0.00%	2.17%
Total Turnover	0.00%	1.89%	0.00%	6.52%
<b>By Nationality</b>				
Singaporean	24.53%	45.28%	23.91%	47.83%
Malaysian	3.77%	7.55%	6.52%	2.17%
Indican	0.00%	11.32%	0.00%	8.70%
Filipino	1.89%	0.00%	2.17%	0.00%
Others	0.00%	5.66%	0.00%	8.70%

# SUSTAINABILITY REPORT

As of 30 June 2024, we had a workforce of 53 full-time employees for our operations across the Group (As at 30 June 2023: 46 full-time employees). Going forward, we continue to maintain a diverse workplace in terms of gender, nationality and age group and provide an equal opportunity for all employees.

## MEMBERSHIP OF ASSOCIATIONS

The Group is proud to participate in the following membership associations as we accelerate our value creation and sustainability initiatives, share best practices, and contribute to the global effort in addressing ever-evolving issues. This enables IPS Securex to engage and deepen relationships for business collaborations, as well as build new capabilities and enhance existing competencies and competitiveness.

- i. The Singapore Business Federation (SBF): is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment and industrial relations. It represents more than 29,000 companies, as well as key local and foreign business chambers.
- ii. The Security Systems Association of Singapore (SSAS): founded in 1995, aims to lead and support the Singapore electronic security industry in the provision of security products and services. SSAS encourages excellence and integrity among its members.

## GOVERNANCE

Strong governance is the key to a sustainable business. It is a continual challenge to successfully manage environmental and social issues. IPS Securex has incorporated this into our business model and implemented sustainable and responsible policies, practices and performance monitoring and measurement throughout the Group. We are committed to provide high quality services to meet the relevant safety, health and environmental requirements set out by our customers and the regulatory bodies.

We believe that every life counts and is important. Hence, our Homeland Security business segment prides itself in providing non-lethal countermeasures that are more relevant, effective and expansive in their application as compared to lethal solutions. IPS Securex pays strict attention to enforcing good labour practices in all our operations, including our suppliers. The Group provides various training opportunities for continued employee development, and this has been reflected in the quality and delivery of our services. We value our relationships with our customers, suppliers, other stakeholders and the wider community in which we operate, and these relationships forged have helped us through challenging times in the past. The Group strongly believes that in the long run, these efforts will be reciprocated through positive impacts on the Group's economic performance.

For FY2024, we are proud to report that we have met the targets of zero breaches of policies, etc, set out in the previous year (FY2023: zero incidence). We also strive to maintain our compliance in environmental rules and regulations, anti-competitive practices, the Catalist Rules and Code of Corporate Governance in the long run.

## ENTERPRISE RISK MANAGEMENT

The Board is committed to ensuring that the Group has an effective and practical ERM framework in place to safeguard Shareholders' interests, and the sustainability of the Group as well as provide a basis to make informed decisions having regard to the risk exposure of the Group. For detailed disclosure on our ERM, please refer to pages 53 to 54 of our Annual Report 2024.

As part of our annual ERM exercise, EESG risks are identified, assessed, and managed as regular business risks to ensure that these risk levels remain within our appetite.

## WHISTLEBLOWING POLICY

The Group has implemented a whistleblowing policy whereby accessible channels are provided for employees and external parties to raise concerns about possible improprieties on matters of financial reporting or other matters which they become aware and to ensure that:

- i. independent investigations are carried out in an appropriate and timely manner;
- ii. appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- iii. administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, fair and reasonable, while providing reassurance that employees will be protected from reprisals or victimisation for whistleblowing in good faith and without malice.

As of the date of this Annual Report, no reports were received through the whistleblowing mechanism.



# SUSTAINABILITY REPORT

## BUSINESS ETHICS, ANTI-CORRUPTION AND COMPLIANCE

We do not tolerate corruption in any form, and this has been made clear to all of the Group’s employees, customers, suppliers and business partners. Dedicated whistleblowing hotlines using both email and electronic platforms are set up so that anyone who wishes to report any ethical issue can do so confidentially. While all complaints will be reported to the Acting CEO, complaints alleging fraud and breaches of corporate governance will be escalated to the Audit Committee and the Chairman of the Board of the Company.

When it comes to hiring, we take serious considerations of any conflict of interests. Our code of conduct clearly lays the Group’s expectations for our staff and spells out the consequences of violating rules or not meeting expectations.

All of our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. The Group updates relevant staff with development in international and local regulations. We prohibit corruption in all forms, including but not limited to extortion and bribery. The Group communicates the anti-corruption policy and procedures to both governance body members and employees and conduct anti-corruption training for awareness. We also communicate with our business partners on the anti-corruption standards required.

For FY2024, there were no significant fines or non-monetary sanctions for non-compliance with laws and regulations (FY2023: Nil). There have also been no reported incidents of corruption during the Reporting Period (FY2023: Nil). We endeavour to maintain this compliance and zero incident record for the upcoming year. We will also ensure that regular communication and training about anti-corruption will be conducted for the upcoming year.

## CORPORATE GOVERNANCE

The Board and the Management of IPS Securex are committed to the best practices in corporate governance to ensure sustainability of the Group’s operations. We believe that our constant drive for corporate excellence will allow us to establish a more transparent, accountable and equitable system, thereby increasing the value of the Company and its value to our Shareholders. Please refer to the Annual Report 2024 pages 42 to 69 for details of the Group’s Corporate Governance Report. We will continue to adhere to the Code of Corporate Governance.

## GRI CONTENT INDEX

Statement of use	IPS Securex Holdings Limited has reported the information cited in this GRI content index for the period of 1 July 2023 to 30 June 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	01 (Corporate Profile)
	2-2 Entities included in the organization’s sustainability reporting	20 (Message from BOD)
	2-3 Reporting period, frequency and contact point	20 (Message from BOD)
	2-4 Restatements of information	None
	2-5 External assurance	20 (Message from BOD)
	2-6 Activities, value chain and other business relationships	12 (Our Businesses)
	2-7 Employees	33-34 (Employee Diversity)
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	42-69 (Corporate Governance Report)
	2-10 Nomination and selection of the highest governance body	42-69 (Corporate Governance Report)
	2-11 Chair of the highest governance body	42-69 (Corporate Governance Report)
	2-12 Role of the highest governance body in overseeing the management of impacts	20 (Message from BOD)
	2-13 Delegation of responsibility for managing impacts	20 (Message from BOD)
	2-14 Role of the highest governance body in sustainability reporting	20 (Message from BOD)

# SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	LOCATION
	2-15 Conflicts of interest	42-69 (Corporate Governance Report)
	2-16 Communication of critical concerns	20-22 (Stakeholder Engagement)
	2-17 Collective knowledge of the highest governance body	20 (Message from BOD)
	2-18 Evaluation of the performance of the highest governance body	42-69 (Corporate Governance Report)
	2-19 Remuneration policies	42-69 (Corporate Governance Report)
	2-20 Process to determine remuneration	42-69 (Corporate Governance Report)
	2-21 Annual total compensation ratio	42-69 (Corporate Governance Report)
	2-22 Statement on sustainable development strategy	20 (Message from BOD)
	2-23 Policy commitments	30-32 (Social – Customer Privacy, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity)
	2-24 Embedding policy commitments	30-32 (Social – Customer Privacy, Occupational Health and Safety, Training and Education, Diversity and Equal Opportunity)
	2-25 Processes to remediate negative impacts	34 (Governance, Enterprise Risk Management)
	2-26 Mechanisms for seeking advice and raising concerns	34 (Whistleblowing Policy)
	2-27 Compliance with laws and regulations	35 (Business Ethics, Anti-Corruption and Compliance)
	2-28 Membership associations	34 (Membership of Associations)
	2-29 Approach to stakeholder engagement	20-22 (Stakeholder Engagement)
	2-30 Collective bargaining agreements	None
GRI 3: Material Topics 2021	3-1 Process to determine material topics	22 (Materiality Assessment)
	3-2 List of material topics	22 (Materiality Assessment)
	3-3 Management of material topics	22 (Materiality Assessment)
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	25 (Economic Performance)
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	35 (Business Ethics, Anti-Corruption and Compliance)
GRI 403: Occupational health and safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	31-32 (Occupational Health and Safety)



# SUSTAINABILITY REPORT

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: Training and Education	404-1 Average hours of training per year per employee	32 (Training and Education)
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	32-34 (Diversity and Equal Opportunity)
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	31 (Customer Privacy)
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	28-30 (GHG Emissions and Energy Efficiency)
	302-3 Energy intensity	28-30 (GHG Emissions and Energy Efficiency)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	28-30 (GHG Emissions and Energy Efficiency)
	305-2 Energy indirect (Scope 2) GHG emissions	28-30 (GHG Emissions and Energy Efficiency)
	305-3 Other indirect (Scope 3) GHG emissions	28-30 (GHG Emissions and Energy Efficiency)
	305-4 GHG emissions intensity	28-30 (GHG Emissions and Energy Efficiency)

## TCFD INDEX

Pillars	TCFD Recommendations	Location
<b>Governance</b>		
TCFD 1(a)	Describe the board’s oversight of climate-related risks and opportunities.	25 (Governance Structure)
TCFD 1(b)	Describe management’s role in assessing and managing climate-related risks and opportunities.	20 (Message from BOD)
<b>Strategy</b>		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	25-27 (Climate-related risks and opportunities)
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	25-27 (Climate-related risks and opportunities)
TCFD 2(c)	Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	25-26 (Strategy, Scenario Analysis)
<b>Enterprise Risk Management</b>		
TCFD 3(a)	Describe the organisation’s processes for identifying and assessing climate-related risks.	28, 34 (Enterprise Risk Management)
TCFD 3(b)	Describe the organisation’s processes for managing climate-related risks.	28, 34 (Enterprise Risk Management)
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	28, 34 (Enterprise Risk Management)

# SUSTAINABILITY REPORT

Pillars	TCFD Recommendations	Location
<b>Metrics and Targets</b>		
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	23-25 (Sustainability Commitments)
TCFD 4(b)	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.	28-30 (GHG Emissions and Energy Efficiency)
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	23-25 (Sustainability Commitments)

## SGX CORE METRICS

Topic	Metric	Framework Alignment	Location
<b>ENVIRONMENTAL</b>			
Greenhouse Gas Emissions	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	GRI 305-1, GRI 305-2, GRI 305-3, TCFD	28-30 (GHG Emissions and Energy Efficiency)
	Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	GRI 305-4, TCFD	28-30 (GHG Emissions and Energy Efficiency)
Energy Consumption	Total energy consumption	GRI 302-1, TCFD	28-30 (GHG Emissions and Energy Efficiency)
	Energy consumption intensity	GRI 302-3, TCFD	28-30 (GHG Emissions and Energy Efficiency)
Water Consumption	Total water consumption	GRI 303-5, SASB 140, TCFD, WEF core metrics	Not material factor
	Water consumption intensity	TCFD, SASB IF-RE-140a.1	Not material factor
Waste Generation	Total waste generated	GRI 306-3, SASB 150, TCFD, WEF expanded metrics	Not material factor
<b>SOCIAL</b>			
Gender Diversity	Current employees by gender	GRI 405-1	32-34 (Diversity and Equal Opportunity)
	New hires and turnover by gender	GRI 401-1	32-34 (Diversity and Equal Opportunity)
Age-Based Diversity	Current employees by age groups	GRI 405-1	32-34 (Diversity and Equal Opportunity)
	New hires and turnover by age groups	GRI 401-1	32-34 (Diversity and Equal Opportunity)
Employment	Total number of employees	GRI 2-7	32-34 (Diversity and Equal Opportunity)
	Total turnover	GRI 401-1	32-34 (Diversity and Equal Opportunity)
Development & Training	Average training hours per employee	GRI 404-1	32 (Training and Education)
	Average training hours per employee by gender	GRI 404-1	32 (Training and Education)





# SUSTAINABILITY REPORT

Topic	Metric	Framework Alignment	Location
Occupational Health & Safety	Fatalities	MOM (Singapore)	31-32 (Occupational Health and Safety)
	High-consequence injuries	MOM (Singapore)	31-32 (Occupational Health and Safety)
	Recordable injuries	MOM (Singapore)	31-32 (Occupational Health and Safety)
	Recordable work-related ill health cases	MOM (Singapore)	31-32 (Occupational Health and Safety)
<b>GOVERNANCE</b>			
Board Composition	Board independence	GRI 2-9	42-69 (Corporate Governance Report)
	Women on the board	GRI 2-9, GRI 405-1	42-69 (Corporate Governance Report)
	Women in the management team	GRI 2-9, GRI 405-1	42-69 (Corporate Governance Report)
Ethical Behaviour	Anti-corruption disclosures	GRI 205-2	35 (Business Ethics, Anti-Corruption and Compliance)
	Anti-corruption training for employees	GRI 205-2	35 (Business Ethics, Anti-Corruption and Compliance)
Certifications	List of relevant certifications	Commonly reported metric by SGX issuers	31-32 (Occupational Health and Safety)
Alignment with Frameworks	Alignment with frameworks and disclosure practices	SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	20 (Message from BOD)
Assurance	Assurance of sustainability report	GRI 2-5, SGX-ST Listing Rules (Mainboard) 711A and 711B, Practice Note 7.6; SGX-ST Listing Rules (Catalist) 711A and 711B, Practice Note 7F	20 (Message from BOD)

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### ONG BENG CHYE

(Independent Non-Executive Chairman)

### CHAN TIEN LOK

(Non-Executive Director)

### JOSEPH TAN PENG CHIN

(Independent Director)

## COMPANY SECRETARY

### SHIRLEY TAN SEY LIY

(MSc Mgmt (Hons) (UCD), FCS, FCG)

## REGISTERED OFFICE

213 Henderson Road  
#04-09 Henderson Industrial Park  
Singapore 159553

## COMPANY REGISTRATION NUMBER

201327639H

## AUDITORS

### RSM SG ASSURANCE LLP

Public Accountants and Chartered Accountants

8 Wilkie Road  
#03-08 Wilkie Edge  
Singapore 228095

Partner-in-charge:

### ADRIAN TAN KHAI-CHUNG

(A practising member of the Institute of Singapore  
Chartered Accountants)

Date of Appointment: 25 October 2022

## SHARE REGISTRAR AND SHARE TRANSFER OFFICE

### BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.

1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

## PRINCIPAL BANKERS

### UNITED OVERSEAS BANK LIMITED

80 Raffles Place  
UOB Plaza  
Singapore 048624

### OVERSEA-CHINESE BANKING CORPORATION LIMITED

65 Chulia Street  
OCBC Centre #09-00  
Singapore 049513

### MALAYAN BANKING BERHAD

2 Battery Road  
Maybank Tower  
Singapore 049907

### DBS BANK LTD

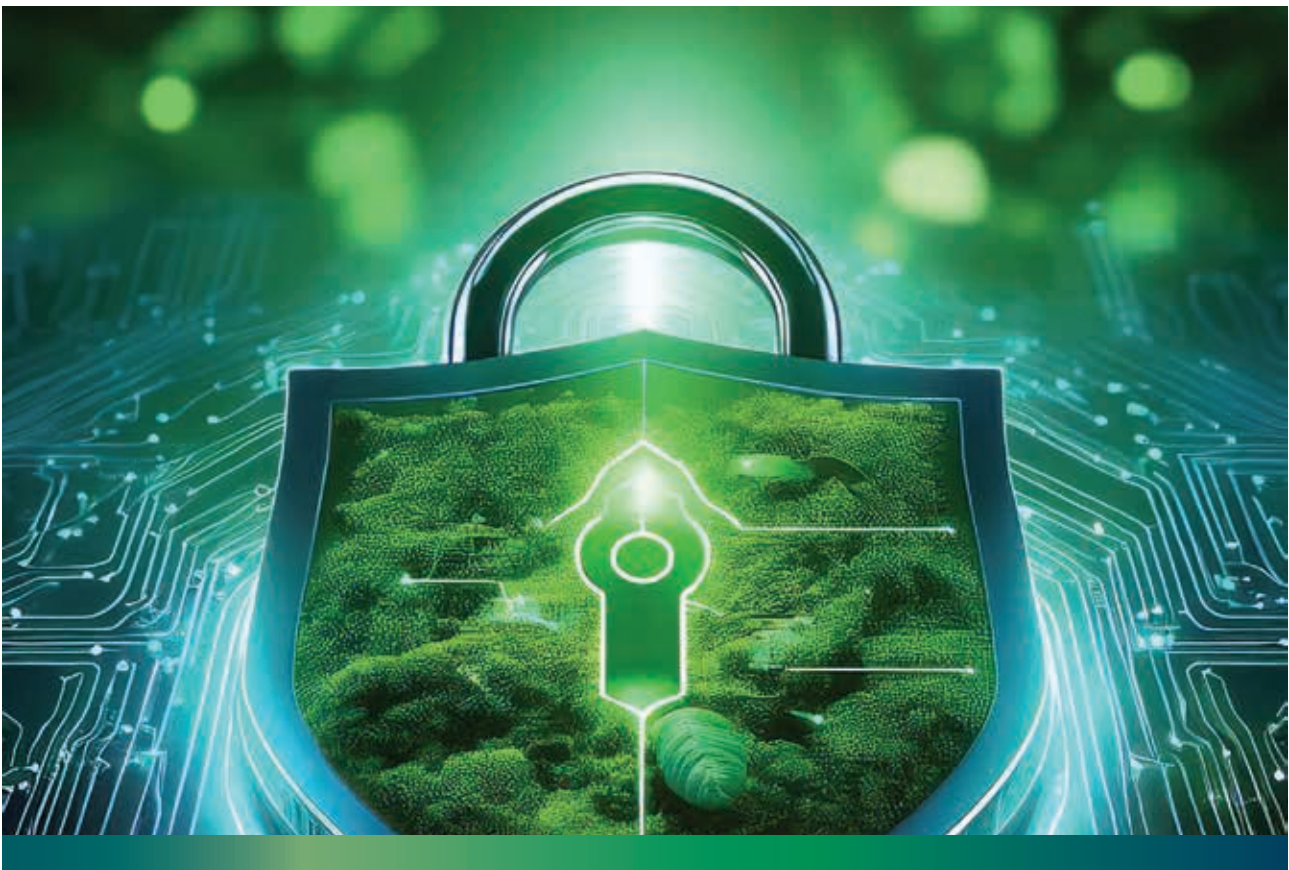
12 Marina Boulevard, Level 46  
DBS Asia Central @ MBFC Tower 3  
Singapore 018982



# FINANCIAL CONTENTS



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# CORPORATE GOVERNANCE REPORT

IPS Securex Holdings Limited (“**Company**” and, together with its subsidiaries, “**Group**”) is committed to set corporate governance practices in place which are in line with the recommendations of the Code of Corporate Governance 2018 (“**Code**”) to provide the structure through which the objectives of protection of the interests of the Company’s shareholders (“**Shareholders**”) and enhancement of long-term Shareholders’ value are met.

This report describes the corporate governance practices adopted by the Company for the financial year ended 30 June 2024 (“**FY2024**”) with specific reference made to each of the principles of the Code. The Company has complied substantially with the requirements of the Code and will continue to review its practices on an ongoing basis. It has provided an explanation for any deviation from the Code, where applicable.

## (A) BOARD MATTERS

### THE BOARD’S CONDUCT OF ITS AFFAIRS

**Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.**

The Board of Directors (“**Board**” or “**Directors**”) oversees the business and corporate affairs of the Group. The principal duties of the Board include the following:

- Protecting and enhancing long-term value and returns to Shareholders;
- Reviewing and approving, inter alia, the release of the periodic and full year results announcements, the annual report and financial statements, material acquisitions and disposals of assets, and interested person transactions of the Group;
- Providing leadership and guidance on corporate strategy, business directions, risk management policies and implementation of corporate objectives;
- Establishing, reviewing and approving the annual budget;
- Ensuring the effectiveness and integrity of management (“**Management**”);
- Monitoring Management’s achievement of goals and overseeing succession planning for Management;
- Conducting periodic reviews of the Group’s financial performance against the budget, internal controls and compliance with the relevant statutory and regulatory requirements;
- Approving nominations to the Board and appointment of key management personnel (“**Key Management Personnel**”);
- Ensuring the Group’s compliance with all relevant and applicable laws and regulations; and
- Assuming responsibility for the corporate governance of the Group.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in dealing with the business affairs of the Group and take objective decisions in the interests of the Company. The Board holds the Management accountable for performance. The Group’s code of conduct, business ethics and organisational culture are discussed in the Company’s Sustainability Report. Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict. The Directors would abstain from voting and decisions involving the issues of conflict.

To assist in the execution of its responsibilities, the Board has established the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”) (collectively, “**Board Committees**”). The Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis to ensure their continued relevance. The effectiveness of each Board Committee is also constantly reviewed by the Board.

# CORPORATE GOVERNANCE REPORT

The Company's constitution ("**Constitution**") provides for meetings for the Directors to be held by means of telephonic conference or other methods of simultaneous communication be it electronic or telegraphic means when necessary. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information to the proposed transaction.

The frequency of meetings and the attendance of each Director at each Board and Board Committees meeting for FY2024 are disclosed in the table reflected below:

Name	Board		AC		NC		RC		Annual General Meeting	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Chan Tien Lok	2	2	2	2	1	1	1	1	1	1
Kelvin Lim Ching Song <sup>(1)</sup>	2	2	2	2*	1	1*	1	1*	1	1
Ong Beng Chye	2	2	2	2	1	1	1	1	1	1
Joseph Tan Peng Chin	2	2	2	2	1	1	1	1	1	1

**Notes:**

\* By invitation

(1) Kelvin Lim Ching Song has resigned as the Executive Director and Group Chief Executive Officer ("CEO") on 30 August 2024.

The Board has adopted a set of internal guidelines setting forth matters that require the Board's approval. Matters which are specifically reserved for the Board's decision are those involving significant acquisitions, disposals and funding proposals, reviewing and approving the Group's corporate policies, monitoring the performance of the Group and transactions relating to investment, funding, legal and corporate secretarial matters.

The Board will review these internal guidelines on a periodic basis to ensure their relevance to the operations of the Group. Directors are required to act in good faith and discharge their fiduciary duties and responsibilities in the interest of the Company at all times.

The Directors are also updated regularly on any changes to the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board and/or Board Committees members.

News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") and others which are relevant to the Directors are circulated to the Board. The Company Secretary would inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. The external auditors, RSM SG Assurance LLP ("**EA**") updated the AC and the Board on the new and revised financial reporting standards that may affect the Company and/or the Group.

In line with the requirement of the Task Force for Climate-related Financial Disclosures ("**TCFD**") and climate-related disclosures, the Company has arranged for all the Directors to undergo training in this regard as prescribed under Rule 720(6) of the Catalist Rules.

Appropriate briefing and orientation will be arranged for newly appointed Directors to familiarise them with the Group's business operations, strategic directions, Directors' duties and responsibilities and corporate governance practices. They will also be given opportunities to visit the Group's operational facilities and meet with Management so as to gain a better understanding of the Group's business.

Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of Directors' duties, responsibilities and obligations. Changes to regulations and accounting standards are monitored closely by Management. To keep pace with such regulatory changes, the Company provides opportunities for on-going education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Catalist Rules that affect the Company and/or the Directors in discharging their duties.

# CORPORATE GOVERNANCE REPORT

Newly appointed Directors receive appropriate training, if required. The Group provides background information about its history, mission and values to its Directors. In addition, Management regularly updates and familiarises the Directors on the business activities of the Group during Board meetings. Upon appointment, a new Director receives a brief on the Director's duties, responsibilities and disclosure obligations as a Director. He is also briefed on key disclosure duties and statutory obligations.

To enable the Board to fulfil its responsibility, Management strives to provide Board members with complete, adequate and timely information for Board and Board Committees meetings on an on-going basis. The Board and Board Committees papers are prepared for each meeting and are disseminated to the members before the meetings. The Board and Board Committees papers include financial, business and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board Committees meetings.

The Company Secretary or her representative attends all Board and Board Committees meetings and prepares minutes of the Board and Board Committees meetings and assists the Chairman in ensuring good information flows within the Board and its Board Committees and between Management and the Non-Executive Director and Independent Directors. The Company Secretary also assists the Board so that Board procedures are followed and reviewed in accordance with the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act 2001 of Singapore, Companies Act 1967 of Singapore and the Catalist Rules, so that the Board functions effectively and the relevant rules and regulations applicable to the Company are complied with. The Company Secretary's role is to advise the Board on all governance matters, ensuring that legal and regulatory requirements as well as Board policies and procedures are complied with. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

Directors are given separate and independent access to Management and the Company Secretary to address any enquiries. The Directors either individually or as a group have the right to seek independent legal and/or other professional advice in the furtherance of their duties. The costs of such services will be borne by the Company.

## BOARD COMPOSITION AND GUIDANCE

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.**

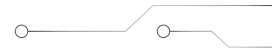
As at the date of this Annual Report, the Board comprises one Non-Executive Director and two Independent Directors (including the Chairman):

Name of Director	Board Membership	AC	NC	RC
Ong Beng Chye	Independent Non-Executive Chairman	Chairman	Member	Member
Chan Tien Lok	Non-Executive Director	Member	Member	Member
Joseph Tan Peng Chin	Independent Director	Member	Chairman	Chairman

On 1 August 2023, Ong Beng Chye was re-designated as Independent Non-Executive Chairman and Chan Tien Lok was redesignated as Non-Executive Director. The independence of each Independent Director is reviewed by the NC. Currently, majority of the Board is made up of Independent Directors, comprising Ong Beng Chye, Independent Non-Executive Chairman, Joseph Tan Peng Chin, Independent Director and Non-Executive Director, Chan Tien Lok, which is in compliance with the Code.

The criteria for independence are determined based on the definition as provided in the Code. The independence of each Director is assessed and reviewed at least annually by the NC. In its deliberation as to the independence of a Director, the NC takes into account examples of relationships as set out in the Code. The Board considers an Independent Director as one who has no relationship with the Company, its related companies, its substantial shareholders or officers that could interfere or be reasonably perceived to interfere with the exercise of the Directors' independent judgement of the Group's affairs according to the Code. The NC has reviewed, determined and confirmed the independence of each Independent Director.

The Non-Executive Director and Independent Directors participate actively during Board and Board Committees meetings. The Company has benefited from the Management's access to its Directors for guidance and exchange of views both within and outside of the meetings of the Board and Board Committees. The Non-Executive Director and Independent Directors communicate amongst themselves and with the Company's internal and external auditors and Management. When necessary, the Company co-ordinates informal meetings for the Non-Executive Director and Independent Directors to meet without the presence of the Executive Director and Group CEO and/or Management.



# CORPORATE GOVERNANCE REPORT

Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, Ong Beng Chye and Joseph Tan Peng Chin were re-elected on 25 October 2022 as Independent Directors under the Two-Tier Voting process which resolutions were to have remained in force for 3 years from the conclusion of the Annual General Meeting (“AGM”) following the passing of the resolutions. On 11 January 2023, pursuant to a SGX-ST announcement, Rule 406(3)(d)(iii) was rescinded and Rule 406(3)(d)(iv) was introduced wherein independent directors who have been a director of the issuer for an aggregate period of more than nine years (whether before or after listing) will not be independent and such director may continue to be considered independent until the conclusion of the next AGM. In particular, as transition, the SGX-ST provides that Independent Directors whose tenure exceeds the nine-year limit can continue to serve as Independent Directors until the listed companies’ AGM held for the financial year ending on or after 31 December 2023. Therefore, as Ong Beng Chye and Joseph Tan Peng Chin have served on the Board for more than nine (9) years from the date of their first appointment, they will be deemed independent until the conclusion of the forthcoming AGM of the Company scheduled to be held on 25 October 2024, pursuant to Rule 406(3)(d)(iv) of the Catalist Rules.

The NC has conducted a rigorous review on the independence of the Independent Directors, Ong Beng Chye and Joseph Tan Peng Chin and has concluded that Ong Beng Chye and Joseph Tan Peng Chin are independent until the conclusion of the forthcoming AGM of the Company even though they would have served on the Board beyond nine (9) years from 6 June 2014. The relevant factors that were taken into consideration in determining the independence of Ong Beng Chye and Joseph Tan Peng Chin are set out in Principle 4 of this report. Having considered the relevant factors, the NC has determined that Ong Beng Chye and Joseph Tan Peng Chin have demonstrated strong independence in character and judgement over the years in discharging their duties and responsibilities as Independent Directors. Their continued presence as Independent Directors will ensure best practices being followed and provide effective oversight and compliance to good corporate governance until the conclusion of the forthcoming AGM of the Company.

Accordingly, the NC has recommended to the Board that Ong Beng Chye and Joseph Tan Peng Chin continue to be considered independent until the conclusion of the forthcoming AGM of the Company, notwithstanding they would have served on the Board beyond nine (9) years from the date of their first appointment. Ong Beng Chye and Joseph Tan Peng Chin, being NC members, have abstained from any discussion and voting on their independence.

Pursuant to Rule 406(3)(d)(iv) of the Catalist Rules and based on the considerations in determining the independence of Ong Beng Chye and Joseph Tan Peng Chin in Principle 4 of this report, the NC and the Board are of the view that Ong Beng Chye and Joseph Tan Peng Chin have been and have the ability to continue exercising independent judgement in the best interests of the Company in discharging their duties as Independent Directors of the Company until the conclusion of the forthcoming AGM of the Company.

The Board and the NC have recommended the appointment of Barney Lau Tai Chiau and Lee Li Ing as the Independent Directors to be tabled at the forthcoming AGM for shareholders’ approval in place of the vacancy of Chan Tien Lok and Joseph Tan Peng Chin following their retirement as Directors at the conclusion of the forthcoming AGM of the Company.

The Board will make the necessary announcement of any such changes or appointments in due course.

The NC and the Board reviews the resumes and assesses the capabilities and competencies of new candidates for the appointment of new Directors. The Company would conduct a background check on the new candidates and the new candidates would provide the relevant declarations to the NC and the Board. The Company’s sponsor is also kept abreast of any new applicants and the new candidates’ resume is provided to the Company’s sponsor for review. The Company’s sponsor would interview the new candidates separately.

The NC has reviewed the size and composition of the Board. It is satisfied that after taking into account the nature and scope of the Group’s operations, the current Board size is appropriate and effective.

The Board comprises Directors who as a group provides core competencies and diversity of experience to enable them to lead and control the Group effectively. Such competencies and experiences include industry knowledge, strategic planning, business and general management, legal and finance.

# CORPORATE GOVERNANCE REPORT

The Company recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of its performance and is accordingly committed to promoting diversity of the Board, in line with its diversity policy that has been adopted pursuant to Rule 710A of the Catalist Rules. If required, the NC may consider appointing new director(s) in the future to enhance the core competencies and governance review of the Board. In reviewing the Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including functional and domain skills, knowledge, experience, cultural and educational background, gender, age, tenure and other relevant aspects of diversity and perspectives appropriate to the Group's business. The Board is of the view that, while it is important to promote Board diversity, the normal selection criteria based on an effective blend of competencies, skills, extensive experience and knowledge to strengthen the Board should remain a priority. The Company does not currently set any specific target but will work towards having greater diversity on the Board if opportunity arises. The NC has reviewed the size and composition of the Board and is of the view that the Board consists of persons who, as a group, provides core competencies such as business and management experience, industry knowledge, legal expertise, financial and strategic planning experience and knowledge that are necessary to meet the Company's objectives. In addition, it is of the view that the Board size of four (4) Directors (including Kelvin Lim Ching Song who has resigned on 30 August 2024) and the proposed Board size of three (3) Directors (after the retirement of Chan Tien Lok and Joseph Tan Peng Chin and Shareholders' approval has been obtained for the appointment of new Independent Directors, namely Barney Lau Tai Chiau and Lee Li Ing at the forthcoming AGM of the Company) is appropriate for effective decision making, taking into account the size, scope and nature of the operations of the Company. Furthermore, the NC is of the view that no individual or small group of individuals dominates the Board's decision-making processes and will review the appropriateness of the proposed Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment. The profile for Barney Lau Tai Chiau and Lee Li Ing can be found in pages 65 to 69 of this Annual Report.

Although all the Directors have equal responsibility for the performance of the Group, the role of the Non-Executive Director and Independent Directors is particularly important in ensuring that the strategies proposed by Management are fully discussed and rigorously examined and take into account the long-term interests of not only the Shareholders, but also of the employees and reviewing the performance of Management in meeting agreed goals and objectives. The NC considers its Non-Executive Director and Independent Directors to be of sufficient calibre and size and their views to be of sufficient weight such that no individual or small group of individuals dominates the Board's decision-making process. The NC continually reviews the composition of the Board, taking into account the balance and diversity of skills, experience and gender, among other factors.

The Company co-ordinates informal meeting sessions for the Non-Executive Director and Independent Directors to meet on a need-to basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Director.

## CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making.**

The Company practices a clear division of responsibilities between the Chairman and the Group CEO. This ensures that an appropriate balance of power between the Chairman and the Group CEO and thereby allows for increased accountability and greater capacity of the Board for independent decision making. The Group keeps the posts of the Chairman and Group CEO separate. Ong Beng Chye is the Independent Non-Executive Chairman since 1 August 2023 while Kelvin Lim Ching Song is the Executive Director and Group CEO, who has resigned on 30 August 2024.

Further to the resignation of Kelvin Lim Ching Song, the Company has appointed Boey Teik Heng as the Acting CEO of the Company on 20 September 2024.

The Independent Non-Executive Chairman is responsible for leading the Board in a strategic, effective and decisive way and ensuring that the Board is properly organised, functioning effectively and meeting its obligations and responsibilities while the Executive Director and Group CEO and the Acting CEO is responsible for the conduct of the Group's daily business operations. The Independent Non-Executive Chairman, the Executive Director and Group CEO and Acting CEO are not related.

The Independent Non-Executive Chairman ensures that Board members are provided with complete, adequate and timely information. The Independent Non-Executive Chairman ensures that procedures are introduced to comply with the Code and ensures effective communication within the Board and with the Shareholders.



# CORPORATE GOVERNANCE REPORT

Given the Chairman's independence, separation of roles between the Chairman and Executive Director and Group CEO, the Board is of the view that there are adequate safeguards and checks in place to ensure the objective assessment of the Group's ongoing affairs. The current structure also facilitates a decision-making process by the Board that is based on the collective decision of all Directors, without any concentration of power or influence residing in any one individual. In view of this, the appointment of a Lead Independent Director is not considered by the Board to be necessary.

## BOARD MEMBERSHIP

**Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.**

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills to enable the Board to make effective decisions.

The NC comprises one (1) Non-Executive Director and two (2) Independent Directors, where the majority of whom, including the NC Chairman is independent as follows:

### Nominating Committee

Joseph Tan Peng Chin (Chairman)  
Ong Beng Chye  
Chan Tien Lok

Based on the written terms of reference approved by the Board, the principal functions of the NC are:

- Reviewing and making recommendations to the Board on all candidates nominated for appointment to the Board of the Company and of its subsidiaries;
- Reviewing and recommending to the Board on an annual basis, the Board structure, size and composition, taking into account, the balance between Executive Directors, Non-Executive Directors and Independent Directors to ensure that the Board as a whole possesses the right blend of relevant experiences and core competencies to effectively manage the Group;
- Procuring that at least one-third of the Board shall comprise Independent Directors;
- Reviewing Board succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the Group CEO and key management personnel;
- Determining whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations;
- Identifying and making recommendations to the Board as to which Directors are to retire by rotation and to be put forward for re-election at each AGM of the Company, having regard to each Director's contribution and performance, including the Independent Directors;
- Review of training and professional development programmes for the Board;
- Determining whether a Director is independent as guided by the Code and any other salient factors; and
- Proposing a set of objective performance criteria to the Board for approval and implementation, to evaluate the effectiveness and performance of the Board as a whole, the Board Committees and the contribution of each Director to the effectiveness and performance of the Board.

The NC is responsible for identifying and recommending new Directors to the Board, after considering the necessary and desirable competencies. In selecting potential new Directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. In identifying suitable candidates for the appointment of new Directors, the NC will consider all relevant channels to recruit any new candidates including referrals from business partners, use of the service of external advisors to facilitate a search and also consider candidates with the appropriate qualifications and working experience from internal or external sources. After shortlisting the candidates, the NC shall consider and interview candidates on merit against objective criteria, taking into consideration whether the candidate can devote sufficient time and attention to the affairs of the Group. The NC will evaluate the suitability of the nominee or candidate based on his/her qualifications, business and

# CORPORATE GOVERNANCE REPORT

related experience, commitment, ability to contribute to the Board process and such other qualities and attributes that may be required by the Board. In recommending a candidate for re-appointment to the Board, the NC considers, amongst other things, his/her contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Group's business and affairs) his/her independence, his/her other board appointments and principal occupation and commitments outside of the Group, and any other factors as may be deemed relevant by the NC.

The employment of persons who are related to the Directors or controlling Shareholders is also subject to the approval of the NC.

The Company's Constitution requires that all Directors retire at the first AGM of the Company and one-third of the Board retires from office at every subsequent AGM. Accordingly, the NC has recommended that Ong Beng Chye be nominated for re-election at the forthcoming AGM and he will be re-designated as the Non-Executive and Non-Independent Chairman of the Company. The Board has accepted the NC's recommendations.

Chan Tien Lok and Joseph Tan Peng Chin have expressed their intention to retire at the forthcoming AGM. Joseph Tan Peng Chin has served on the Board beyond nine (9) years. Following their retirement at the forthcoming AGM, (a) Chan Tien Lok will cease to be the Non-Executive Director and a member of the AC, NC and RC; and (b) Joseph Tan Peng Chin will cease to be the Independent Director of the Company as well as the Chairman of the NC and RC and a member of the AC.

Each member of the NC shall abstain from voting on any resolutions in respect to his re-nomination as a Director. There is no alternate Director being appointed to the Board.

For the financial year under review, the NC, having considered Provision 2.1 of the Code and Rule 406(3)(d) of the Catalist Rules, is of the view that the Independent Directors of the Company are independent and are able to exercise judgment on the corporate affairs of the Group independent of Management.

In considering whether an Independent Director who has served on the Board beyond nine (9) years is still independent, the Board has taken into consideration the following factors:

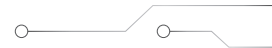
- the attendance, active participation and ability to express his views independently and present constructive challenges on issues, in the proceedings and decision-making process of the Board and Board Committee meetings;
- has demonstrated strong independence and judgement over the years in discharging their duties and responsibilities as an Independent Director; and
- has expressed individual viewpoints, debated issues and objectively scrutinised and challenged the management where necessary.

In this regard, the NC has conducted a rigorous review of the suitability of Ong Beng Chye and Joseph Tan Peng Chin being Independent Directors who have served on the Board beyond nine (9) years and has determined that Ong Beng Chye and Joseph Tan Peng Chin remains independent until the conclusion of the forthcoming AGM of the Company. Ong Beng Chye and Joseph Tan Peng Chin had abstained from voting on any resolution in respect of their own appointment. In addition, the NC is of the view that Ong Beng Chye and Joseph Tan Peng Chin are independent (as defined in the Code) and are able to exercise judgement on the corporate affairs of the Group and independence of the Management and will continue to be deemed independent until the conclusion of the Company's next AGM to be held in 2024 pursuant to Rule 406(3)(d)(iv) of the Catalist Rule and the transitional provisions of the SGX-ST.

Newly appointed Directors receive appropriate training, if required. The Group provides background information about its history, mission and values to its Directors. In addition, Management regularly updates and familiarises the Directors on the business activities of the Group during Board meetings. Upon appointment, a new Director receives a brief on the Director's duties, responsibilities and disclosure obligations as a Director. He is also briefed on key disclosure duties and statutory obligations. Despite some of the Directors having other Board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. Currently, the Board has not determined the maximum number of listed Board representations which any Director may hold. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deems necessary.

The Company does not have any alternate Directors as the Board does not encourage the appointment of alternate Directors unless it is in exceptional cases.

The key information regarding Directors such as academic and professional qualifications, Board Committees served, directorships or chairmanships both present and past held over the preceding three years in other listed companies and other major appointments, whether the appointment is executive or non-executive are set out on page 61 of this Annual Report.



# CORPORATE GOVERNANCE REPORT

## BOARD PERFORMANCE

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.**

In line with the principles of good corporate governance, the NC has adopted a process to evaluate the effectiveness and performance of the Board as a whole, the Board Committees and individual self-assessment to assess each Director's contribution to the Board's effectiveness and performance. The performance criteria for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, Board performance in relation to discharging its principal responsibilities, communication with Management and standards of conduct of the Directors. This encourages constructive feedback from the Board and leads to an enhancement of its performance over time.

The effectiveness and performance of the Board, Board Committees and contribution by each Director is assessed annually, the results of the evaluations will be collated by the Company Secretary and the findings analysed and discussed with the Board and Board Committees. Recommendations to further enhance the effectiveness and performance of the Board and Board Committees will be implemented, as appropriate.

The Board is of the view that it has satisfactorily met its performance objectives for FY2024. No external facilitator was engaged in the evaluation process.

## (B) REMUNERATION MATTERS

### PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel. No Director is involved in deciding his or her own remuneration.**

The RC comprises two (2) Independent Directors and one (1) Non-Executive Director, where the majority of whom, including the RC Chairman is independent, as follows:

#### Remuneration Committee

Joseph Tan Peng Chin (Chairman)  
Ong Beng Chye  
Chan Tien Lok

Based on the terms of reference approved by the Board, the principal functions of the RC are:

- Reviewing and recommending to the Board for endorsement, the service contracts and remuneration packages of the Executive Director and Key Management Personnel;
- Reviewing the appropriateness of compensation for the Non-Executive Director and Independent Directors, taking into account factors such as his effort, time spent and responsibilities including but not limited to, his Director's fees, allowances, share options and performance shares;
- Overseeing the general compensation of employees of the Group with a goal to motivate, recruit and retain employees through competitive compensation and progressive policies;
- Reviewing and administering the award of performance shares and/or share options to Directors and employees under the employee performance share plan and/or employee share option scheme adopted by the Company; and
- Carrying out other duties as may be agreed by the RC and the Board, subject always to any conditions that may be imposed upon the RC by the Board from time to time.

The RC is established for the purpose of ensuring that there is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. The overriding principle is that no Director should be involved in deciding his or her own remuneration. It has adopted written terms of reference that defines its membership, roles and functions and administration.

# CORPORATE GOVERNANCE REPORT

No Director is involved in deciding his own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company. There were no remuneration consultants engaged by the Company in FY2024.

In reviewing the service contracts of the Executive Director and key management personnel, the RC will review the Company's obligations arising in the event of termination of these service contracts, to ensure that such service contracts contain fair and reasonable termination clauses which commensurate with industry norms and their past contributions. The RC aims to be fair and avoid rewarding poor performance.

## LEVEL AND MIX OF REMUNERATION

**Principle 7: The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.**

The RC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director when determining remuneration packages.

The Executive Director does not receive Director's fees. The remuneration for the Executive Director and key management personnel comprises a fixed and variable component. The variable component is performance related and is linked to the Group's performance as well as the performance of each individual Executive Director and key management personnel, with a view to align the interests of the Executive Director and the key management personnel with those of Shareholders.

In structuring and reviewing the remuneration packages, the RC seeks to align the interests of Directors and key management personnel with those of Shareholders by linking rewards to corporate and individual performance, as well as to commensurate with the roles and responsibilities of each of them. The RC reviews the remuneration received by the Executive Director and Group CEO against the financial performance of the Group. The Executive Director and Group CEO reviews the remuneration of key management personnel against the staff remuneration guidelines to ensure that their remuneration packages are in line and commensurate with their respective job scope and responsibilities. The RC is satisfied that the performance conditions for the Executive Director and Group CEO and key management personnel for FY2024 were met.

On 27 May 2014, the Company entered into a service agreement with the Executive Director and Group CEO, Kelvin Lim Ching Song for an initial period of three years ("**Initial Term**") with effect from the date of admission of the Company to Catalist and thereafter for such period as the Board may decide. Since the last renewal on 28 May 2020, the service agreement with Kelvin Lim Ching Song has been further renewed for 3 years commencing from 28 May 2023 and continue to have effect and binding on the parties unless and until it is terminated according to the terms of the service agreement. Kelvin Lim Ching Song would be paid a monthly basic salary and shall be entitled to an annual performance bonus based on the terms and conditions stipulated in his service agreement and the Group's audited consolidated profit before tax after deducting profit before tax attributable to minority interests) and before deducting the Performance Bonus of the Group ("**NPBT**") as follows:

<b>NPBT</b>	<b>Performance Bonus</b>
NPBT above S\$400,000 and up to S\$800,000	5.0% of the NPBT
NPBT more than S\$800,000	10.0% of the NPBT

Kelvin Lim Ching Song has resigned as the Executive Director and Group CEO of the Company with effect from 30 August 2024.

Performance conditions such as the financial performance and operations of the Group, as well as any other business objectives such as adherence to corporate values which may from time to time be determined by the Board are used to determine the short-term incentive schemes employed on the remuneration of the Executive Director and Group CEO and key Management personnel. In addition, the Company has adopted the IPS Securex Employee Share Option Scheme ("**IPS Securex ESOS**") and IPS Securex Performance Share Plan ("**IPS Securex PSP**"), which has expired on 28 May 2024. The Company will table the resolution for adopting a new IPS Securex ESOS and new IPS Securex PSP for Shareholders' approval at the forthcoming AGM on 25 October 2024.

# CORPORATE GOVERNANCE REPORT

The Executive Director and Group CEO, Non-Executive Director, Independent Directors and key management personnel are eligible to participate in the IPS Securex ESOS and IPS Securex PSP.

The Non-Executive Director and Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate them. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. The Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. The IPS Securex ESOS and the IPS Securex PSP are employed as long-term incentive schemes in the remuneration of the Executive Director and Group CEO and Key Management Personnel, and is designed to reward, retain and motivate employees to achieve superior performance and to align the interests of employees with Shareholders. The performance conditions used to determine entitlements under the IPS Securex ESOS and the IPS Securex PSP include specific performance including but not limited to, sustained profit growth, market share, tenure of employment, as well as, the prevailing economic conditions. As at the date of this Annual Report, no share options or awards have been granted under the IPS Securex ESOS and the IPS Securex PSP, respectively.

The remuneration of employees related to the Directors and controlling Shareholders (if any), will also be reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their job scopes and responsibilities. Any bonuses, increments and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he will abstain from participating in the review.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and Group CEO and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in reputational damage and/or financial loss to the Group. The Executive Director and Group CEO and Key Management Personnel owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director and Group CEO and Key Management Personnel in the event of such breach of their fiduciary duties. The Company has in place other oversights described herein such as Whistle Blowing Policy and outsourced internal audit function as checks and balances to prevent the occurrence of such instances.

## DISCLOSURE ON REMUNERATION

**Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

A breakdown showing the level and mix of remuneration of Directors for FY2024 is set out below:

Name of Director	Salary	Bonus	Director's Fees	Allowances and Other Benefits	Total
	%	%	%	%	%
<b>Above S\$250,000 and below S\$500,000</b>					
Kelvin Lim Ching Song <sup>1</sup>	91	–	–	9	100
<b>Below S\$250,000</b>					
Chan Tien Lok	–	–	100	–	100
Ong Beng Chye	–	–	100	–	100
Joseph Tan Peng Chin	–	–	100	–	100

The Group has only four (4) key management personnel (as defined in the Code) and who are not Directors or the Group CEO. The details of the remuneration of these four (4) key management personnel (as defined in the Code) of the Group (who are not Directors or the Group CEO) identified by the Group for FY2024 is set out below:

Key Management Personnel	Salary	Bonus	Director's Fees	Allowances and Other Benefits	Total
	%	%	%	%	%
<b>Above S\$250,000 and below S\$500,000</b>					
Boey Teik Heng	69.0	–	–	31.0	100
<b>Below S\$250,000</b>					
Lee Yeow Koon	77.8	4.4	–	17.8	100
Lee Siew Han <sup>2</sup>	69.1	4.2	12.7	14.0	100
Lee Chea Siang	57.5	3.3	–	39.2	100

# CORPORATE GOVERNANCE REPORT

## Notes:

- 1 Kelvin Lim Ching Song has resigned as the Executive Director and Group CEO with effect from 30 August 2024.
- 2 Lee Siew Han's director's fees were received from the Company's subsidiaries.

For FY2024, the aggregate total remuneration paid to these four (4) key management personnel (who are not Directors or the Group CEO) amounted to S\$772,312.

There were no termination, retirement or post-employment benefits granted to Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service for FY2024.

There is an employee of the Group who is an immediate family member of the Company's Non-Executive Chairman, Chan Tien Lok. Peter Isaac Chan Khoon Lau is the son of Chan Tien Lok and whose remuneration did not exceed S\$100,000 in FY2024. The basis for determining the compensation of our related employees is the same as determining the compensation of other unrelated employees.

Name of Immediate Family Member	Salary	Bonus	Director's Fees	Allowances and Other Benefits	Total
	%	%	%	%	%
<b>Below S\$100,000</b>					
Peter Isaac Chan Khoon Lau <sup>1</sup>	—	—	—	—	—

## Note:

- 1 Peter Isaac Chan Khoon Lau was appointed as a Director of the Company's subsidiary, Securex GS Pte. Ltd. ("Securex GS") on 1 September 2018. He resigned as Director of Securex GS on 19 July 2023 and he did not received any remuneration in FY2024.

The Company does not have any employee who is an immediate family member of a Director or the Group CEO whose remuneration in FY2024 exceeded S\$100,000.

In view of confidentiality of the remuneration policies of the Company, the Board is of the opinion that it is in the best interests of the Group to disclose the remuneration of its Directors and key management personnel in salary bands.

The IPS Securex ESOS and the IPS Securex PSP will also provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.

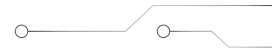
## (C) ACCOUNTABILITY AND AUDIT

### RISK MANAGEMENT AND INTERNAL CONTROLS

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.**

The Board is responsible for the overall internal controls framework, and acknowledges that the system of internal controls is designed to manage, rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The internal controls in place will address the financial, operational, compliance and information technology risks, and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss and that Shareholders' investments and the Group's assets are safeguarded. As the Group continues to grow its business, the Board will continue to review and take appropriate steps to strengthen the Group's overall system of internal controls.

The Board and Management assume the responsibility of the risk management function. Management is responsible for designing, implementing and monitoring the risk management and internal control systems. Management reviews regularly the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management reviews significant policies and procedures and highlight significant matters to the Board on a half-yearly basis.



# CORPORATE GOVERNANCE REPORT

## Enterprise Risk Management

The Board is committed to ensuring that the Group has an effective and practical enterprise risk management (“ERM”) framework in place to safeguard Shareholders’ interests and the sustainability of the Company as well as provide a basis to make informed decisions having regard to the risk exposure and risk appetite of the Group. As such, the Board has commissioned BDO Advisory Pte Ltd (“IA”) to facilitate the implementation of the ERM framework for the Group previously. The purpose of this exercise is to make recommendations on the processes to monitor key risks to the Group and to propose a reporting process by which the Audit Committee is kept updated on how on-going and new risks are being addressed by Management.

The Board relies on Management to monitor the day-to-day operations of the Group while subjecting key corporate decisions to Board approval. The Group’s performance is monitored closely by the Board and any significant matters that may have an impact on its operating results are required to be brought to the immediate attention of the Board.

The Board and Management have also taken a strict stance towards avoiding any risks that might result in the Company and/or the Group breaching any relevant laws and/or regulations and risks that could adversely affect the reputation of the Company and/or the Group. Active efforts are also in place to manage risks, such as engaging third party insurers or having internal control procedures to better mitigate the likelihood of their occurrence. Internal audits will be conducted regularly to assess the on-going compliance with the established controls to address key risk areas, where applicable.

The Company is continually reviewing and improving the business and operational activities of the Group to take into account the risk management perspective. This includes reviewing Management and manpower resources, updating workflows, processes and procedures to meet the current and future market conditions.

## Risk Assessment and Monitoring

Based on the ERM framework, the nature and extent of the risks to the Group will be assessed regularly by Key Management Personnel. A set of risk registers to document risks arising from this ERM exercise has also been established to document all key risks and the corresponding countermeasures and will be updated whenever new risks emerge or when there are applicable changes in the business environment.

During FY2024, the Group’s key management personnel had conducted their internal risk assessment of the key risks to the Company. The various responses were consolidated and ranked according to the average rating for each risk identified.

## Risk Reporting

### Annual Risk Reports

On an annual basis, a risk refresher will be performed within the Group to understand if there are any changes to the existing top risks identified and if there are any risks that require more detailed assessment. An annual risk report with the updated top risks of the Group will be compiled by the chief Operating Officer to highlight any emerging risks or high risk issues to the AC. In addition, any new risks of significance will be assessed using prescribed risk templates and reported to the AC.

Relying on the above risk reports and other reports from the IA and EA, the AC carried out assessments of the effectiveness of key internal controls during the year. Weaknesses in the internal controls or recommendations from the IA and EA to further improve the internal controls of the Group were reported to the AC. The AC will also follow up on the actions taken by Management and on the recommendations made by both the IA and EA.

Based on the work performed by both the IA and EA, the risk reports and assurance from the Executive Director and Group CEO and the Finance and Administration Director and the on-going review as well as the continuing efforts in enhancing controls and processes which are currently in place, the Board, with the concurrence of the AC, is of the opinion that there were no material weaknesses being identified and the Group’s internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at the date of this Annual Report.

# CORPORATE GOVERNANCE REPORT

The Executive Director and Group CEO, the Chief Operating Officer and the Finance and Administration Director have assured the Board that:

- (a) The financial records have been properly maintained and the financial statements for FY2024 give a true and fair view in all material aspects, of the Group's operations and finances; and
- (b) The Group's internal control and risk management systems are adequate and operating effectively in all material aspects given its current business environment.

## AUDIT COMMITTEE

### Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The AC comprises two (2) Independent Directors and one (1) Non-Executive Director, where the majority of whom, including the AC Chairman is independent, as follows:

#### Audit Committee

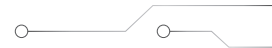
Ong Beng Chye (Chairman)  
Joseph Tan Peng Chin  
Chan Tien Lok

The AC is established to assist the Board with discharging its responsibility of safeguarding the Group's assets, maintaining adequate accounting records, and developing and maintaining effective systems of risk management and internal controls. The Board is of the opinion that at least 2 members of the AC possess the necessary accounting or related financial management qualifications, expertise and experience in discharging their duties.

The AC has written terms of reference, setting out their duties and responsibilities, which include the following.

- Reviewing the semi-annually consolidated financial statements of the Group and results announcements before submission to the Board for approval, focusing on, in particular, the relevance and consistency of accounting policies, significant financial reporting issues, recommendations and judgements made by the EA, and compliance with financial reporting standards, the Catalist Rules and any other statutory and regulatory requirements so as to ensure the integrity of the periodic consolidated financial statements of the Group and results announcements;
- Reviewing, with the EA and IA, the adequacy, effectiveness, independence, scope and results of the EA and IA function including their audit plans, scope of work, evaluation of the adequacy of internal controls and risk management systems, management letters on internal controls and Management's response, where applicable;
- At least annually, reviewing and reporting to the Board, the adequacy and effectiveness of the Group's internal controls addressing financial, operational, compliance and information technology risks and risk management systems prior to the incorporation of such results in the annual report;
- Reviewing the independence and objectivity of the EA and IA;
- Reviewing and discussing with the EA, and commissioning and reviewing the findings of internal investigations, if any, relating to any suspected fraud or irregularity, or failure of internal controls, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and soliciting for Management's response;
- Monitoring and reviewing the implementation of the EA's and IA's recommendations concurred with Management in relation to the adequacy and effectiveness of the Group's internal controls addressing financial, operational, compliance and information technology risks;
- Reviewing the co-operation given by Management to the EA and IA, where applicable;
- Making recommendations to the Board on proposals to Shareholders for the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the EA;
- Making recommendations to the Board on proposals for the appointment, re-appointment, removal, remuneration and terms of engagement of the IA;
- Reviewing any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules (if any);





# CORPORATE GOVERNANCE REPORT

- Reviewing potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- Reviewing and recommending foreign exchange hedging policies, if any, to the Board for approval;
- Reviewing the policy and arrangements by which staff or any other person may, in confidence, raise concerns about possible improprieties on matters of business operations, financial reporting or any other matters and to ensure that arrangements are in place for the independent investigation of such matter and for appropriate follow-up;
- Reviewing the assurance from the Group CEO and the Finance and Administration Director on the financial records and financial statements;
- Investigating any matters within its terms of reference; and
- Undertaking generally such other functions and duties as may be requested by the Board or required by statute or the Catalist Rules and by such amendments made thereto from time to time.

Each member of the AC shall abstain from voting on any resolutions in respect of matters in which he is interested.

The AC has full access to and co-operation of the Management and has full discretion to invite any Director or Key Management Personnel to attend the meetings and has reasonable resources to enable it to discharge its functions. The EA has unrestricted access to the AC.

In October 2015, the ACRA introduced the Audit Quality Indicators (“AQIs”) Disclosure Framework (“**Framework**”), which aims to equip AC with information that allows AC to exercise their professional judgements on elements that contribute to or are indicative of audit quality. The AQIs were further enhanced in August 2016 to provide AC with certain common yardsticks to facilitate comparison for audit quality. As part of ongoing efforts to raise audit quality, the AQIs Disclosure Framework was revised in January 2020 (“**Revised AQIs Framework**”) which comprises audit quality indicators such as audit hours, quality control, training, inspections and attrition rate to provide relevant and useful information to help AC in their evaluation of statutory auditors. Based on the AQIs set out in the Revised AQIs Framework, the AC has evaluated and is satisfied with the performance of the external auditors as well as the resolution for re-appointment of the external auditors.

The AC recommends to the Board on the proposals to Shareholders on the appointment, re-appointment and removal of the EA and approval of the remuneration of the EA. The AC has recommended to the Board the nomination of RSM SG Assurance LLP for re-appointment as EA at the forthcoming AGM of the Company. The Company confirms that Rule 712 and Rule 715(1) of the Catalist Rules have been complied with.

The AC has met with the EA and the IA without the presence of Management at least annually and as and when necessary, to review the adequacy of audit arrangement with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the EA and IA for FY2024.

For FY2024, the fees that were charged to the Group by the EA for audit services were approximately S\$138,500 while the non-audit fees payable to the EA for FY2024 was Nil.

The AC considered the report from the EA, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with Management and the EA have been included as Key Audit Matters (“**KAM**”) in the Independent Auditor’s Report for FY2024 from pages 73 to 74 of this Annual Report. In assessing the KAM, the AC took into consideration the approach and methodology applied as well as the reasonableness of estimates and key assumptions used. The AC concluded that Management’s accounting treatment and estimates in the KAM were appropriate.

The AC is kept updated on new changes to the accounting and financial reporting standards by the EA during the year. The AC does not comprise former partners or directors of the Company’s existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

# CORPORATE GOVERNANCE REPORT

## WHISTLE BLOWING POLICY

The Group has implemented a whistle blowing policy whereby accessible channels are provided for employees and external parties to raise concerns about possible improprieties on matters of financial reporting or other matters which they become aware and to ensure that:

- Independent investigations are carried out in an appropriate and timely manner;
- Appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- Administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced, fair and made in good faith, while providing reassurance that employees will be protected from reprisals or victimisation for whistle blowing in good faith and without malice.

The Group also ensures that the identity of the whistleblower is kept private and strictly confidential and the Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment. The AC is responsible for oversight and monitoring of whistleblowing.

As of the date of this Annual Report, there were no reports received through the whistle blowing mechanism.

## INTERNAL AUDIT FUNCTION

The Board recognises that it is responsible for maintaining a system of internal controls to safeguard Shareholders' investments and the Group's businesses and assets while the Management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner. The role of the IA is to assist the AC in ensuring that the controls are effective and functioning as intended, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high-risk areas.

The size of the operations of the Group does not warrant the Group having an in-house internal audit function at this juncture. The Company has therefore appointed BDO Advisory Pte Ltd, an external risk advisory consultancy firm to undertake the functions of an IA for the Group. The AC approves the appointment, re-appointment, termination, evaluation and remuneration of its outsourced IA. The IA has unfettered access to all the Group's documents, records, properties and personnel including access to the AC. The IA reports directly to the AC on all internal audit matters.

BDO Advisory Pte Ltd is an international auditing firm and they perform their work based on the BDO Internal Audit Methodology which references the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

The AC reviews and approves the internal audit plan submitted by the IA. The IA reports to the AC any significant weaknesses and risks identified in the course of internal audits conducted on an on-going basis. Recommendations to address control weaknesses are further reviewed by the IA based on implementation dates agreed with Management.

The AC has reviewed the effectiveness of the IA and is satisfied that the IA is independent and adequately resourced to perform its function effectively and has the appropriate standing within the industry. The AC is also satisfied that the internal audit function is effective and staffed by suitably qualified and experienced professionals with the relevant experience.

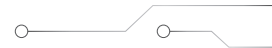
As part of the terms of reference of the AC as set out above, the AC also reviews, at least annually, the adequacy and effectiveness of the internal audit function.

## (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

**Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

The Company does not practice selective disclosure. In line with continuous obligations of the Company under the Catalist Rules and the Companies Act 1967 of Singapore, the Board's policy is that all Shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet.



# CORPORATE GOVERNANCE REPORT

Accountability to Shareholders is demonstrated through the presentation of the Group's periodic and annual financial statements, results announcements and all announcements on the Group's business and operations. In this respect, the AC reviews all periodic and annual financial statements, results announcements and all announcements on the Group's business and operations, and recommends them to the Board for approval.

The Management provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a periodic basis and when deemed appropriate by particular circumstances. In line with the Catalist Rules, the Board provides a negative assurance statement to Shareholders in respect of the periodic financial statements. For the financial year under review, the Executive Director and Group CEO, Chief Operating Officer and the Finance and Administration Director have provided assurance to the Board on the integrity of the Group's financial statements.

Management maintains regular contact and communication with the Board by various means including the preparation and circulation to all Board members of periodic and full year financial statements of the Group. This allows the Board to monitor the Group's performance and position as well as the Management's achievements of the goals and objectives determined and set by the Board.

The Company encourages active Shareholders' participation at general meetings to ensure a high level of accountability and to stay informed of the Group's business activities, financial performance and other business-related matters. Notice of the general meetings are dispatched to Shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. Shareholders are informed of general meetings through the announcements released to the SGXNet and notices contained in the annual report or circulars sent to all Shareholders. These notices are also advertised in a national newspaper as may be required in accordance with the Company's Constitution. Shareholders are also informed on the procedures for the poll voting at general meetings.

The Board welcomes questions from Shareholders who wish to raise issues, either informally or formally before or during the general meetings.

Each item of special business included in the notice of the general meetings will be accompanied by an explanation of the proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution together with the respective percentages. The poll voting procedures are clearly explained by the scrutineers at such general meeting.

All Directors, including the Chairman of the Board and the respective Chairman of the AC, NC and RC, as well as the EA are intended to be present at the forthcoming AGM to address any relevant queries by Shareholders.

All Shareholders are entitled to attend and participate in the general meetings. If any Shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's Constitution does not include the nominee or custodial services to appoint more than two proxies. On 3 January 2016, the legislation was amended, among other things to allow certain members, who are "relevant intermediaries" as defined under Section 181(6) of the Companies Act 1967 of Singapore, are allowed to appoint more than two proxies to attend and vote on their behalf at general meetings.

Voting by absentia by mail, facsimile or email is currently not provided in the Company's Constitution as such voting methods would need to be cautiously studied for its feasibility to ensure that the integrity of the information and the authenticity of the Shareholder's identity is not compromised.

The Company will publish the minutes of general meetings of Shareholders on the SGX website via SGXNet within one month from the date of AGM. The minutes record substantial and relevant comments or queries from Shareholders relating to the agenda of the general meetings and responses from the Board and Management.

For FY2024, the forthcoming AGM to be held in respect of FY2024 will be convened and held physically, and Shareholders will be able to raise questions and vote in person at the AGM. Please refer to the Notice of AGM for further details.

In line with the sustainability efforts of the Company, the Annual Report for FY2024 will be made available to the Shareholders by electronic means. Shareholder(s) who wishes to receive printed copies of the Annual Report may complete the Request Form which sent by post to the Shareholders and return it to the Company. Please refer to the Request Form for further details. A copy of the Request Form can be downloaded from the Company's corporate website at <http://www.ips-securex.com/> and SGX website at <https://www.sgx.com/securities/company-announcements>.

# CORPORATE GOVERNANCE REPORT

The Company does not have a formal dividend policy. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, cash flow generated from operations, projected capital requirements for the business growth and other factors as the Board may deem appropriate.

For FY2024, the Board did not recommend any payment of dividends as the Group continues to operate prudently and seeks to retain cash in the current economic environment.

## ENGAGEMENT WITH SHAREHOLDERS

**Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.**

The Company believes in high standards of transparent corporate disclosure and is committed to disclose information to Shareholders in a timely and fair manner via SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

The information is disseminated to Shareholders on a timely basis through

- Annual report prepared and issued to all Shareholders. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required including those under the Companies Act 1967 of Singapore, Catalist Rules and Singapore Financial Reporting Standards (International);
- Periodic announcements containing a summary of the financial information and affairs of the Group for the relevant period;
- Press releases on major developments of the Group;
- Notices of explanatory memoranda for AGMs and extraordinary general meetings ("EGMs"). Notices of AGMs and EGMs are also advertised in a national newspaper; and
- The Company's website at <http://www.ips-securex.com/> to at which Shareholders can access the information on the Group.

The Company does not practice selective disclosure. Price-sensitive information is first publicly released on an immediate basis where required under the Catalist Rules through SGXNet, even before the Company meets with any investors or analysts. In the event of any inadvertent disclosure to a selected group, the Company will make the same disclosure publicly as soon as practicable. All Shareholders of the Company will be able to access the annual report and announcements through SGXNet website and at the Company's website. They will also receive the notice of AGM and/or EGM, where applicable including proxy form by post and published in the newspaper within the mandatory period.

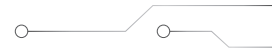
By supplying Shareholders with reliable and timely information, the Company is able to strengthen the relationship with its Shareholders based on trust and accessibility. The Company does not have a dedicated investor relations ("IR") team. The Company's website (<http://www.ips-securex.com/>) has the dedicated link "Investors" at which the Shareholders can access the latest and past financial information, corporate announcements, press releases, annual reports and profile of the Company. The Shareholders, investors, analysts and members of the media can readily contact the Company via the IR email at [investorrelations@ips-securex.com](mailto:investorrelations@ips-securex.com).

The Management will also meet with investors, analysts and the media as well as participate in IR activities to solicit and understand the views of the investment community, as and when the opportunity arises.

## (E) MANAGING STAKEHOLDERS RELATIONSHIPS ENGAGEMENT WITH STAKEHOLDERS

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.**

The Company acknowledges the importance of establishing effective communication among its stakeholders through regular engagement and various communication platforms to achieve mutually beneficial goals. Ongoing communication with stakeholders is an integral part of the Company's day-to-day operations.



# CORPORATE GOVERNANCE REPORT

The Company has identified several stakeholders' groups, namely, suppliers, customers, employees, business partners, the Board and Shareholders, who could impact the Group's business and operations. The Company's approach to the engagement with key stakeholders and material aspects assessment are disclosed in the Company's Sustainability Report on pages 20 to 39 of the Annual Report, where the Company could address its sustainability risk profile and priority issues and monitor the risk profile on a regular basis to ensure the best interest of the Company.

The Company maintains a corporate website at <http://www.ips-securex.com/> to communicate and engage with stakeholders. The Company's financial information, corporate announcements, press releases, annual reports and profile of the Group can be accessed through the Company's website.

## (F) CORPORATE SOCIAL RESPONSIBILITY

For FY2024, the Board has reviewed and considered the primary components of sustainability reporting which include:

- Identifying material Economic, Environmental, Social and Governance ("EESG") factors;
- Setting out the Group's policies, practices and performance in relation to each identified material EESG factor;
- Setting out targets for the forthcoming year in relation to each EESG factor identified; and
- Selecting a suitable sustainability reporting framework for reporting and disclosure guidance that is appropriate for the Group's industry and business model.

Please refer to our Sustainability Report on pages 20 to 39 of this Annual Report.

## (G) DEALING IN COMPANY'S SECURITIES

### Rule 1204(19) of the Catalist Rules

The Company has complied with Rule 1204(19) of the Catalist Rules in relation to dealings in the Company's securities by the Company, its Directors and its officers.

The Company has adopted a Code of Best Practices to provide guidance to its Directors and all staff of the Group with regards to dealings in the Company's securities.

The Company, its Directors and its officers are not allowed to deal in the Company's securities during the period commencing one month before the announcement of the Company's periodic and annual financial statements and ending on the date of the announcement of the relevant results.

Directors and staff are also required to adhere to the provisions of the Securities and Futures Act 2001 of Singapore, Companies Act 1967 of Singapore, the Catalist Rules and any other relevant regulations with regards to their securities transactions. They are expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period or when they are in possession of unpublished price-sensitive information and they are not to deal in the Company's securities on short-term considerations.

## (H) INTERESTED PERSON TRANSACTIONS

### Rule 907 of the Catalist Rules

The Company has established internal control policies in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted in a timely manner to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms that will not be prejudicial to the Company and its minority Shareholders.

# CORPORATE GOVERNANCE REPORT

The AC has reviewed the following significant transactions entered into by the Company with its interested persons for FY2024 in accordance with its existing procedures.–

	<b>Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules)</b>
Provision of group services (such as finance, corporate secretarial, human resources, warehouse operation cost and rental expense) by:–	<b>FY2024 (S\$)</b>
IPS Realty Pte Ltd (“ <b>IPSR</b> ”)	216,000
IPS Group Pte. Ltd. (“ <b>IPSG</b> ”)	77,208

The Board is of the view that the services above were not conducted on arm’s length basis and were not based on normal commercial terms but were beneficial to the Group and were not prejudicial to the interests of the Group or the Company’s minority Shareholders as they allowed the Group to leverage off the expertise of IPSR and IPSG for the group services under a cost-effective arrangement. Please refer to the section entitled “Interested Person Transactions – Present and On-going Interested Person Transactions” of the Company’s offer document dated 20 June 2014 in relation to its initial public offering on the Catalist of the SGX-ST on 30 June 2014 for further details on the provision of group services by IPSG to the Group.

The Company does not have any Shareholders’ mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules.

## (I) MATERIAL CONTRACTS AND LOANS

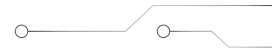
### Rule 1204(8) of the Catalist Rules

The Company confirms that save for the service agreement between the Company and the Executive Director and Group CEO, Kelvin Lim Ching Song, and as disclosed in the Report of Directors and the Financial Statements in this Annual Report, there were no other material contracts of the Company and its subsidiaries involving the interests of the Group CEO or any Director or controlling Shareholder of the Company, either subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

## (J) NON-SPONSOR FEES

### Rule 1204(21) of the Catalist Rules

Pursuant to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees payable to the Company’s sponsor, United Overseas Bank Limited, for FY2024.



# CORPORATE GOVERNANCE REPORT

## PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Academic/ Professional Qualifications	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Date of Last Re-election	Directorships in other listed companies and other major appointments	Past directorships in other listed companies and other major appointments over the preceding 3 years
Ong Beng Chye	Bachelor of Science with Honours from The City, University of London  Fellow of the Institute of Chartered Accountants in England and Wales Chartered Financial Analyst  Non-practising member of the Institute of Singapore Chartered Accountants	Independent Non-Executive Chairman	Chairman of the Board, Chairman of the Audit Committee, Member of Remuneration Committee and Nominating Committee	6 June 2014	25 October 2022	<ul style="list-style-type: none"> <li>• ES Group (Holdings) Limited</li> <li>• Alpina Holdings Limited</li> <li>• LMS Compliance Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• CapAllianz Holdings Limited</li> <li>• Hafary Holdings Limited</li> <li>• Geo Energy Resources Limited</li> </ul>
Chan Tien Lok	Cambridge General Certificate of Education Ordinary Level certificate	Non-Executive Director	Board Member and Member of the Audit Committee, Nominating Committee and Remuneration Committee	10 October 2013	26 October 2023	Nil	Nil
Joseph Tan Peng Chin	Bachelor of Laws (Hons) from the National University of Singapore	Independent Director	Board Member, Chairman of the Nominating Committee, Remuneration Committee and Member of the Audit Committee	6 June 2014	26 October 2023	<ul style="list-style-type: none"> <li>• OM Holdings Limited</li> </ul>	Nil

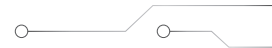
# CORPORATE GOVERNANCE REPORT

## ADDITIONAL INFORMATION ON DIRECTOR NOMINATED FOR RE-ELECTION – APPENDIX 7F TO THE CATALIST RULES

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in the Appendix 7F of the Catalist Rules for the Director who is retiring and being eligible, offer himself for re-election at the forthcoming AGM is set out below:

Details	Name of Director
	Ong Beng Chye
Date of Appointment	6 June 2014
Date of last re-appointment (if applicable)	25 October 2022
Age	56
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>Mr. Ong Beng Chye was nominated for re-election as Director at the forthcoming AGM pursuant to the Company's Constitution. The NC's process in recommending the nomination for re-election of Director and the assessment of the contribution of the Director has been disclosed under Principle 4 and Principle 5 of the Corporate Governance Report.</p> <p>The Board of the Company has accepted the NC's recommendation, who has reviewed and considered Mr. Ong Beng Chye is able to exercise judgement on the corporate affairs of the Group.</p> <p>As Mr. Ong Beng Chye has served on the Board beyond 9 years, upon his re-election at the forthcoming AGM of the Company, he will be re-designated as the Non-Executive and Non-Independent Chairman of the Company and a member of the Audit Committee, Nominating Committee and Remuneration Committee.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	As at the date of the Annual Report, Mr. Ong Beng Chye is the Independent Non-Executive Chairman, Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee.
Professional qualifications	<ul style="list-style-type: none"> <li>• Bachelor of Science with Honours from The City, University of London</li> <li>• Fellow of the Institute of Chartered Accountants in England and Wales</li> <li>• Chartered Financial Analyst</li> <li>• Fellow of the Institute of Singapore Chartered Accountants</li> </ul>
Working experience and occupation(s) during the past ten (10) years	<p>January 2007 to present: Director of Appleton Global Private Limited</p> <p>January 2007 to October 2014: Group Financial Controller of Higson International Pte Ltd</p>
Shareholding interest in the listed issuer and its subsidiaries	300,000 shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil





# CORPORATE GOVERNANCE REPORT

Details		Name of Director
		Ong Beng Chye
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer		Yes
Other Principal Commitments Including Directorships		<p><b><u>Past (for the last 5 years)</u></b></p> <ul style="list-style-type: none"> <li>• Hafary Holdings Limited</li> <li>• CapAllianz Holdings Limited</li> <li>• Gem Accounting Pte. Ltd.</li> <li>• Geo Energy Resources Limited</li> <li>• Penta Power Investment Pte. Ltd.</li> </ul> <p><b><u>Present Director of:</u></b></p> <ul style="list-style-type: none"> <li>• Appleton Global Private Limited</li> <li>• Gem Corp Services Pte Ltd</li> <li>• ES Group (Holdings) Limited</li> <li>• Alpina Holdings Limited</li> <li>• LMS Compliance Ltd.</li> </ul>
a.	Whether at any time during the last ten (10) years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
b.	Whether at any time during the last ten (10) years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
c.	Whether there is any unsatisfied judgment against him?	No
d.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No
e.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No

# CORPORATE GOVERNANCE REPORT

Details		Name of Director
		Ong Beng Chye
f.	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
g.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
h.	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
i.	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–	
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
k.	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

# CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Ong Beng Chye	
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is a re-election of a Director.	
If yes, please provide details of prior experience.		
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		

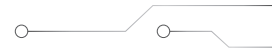
## ADDITIONAL INFORMATION ON NEW DIRECTOR – APPENDIX 7F TO THE CATALIST RULES

The information as set out in the Appendix 7F of the Catalist Rules for the new Directors to be appointed at the forthcoming AGM are set out below:

Details	Name of Director	
	Barney Lau Tai Chiau	Lee Li Ing
Date of Appointment	Subject to shareholders' approval at the forthcoming AGM	
Date of last re-appointment (if applicable)	N/A	N/A
Age	58	55
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the Nominating Committee and having reviewed and assessed his credentials, qualifications and working experiences, is of the view that Mr. Barney Lau Tai Chiau (“ <b>Mr. Barney Lau</b> ”) has the requisite experience and capabilities to assume the role and responsibility as the Independent Director of the Company.	The Board, having considered the recommendation of the Nominating Committee and having reviewed and assessed her credentials, qualifications and working experiences, is of the view that Ms. Lee Li Ing (“ <b>Ms. Lee</b> ”) has the requisite experience and capabilities to assume the role and responsibility as the Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive.	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee	Independent Director, Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee
Professional qualifications	<ul style="list-style-type: none"> <li>• Master in Christian Studies, Biblical Graduate School of Theology, Singapore</li> <li>• Bachelor of Arts, Computer Science, Rutgers, State University of New Jersey, USA</li> <li>• Diploma in Computer Studies, National Computing Centre (UK), Singapore</li> <li>• Diploma in Electronic and Communications Engineering, Singapore Polytechnic</li> </ul>	<ul style="list-style-type: none"> <li>• Bachelor Degree in Business Administration from La Trobe University, Australia</li> <li>• Diploma in Business Studies majoring in Human Resources Management &amp; International Marketing from Ngee Ann Polytechnics, Singapore</li> </ul>

# CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Barney Lau Tai Chiau	Lee Li Ing
Working experience and occupation(s) during the past ten (10) years	<p>Biblical Graduate School of Theology Oct 2023 – Present: Chairman of the Council Jan 2019 – Sep 2023: Vice-Chairman of the Council Jan 2018 – Dec 2018: Council Member Oct 2008 – Feb 2023: Covenant Evangelical Free Church (Pastor, Senior Pastor’s Office – Director of Ministries)</p> <p>Directorship: Integrated Health Information Services Pte. Ltd. May 2011 – Oct 2016: Director May 2013 – Oct 2016: Member of HR Committee</p> <p>Jurong Health Services Pte. Ltd. (Ng Teng Fong General Hospital &amp; Jurong Community Hospital) Jan 2010 – Oct 2015: Director Oct 2010 – Oct 2015: Chairman of IT Committee</p>	<p>January 2021 to September 2022: Group CHRO, Singapore Post Pte Ltd</p> <p>July 2012 to September 2019: Executive Vice President &amp; Head of Human Resources, Fullerton Financial Holdings</p> <p>November 2009 to June 2012: Executive Director &amp; head of Human Resources, Asia Pacific, Royal Bank of Scotland</p> <p>July 2008 to October 2009: Director, Human Resources, Temasek Holdings Pte Ltd</p>
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	<p><b><u>Past (for the last 5 years)</u></b></p> <p>Nil</p> <p><b><u>Present Director of:</u></b></p> <p>IFS Capital Limited</p>	<p><b><u>Past (for the last 5 years)</u></b></p> <p>Nil</p> <p><b><u>Present Director of:</u></b></p> <p>Talent Story &amp; Advisory Pte. Ltd.</p>
a. Whether at any time during the last ten (10) years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

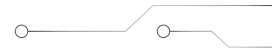


# CORPORATE GOVERNANCE REPORT

Details		Name of Director	
		Barney Lau Tai Chiau	Lee Li Ing
b.	Whether at any time during the last ten (10) years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c.	Whether there is any unsatisfied judgment against him?	No	No
d.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f.	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

# CORPORATE GOVERNANCE REPORT

Details		Name of Director	
		Barney Lau Tai Chiau	Lee Li Ing
g.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h.	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i.	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No



# CORPORATE GOVERNANCE REPORT

Details		Name of Director	
		Barney Lau Tai Chiau	Lee Li Ing
k.	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
	Any prior experience as a director of an issuer listed on the Exchange?	Yes.	No
	If yes, please provide details of prior experience.	Mr. Barney Lau is the Independent Director of IFS Capital Limited.	N/A
	If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	N/A	Ms. Lee will be attending the training on the roles and responsibilities of a director of a listed company as prescribed by the Exchange within a year from the date of her appointment to the Board.

# STATEMENT BY DIRECTORS

The directors are pleased to present the consolidated financial statements of IPS Securex Holdings Limited (the “Company”) and its subsidiaries (collectively, the “Group”) and the statement of financial position and statement of changes in equity of the Company for the reporting year ended 30 June 2024.

## 1. OPINION OF THE DIRECTORS

In the opinion of the directors:

- (a) The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (b) At the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

## 2. DIRECTORS

The directors of the Company in office at the date of this statement are:

Chan Tien Lok  
Ong Beng Chye  
Joseph Tan Peng Chin

## 3. DIRECTORS’ INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the reporting year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of directors’ interests in shares in or debentures kept by the Company under section 164 of the Companies Act 1967 (the “Act”) except as follows:

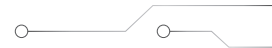
Name of directors and companies in which interests are held	Direct interest		Deemed interest	
	At beginning of reporting year	At end of reporting year	At beginning of reporting year	At end of reporting year
The Company – <u>IPS Securex Holdings Limited</u>	Number of shares of no par value			
Chan Tien Lok	120,000	120,000	248,820,000	248,820,000
Kelvin Lim Ching Song <sup>(#)</sup>	58,014,400	58,014,400	–	–
Ong Beng Chye	300,000	300,000	–	–
Joseph Tan Peng Chin	600,000	600,000	–	–
Ultimate parent company – <u>IPS Technologies Pte. Ltd.</u>	Number of shares of no par value			
Chan Tien Lok	2,080,000	2,080,000	–	–

(#) Resigned on 30 August 2024.

By virtue of section 7 of the Act, Chan Tien Lok is deemed to have an interest in all related body corporates of the Company.

The directors’ interests as at 21 July 2024 were the same as those at the end of the reporting year.





## STATEMENT BY DIRECTORS

### 4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, except as disclosed below.

### 5. OPTIONS AND PERFORMANCE SHARE PLAN

The IPS Securex Performance Share Plan (the “PSP”) and the IPS Securex Employee Share Plan Option Scheme (the “ESOS”) were approved and adopted by the Company’s shareholders at an Extraordinary General Meeting held on 29 May 2014.

The PSP and the ESOS are administered by the remuneration committee whose members are Joseph Tan Peng Chin, Ong Beng Chye and Chan Tien Lok.

Both the PSP and the ESOS continued for a maximum period of 10 years and expired on 28 May 2024 without any exercise. The Company will be seeking the approval of the Company’s shareholders in the forthcoming general meeting and of any relevant authorities that may be required to adopt new PSP and ESOS for an additional 10 years.

The total number of new shares that may be issued or shares that may be delivered pursuant to awards granted under the PSP or options granted under the ESOS, when added to the total number of new shares issued and issuable in respect of: (i) all awards granted under the PSP; (ii) all options granted under the ESOS; and (iii) all shares, options, or awards granted under such share-based incentive schemes of the Company then in force, shall not exceed 15% of the issued capital of the Company (including treasury shares) on that day preceding the relevant date of award.

The PSP grants participants fully paid shares free of charge, upon the participant achieving prescribed performance targets which will be set by the remuneration committee depending on each individual participant’s job scope and responsibilities.

The options under the ESOS may have exercise prices which at the remuneration committee’s discretion, may be at market price or discount to the market price. The options which are at market price may be exercised after the first anniversary of the date of grant of the option while the options exercisable at a discount to the market price may only be exercised after the second anniversary from the date of grant of the option. The options granted under the ESOS will expire upon the tenth anniversary of the date of grant of the option.

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At end of the reporting year, there were no unissued shares under option.

### 6. INDEPENDENT AUDITOR

RSM SG Assurance LLP has expressed willingness to accept re-appointment. This audit firm was known as RSM Chio Lim LLP before 1 March 2024.

# STATEMENT BY DIRECTORS

## 7. REPORT OF AUDIT COMMITTEE

The members of the audit committee at the date of this report are as follows:

Ong Beng Chye (Chairman of audit committee)  
Joseph Tan Peng Chin  
Chan Tien Lok

The audit committee performed the functions specified by section 201B(5) of the Act. Among other functions, it reviewed the following, where relevant, with management, the external auditor and the internal auditor:

- The audit plan of the external auditor, the result or the external audit procedures, the external auditor's evaluation of the Company's internal accounting controls relevant to the statutory audit, the audit report on the financial statements and the assistance given by management to the external auditor;
- The scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor;
- The financial statements of the Group and of the Company prior to their submission to the directors of the Company for adoption; and
- The interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the corporate governance report included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provides non-audit services.

The audit committee has recommended to the board of directors that RSM SG Assurance LLP be nominated for re-appointment as independent auditor at the next annual general meeting of the Company.

## 8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls), and risk management systems were adequate and effective as at 30 June 2024 to address the risks that the Company considers relevant and material to its operations.

## 9. SUBSEQUENT DEVELOPMENTS

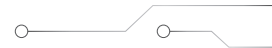
There are no significant developments subsequent to the release of the preliminary financial statements of the Group and of the Company, as announced on 23 August 2024, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

Ong Beng Chye  
Independent Non-Executive Chairman

Chan Tien Lok  
Non-Executive Director

11 September 2024



# INDEPENDENT AUDITOR'S REPORT

to the members of IPS SECUREX HOLDINGS LIMITED

## Report on the audit of the financial statements

### *Opinion*

We have audited the accompanying financial statements of IPS Securex Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “**Act**”) and Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (“**SSAs**”). Our responsibilities under those standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (“**ACRA**”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“**ACRA Code**”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Key audit matters*

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### *Recognition of revenue, contract assets, contract costs and contract liabilities*

Please refer to note 2A on the relevant accounting policies, note 5 on revenue, note 17 on contract assets, note 18 on contract costs and note 26 on contract liabilities.

The Group’s security solutions segment provides integrated security solutions to its customers. Under this segment, there are two types of revenue stream, namely, sale of goods and revenue from contracts.

Management determined that the performance obligations under revenue from contracts are satisfied over time. Management’s judgement is required in assessing the appropriate method for measuring progress and, to this end, the output method was adopted. In making this determination, management took into consideration the nature of the goods or services that the Group promised to transfer to its customers, and whether the milestones reached faithfully depict the Group’s performance towards complete satisfaction of the performance obligations.

In addition, the Group also recognises contract costs by considering the nature of the project expenditures and the appropriate methods of recognition, including costs that generate or enhance resources of the Group that will be used in satisfying performance obligations in the future and costs that relate to satisfied performance obligations (i.e., costs that relate to past performance).

In response to this key audit matter, our audit procedures included, amongst others, the following:

- We obtained an understanding of the nature of the sales contracts entered into by the Group for the provision of integrated security solutions and whether the method of recognising revenue and costs adopted by management was in accordance with the relevant financial reporting standard;

# INDEPENDENT AUDITOR'S REPORT

to the members of IPS SECUREX HOLDINGS LIMITED

## *Key audit matters (Continued)*

### *Recognition of revenue, contract assets, contract costs and contract liabilities (Continued)*

- We reviewed and discussed with management the Group's revenue recognition policy, including those related to accounting for variable considerations and contract modifications;
- In relation to contract costs, we:
  - Checked that these costs are expensed when incurred except for those that qualify as assets under other financial reporting standards, incremental costs to obtain the contracts and costs to fulfil a contract;
  - Verified materials costs incurred to supporting documents such as suppliers' invoices and progress claims, and reviewed the accrued costs;
  - Reviewed whether capitalised contract costs and their subsequent measurement are appropriate;
- We assessed the appropriateness of the Group's measurement of the performance obligations satisfied and the corresponding costs incurred to fulfil those obligations;
- We reviewed management's assessment for the need to provide for contract losses if it is probable that total estimated project costs exceed total estimated project revenue by discussing with senior management and project managers; and
- We also assessed the adequacy of disclosures made in the financial statements.

### *Assessment of impairment of trade receivables and contract assets*

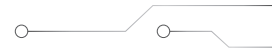
Please refer to note 2A on the relevant accounting policy, note 2B on critical judgements, assumptions and estimation uncertainties, note 17 on contract assets and note 19 on trade and other receivables.

As at 30 June 2024, the Group's trade receivables and contract assets amounted to \$5,066,985 and \$270,402 respectively, which collectively represented 45% of the Group's total assets. The allowance for impairment of trade receivables and contract assets is estimated by management through the application of judgement and use of subjective assumptions.

The expected credit losses ("ECL") are recognised from initial recognition of the trade receivables and contract assets based on the lifetime ECL. The assessment requires management to exercise significant judgement in developing methodologies. In estimating ECL, the Group developed a matrix that took into account historical credit loss experience and, where relevant, incorporated forward-looking information that reflect management's view of potential future economic conditions. In addition, for certain material long overdue trade receivables and contract assets, the ECL allowance is determined by making debtor-specific assessments which requires significant management judgements.

In response to this key audit matter, our audit procedures included, amongst others, the following:

- We reviewed the allowance methodologies developed by the Group and assessed management's assumptions and estimates, in particular, the historical default rates of trade receivables and contract assets based on the shared credit risk characteristics and those relating to forward-looking information;
- We assessed the facts and circumstances surrounding the outstanding material trade receivables and contract assets, and also reviewed evidence of collection by way of receipts from customers after the year end;
- We evaluated the reasonableness of management's estimate of future payments by the customers by taking into consideration the customers' past payment history; and
- We assessed the adequacy of ECL allowance recorded at end of reporting year and disclosures made in the financial statements.



# INDEPENDENT AUDITOR'S REPORT

to the members of IPS SECUREX HOLDINGS LIMITED

## *Other information*

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## *Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

## *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

# INDEPENDENT AUDITOR'S REPORT

to the members of IPS SECUREX HOLDINGS LIMITED

## *Auditor's responsibilities for the audit of the financial statements (Continued)*

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Tan Khai-Chung.

RSM SG Assurance LLP  
Public Accountants and  
Chartered Accountants  
Singapore

11 September 2024

Engagement partner – Appointment since year ended 30 June 2023

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Revenue</b>	5	<b>13,687,667</b>	11,543,086
Cost of sales		<b>(7,911,636)</b>	(7,865,350)
<b>Gross profit</b>		<b>5,776,031</b>	3,677,736
Other income and gains	6	<b>293,735</b>	90,104
Administrative expenses	9	<b>(5,772,933)</b>	(5,563,499)
Allowance for expected credit loss – reversal/(loss)	19	<b>3,662</b>	(31,572)
Other losses	6	<b>(327)</b>	–
Other operating expenses		<b>(117,564)</b>	(88,682)
Finance income	7	<b>1,513</b>	576
Finance costs	8	<b>(68,674)</b>	(104,509)
<b>Profit/(loss) before tax</b>		<b>115,443</b>	(2,019,846)
Income tax (expense)/benefit	10	<b>(11,802)</b>	8,555
<b>Total comprehensive income/(loss)</b>		<b>103,641</b>	(2,011,291)
<b>Earnings/(loss) per share</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted	11	<b>0.02</b>	(0.41)

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2024

	Note	Group		Company	
		2024 \$	2023 \$	2024 \$	2023 \$
<b>ASSETS</b>					
<b><u>Non-current assets</u></b>					
Plant and equipment	12	330,015	408,384	–	–
Other investment	13	7,605	7,605	–	–
Investments in subsidiaries	14	–	–	3,000,199	3,000,199
Trade and other receivables	19	534,228	–	–	–
<b>Total non-current assets</b>		<b>871,848</b>	<b>415,989</b>	<b>3,000,199</b>	<b>3,000,199</b>
<b><u>Current assets</u></b>					
Restricted fixed deposits	15	453,133	452,452	–	–
Inventories	16	1,683,357	1,805,194	–	–
Contract assets	17	270,402	330,510	–	–
Contract costs	18	450	45,200	–	–
Trade and other receivables	19	5,316,417	2,233,162	2,400,211	2,494,484
Prepayments		252,538	278,386	4,277	8,757
Loans to subsidiaries	20	–	–	622,130	621,563
Cash and cash equivalents	21	3,141,339	7,113,363	199,054	146,638
<b>Total current assets</b>		<b>11,117,636</b>	<b>12,258,267</b>	<b>3,225,672</b>	<b>3,271,442</b>
<b>Total assets</b>		<b>11,989,484</b>	<b>12,674,256</b>	<b>6,225,871</b>	<b>6,271,641</b>
<b>EQUITY AND LIABILITIES</b>					
<b><u>Equity</u></b>					
Share capital	22	9,405,906	9,405,906	9,405,906	9,405,906
Accumulated losses		(1,691,712)	(1,795,353)	(3,503,929)	(3,460,581)
Other reserves	23	(679,352)	(679,352)	120,647	120,647
<b>Total equity</b>		<b>7,034,842</b>	<b>6,931,201</b>	<b>6,022,624</b>	<b>6,065,972</b>
<b><u>Non-current liabilities</u></b>					
Deferred tax liabilities	10	1,490	1,490	–	–
Loans and borrowings	25	183,007	1,316,153	–	–
<b>Total non-current liabilities</b>		<b>184,497</b>	<b>1,317,643</b>	<b>–</b>	<b>–</b>
<b><u>Current liabilities</u></b>					
Trade and other payables	24	3,193,151	2,362,512	203,247	205,669
Loans and borrowings	25	1,239,986	1,275,774	–	–
Contract liabilities	26	337,008	787,126	–	–
<b>Total current liabilities</b>		<b>4,770,145</b>	<b>4,425,412</b>	<b>203,247</b>	<b>205,669</b>
<b>Total liabilities</b>		<b>4,954,642</b>	<b>5,743,055</b>	<b>203,247</b>	<b>205,669</b>
<b>Total equity and liabilities</b>		<b>11,989,484</b>	<b>12,674,256</b>	<b>6,225,871</b>	<b>6,271,641</b>

The accompanying notes form an integral part of these financial statements.



# STATEMENTS OF CHANGES IN EQUITY

Year ended 30 June 2024

<u>Group</u>	Share capital \$	Accumulated losses \$	Other reserves \$	Total equity \$
<b>Current year</b>				
At 1 July 2023	9,405,906	(1,795,353)	(679,352)	6,931,201
<b>Changes in equity</b>				
Total comprehensive income for the year	–	103,641	–	103,641
<b>At 30 June 2024</b>	<b>9,405,906</b>	<b>(1,691,712)</b>	<b>(679,352)</b>	<b>7,034,842</b>
<b>Previous year</b>				
At 1 July 2022	9,405,906	215,938	(679,352)	8,942,492
<b>Changes in equity</b>				
Total comprehensive loss for the year	–	(2,011,291)	–	(2,011,291)
<b>At 30 June 2023</b>	<b>9,405,906</b>	<b>(1,795,353)</b>	<b>(679,352)</b>	<b>6,931,201</b>
<u>Company</u>	Share capital \$	Accumulated losses \$	Other reserves \$	Total equity \$
<b>Current year</b>				
At 1 July 2023	9,405,906	(3,460,581)	120,647	6,065,972
<b>Changes in equity</b>				
Total comprehensive loss for the year	–	(43,348)	–	(43,348)
<b>At 30 June 2024</b>	<b>9,405,906</b>	<b>(3,503,929)</b>	<b>120,647</b>	<b>6,022,624</b>
<b>Previous year</b>				
At 1 July 2022	9,405,906	(2,419,682)	120,647	7,106,871
<b>Changes in equity</b>				
Total comprehensive loss for the year	–	(1,040,899)	–	(1,040,899)
<b>At 30 June 2023</b>	<b>9,405,906</b>	<b>(3,460,581)</b>	<b>120,647</b>	<b>6,065,972</b>

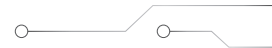
The accompanying notes form an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2024

	2024 \$	2023 \$
<b><u>Cash flows from operating activities</u></b>		
Profit/(loss) before tax	115,443	(2,019,846)
Adjustments for:		
Interest income	(1,513)	(576)
Interest expense	62,334	97,054
Depreciation of plant and equipment	134,874	105,484
Loss/(gain) on disposal of plant and equipment	327	(240)
Inventories written-off	70,683	33,112
Inventories written-down	24,434	33,704
Allowance for expected credit loss – (reversal)/loss	(3,662)	31,572
Trade payables derecognised	(208,442)	–
Net foreign exchange loss – unrealised	8,216	16,060
Operating cash flows before changes in working capital	202,694	(1,703,676)
Inventories	22,105	845,778
Contract assets	60,108	(16,462)
Contract costs	44,750	11,783
Trade and other receivables	(3,613,143)	2,373,414
Prepayments	25,848	(199,737)
Trade and other payables	679,660	242,049
Contract liabilities	(450,118)	19,981
Net cash flows (used in)/from operations	(3,028,096)	1,573,130
Income tax paid	(11,802)	(105,784)
Interest received	835	9
Net cash flows (used in)/from operating activities	(3,039,063)	1,467,355
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment	(55,336)	(346,998)
Proceeds from disposal of plant and equipment	3,119	5,611
Net cash flows used in investing activities	(52,217)	(341,387)
<b><u>Cash flows from financing activities</u></b>		
Repayment of lease liabilities	(10,496)	(10,011)
Repayment of bank borrowings	(1,158,438)	(1,233,971)
Interest paid	(56,465)	(103,440)
Proceeds from trade financing facilities	1,023,068	1,084,416
Repayment of trade financing facilities	(669,516)	(2,229,447)
Fixed deposit placed with a financial institution	(145)	–
Decrease/(increase) in restricted cash and fixed deposits pledged	85,937	(41,681)
Net cash flows used in financing activities	(786,055)	(2,534,134)
<b>Net decrease in cash and cash equivalents</b>	<b>(3,877,335)</b>	<b>(1,408,166)</b>
Cash and cash equivalents at beginning of year	6,939,564	8,367,547
Effect of changes in exchange rates on cash and cash equivalents	(8,216)	(19,817)
<b>Cash and cash equivalents at end of year (note 21)</b>	<b>3,054,013</b>	<b>6,939,564</b>

The accompanying notes form an integral part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 1. GENERAL INFORMATION

IPS Securex Holdings Limited (the “**Company**”) is incorporated in Singapore with limited liability. The financial statements are presented in Singapore Dollars (“**\$**”) and they cover the Company and its subsidiaries (collectively, the “**Group**”).

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The Company is an investment holding Company. It is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The principal activities of the subsidiaries are set out in note 14 to the financial statements.

The registered office of the Company is located at 213 Henderson Road, #04-09 Henderson Industrial Park, Singapore 159553. The Company is situated in Singapore.

### Macroeconomic conditions related disclosures

Management has considered the uncertain and challenging macroeconomic and geopolitical environment that have caused widespread increase in interest rates and a significant rise in inflation, affecting the cost of many of the goods and services for customers and suppliers. Management reviewed the probable impact and plausible downside scenarios, in particular the recoverable amounts of the assets. No material uncertainties were identified in connection with the Group’s ability to continue in operational existence for the near future.

### Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) and the related Interpretations to SFRS(I) (“**SFRS(I) INT**”) as issued by the Accounting Standards Committee under Accounting and Corporate Regulatory Authority (“**ASC**”). They comply with the provisions of the Companies Act 1967 and with the International Financial Reporting Standards issued by the International Accounting Standards Board.

### Basis of preparation of financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

### Basis of presentation and principles of consolidation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are deconsolidated from the date that control ceases.

Changes in the Group’s ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group’s and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary, it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost and is subsequently accounted as a financial asset in accordance with the financial reporting standard on financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 2A. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION

### Revenue and income recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

#### Sale of goods

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

#### Maintenance and leasing services

Revenue from maintenance and leasing services are provided as a fixed-price contract, with contract terms generally within one year. Revenue from fixed-price contracts are non-project related and include maintenance services which are recognised over time when the customers simultaneously receive and consume the benefits from the Group's performance. Such services are recognised using a straight-line basis over the term of the contract.

#### Distinct goods or services created over time

For service contracts and projects for developing an asset, the value to the customer is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the Group's performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The revenue is recognised over time by using the output method. For output method, revenue is recognised based on milestone reached, i.e., direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. For the output method, as a practical expedient for a performance obligation satisfied over time, if the Group has a right to invoice the customer at an amount that corresponds directly with the value to the customer of the Group's performance to date, revenue is recognised at that amount (for example, in a goods or services contract, the Group may have the right to bill a fixed amount for each unit of goods or service provided).

### Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The Group's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 2A. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### Foreign currency transactions

The functional currency is the Singapore Dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

### Income tax

Tax expense (tax benefit) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statements of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and joint arrangements except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

### Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term). The annual rates of depreciation are as follows:

Computers and office equipment	– 2 to 3 years
Furniture, fixtures and office renovation	– 3 to 5 years
Tools and equipment	– 3 to 5 years
Motor vehicles	– 5 to 10 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

### Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment. The right-of-use assets are depreciated over 5 years.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 2A. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the Company's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

### Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the weighted average method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

### Carrying amounts of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is expensed.

### Financial instruments

#### Recognition and de-recognition of financial instruments

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

#### Classification and measurement of financial assets

Financial assets are classified into (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income ("FVTOCI"); (3) Financial asset that is a debt asset instrument classified as measured at FVTOCI; and (4) Financial asset classified as measured at fair value through profit or loss ("FVTPL").

At end of reporting year, the Group had financial assets classified as measured at amortised cost.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 2A. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### Financial instruments (Continued)

#### Classification and measurement of financial assets (Continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL, that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

#### Classification and measurement of financial liabilities

Financial liabilities are classified as at FVTPL in either of the following circumstances:

- (i) The liabilities are managed, evaluated and reported internally on a fair value basis; or
- (ii) The designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

### Cash and cash equivalents

Cash comprises cash on hand and demand deposits.

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

### Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 2B. CRITICAL JUDGEMENTS, ASSUMPTIONS AND ESTIMATION UNCERTAINTIES

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next reporting year are discussed below or in the corresponding Notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

### Measuring revenue recognised over time

Judgement is required whether the over time method can be used to recognise the Group's revenue from contracts. The assessment requires judgement and the consideration of many criteria that should be met to qualify for the over time method such as whether the customer presently is obligated to pay for an asset, whether the customer has legal title, whether the entity has transferred physical possession of the asset, whether the customer has assumed the significant risks and rewards of ownership of the asset, and whether the customer has accepted the asset. Judgement is required in selecting a method (output or input methods) for measuring progress toward complete satisfaction of a performance obligation. A single method is applied consistently for measuring progress for each performance obligation satisfied over time. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material. The related account balances at end of reporting year are disclosed in the relevant notes on revenues, contract assets and contract liabilities.

### Assessment of impairment of trade receivables and contract assets

The assessment of expected credit losses ("ECL") requires estimation and significant judgement. In measuring the expected credit losses, management considers all reasonable and supportable information such as the Group's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward-looking information such as forecasts of future economic conditions. In addition, for certain material long overdue trade receivables and contract assets, the ECL allowance is determined by making debtor-specific assessments. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at end of reporting year. The carrying amounts of trade receivables and contract assets at the end of the reporting year are disclosed in notes 19 and 17 respectively.

### Assessment of write-down of inventories

The assessment of write-down of inventories requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amounts of inventories at end of reporting year is disclosed in note 16.

### Assessment of impairment of investments in subsidiaries

Where an investee is in net equity deficit and or has suffered losses, a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the investee affected. The carrying amount of the specific investee or class of investees at end of reporting year affected by the assumption is \$3,000,199 (2023: \$3,000,199).



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the Group to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

### 3A. Members of a group

Name	Relationship	Country of incorporation
IPS Technologies Pte. Ltd.	Immediate and ultimate parent company	Singapore

Related companies in these financial statements include the members of the above group of companies.

The ultimate controlling party is Chan Tien Lok, a director and controlling shareholder of the Company.

Related parties in these financial statements refer to entities controlled by the ultimate controlling party and are outside the Group.

### 3B. Related party transactions

There are transactions and arrangements between the Group and its related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Group	
	2024 \$	2023 \$
<u>Related parties</u>		
Sale of goods	(5,020)	(13,766)
Accounting and administrative services	77,208	77,208
Rental expenses	216,000	216,000

### 3C. Key management compensation

	Group	
	2024 \$	2023 \$
Short-term employee benefits	1,199,585	1,395,596
Post-employment benefits (including contribution to defined contribution plan)	76,651	77,576
	<b>1,276,236</b>	<b>1,473,172</b>

Included in the above amounts are the following items:

Remuneration of directors of the Company and subsidiaries	323,255	446,297
Fees to directors of the Company	150,126	205,216
Fees to directors of subsidiaries	26,000	50,000

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 3C. Key management compensation (Continued)

The above amounts are included under employee benefits expense.

Key management personnel include directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel.

Further information about the remuneration of individual directors is provided in the corporate governance report.

### 3D. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related companies and related parties are as follows:

	Company	
	2024	2023
	\$	\$
<u>Subsidiaries</u>		
At beginning of year	2,453,584	2,163,256
Amounts paid in and settlement of liabilities on behalf of the related companies	–	290,328
Amounts paid out and settlement of liabilities on behalf of the Company	(94,462)	–
At end of year	<b>2,359,122</b>	<b>2,453,584</b>
Presented in the statement of financial position as follows:		
Other receivables (note 19)	2,359,291	2,453,604
Other payables (note 24)	(169)	(20)
	<b>2,359,122</b>	<b>2,453,584</b>

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
<u>Other payables to related parties</u>				
At beginning of year	26,950	52,999	26,389	52,289
Amounts paid out and settlement of liabilities on behalf of the related parties	–	(26,049)	–	(25,900)
Amounts paid in and settlement of liabilities on behalf of the Group	26,316	–	26,877	–
At end of year (note 24)	<b>53,266</b>	<b>26,950</b>	<b>53,266</b>	<b>26,389</b>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

The Group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the Group.

### 4A. Information about reportable segments

For management purposes, the Group is organised into the following major strategic operating segments:

- (1) Security solutions: These include the sale of goods and provision of integrated security solutions to customers; and
- (2) Maintenance and leasing: These include maintenance services and leasing of security equipment.

Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the board of directors (who are identified as the chief operating decision makers) in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

Inter-segment sales are measured on the basis that the Group actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The following tables disclose the information about the reportable segment profit or loss, assets and liabilities. Certain information on revenue is also set out in note 5.

### 4B. Profit or loss and reconciliation

	Group	
	2024	2023
	\$	\$
<u>Revenue by segment</u>		
Security solutions	9,484,423	7,654,059
Maintenance and leasing	4,203,244	3,889,027
	<b>13,687,667</b>	<b>11,543,086</b>
<u>Profit before tax by segment</u>		
Security solutions	2,774,104	962,497
Maintenance and leasing	2,941,520	2,470,947
Unallocated amounts:		
– Other income	88,164	90,104
– Administrative expenses	(5,596,906)	(5,430,946)
– Other operating expenses	(31,878)	(21,866)
– Net finance costs	(59,561)	(90,582)
	<b>115,443</b>	<b>(2,019,846)</b>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

### 4C. Assets, liabilities and reconciliations

	Group	
	2024	2023
	\$	\$
<u>Total assets by segments</u>		
Security solutions	6,659,754	3,385,251
Maintenance and leasing	1,805,528	1,762,553
Unallocated amounts:		
– Plant and equipment	330,015	408,384
– Cash and cash equivalents	3,072,345	6,957,751
– Other receivables	121,842	160,317
	<b>11,989,484</b>	<b>12,674,256</b>
<u>Total liabilities by segments</u>		
Security solutions	(1,847,965)	(2,210,920)
Maintenance and leasing	(676,443)	(352,936)
Unallocated amounts:		
– Bank borrowings	(1,403,383)	(2,561,821)
– Lease liabilities	(19,610)	(30,106)
– Other payables	(1,005,751)	(585,782)
– Deferred tax liabilities	(1,490)	(1,490)
	<b>(4,954,642)</b>	<b>(5,743,055)</b>

### 4D. Other material items and reconciliation

	Group	
	2024	2023
	\$	\$
<u>Interest income</u>		
Security solutions	1,359	527
Maintenance and leasing	–	14
Unallocated amounts	154	35
	<b>1,513</b>	<b>576</b>
<u>Interest expense</u>		
Security solutions	(8,908)	(13,891)
Maintenance and leasing	(51)	–
Unallocated amounts	(53,375)	(83,163)
	<b>(62,334)</b>	<b>(97,054)</b>
<u>Depreciation of plant and equipment</u>		
Unallocated amounts	(134,874)	(105,484)
<u>Allowance for expected credit loss – reversal/(loss)</u>		
Security solutions	3,662	(31,572)
<u>Capital expenditure</u>		
Unallocated amounts	(55,336)	(346,998)

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

### 4E. Geographical information

The following table provides an analysis of revenue and non-current assets by geographical market, irrespective of origin of the goods or services:

	Revenue		Non-current assets	
	2024	2023	2024	2023
	\$	\$	\$	\$
Singapore	12,737,597	10,251,338	871,848	415,989
East Asia <sup>(1)</sup>	1,777	26,802	–	–
Indochina <sup>(2)</sup>	48,525	68,661	–	–
Rest of Southeast Asia <sup>(3)</sup>	899,768	1,187,831	–	–
Other countries <sup>(4)</sup>	–	8,454	–	–
	<b>13,687,667</b>	<b>11,543,086</b>	<b>871,848</b>	<b>415,989</b>

(1) Includes People's Republic of China, South Korea and Japan.

(2) Includes Myanmar, Thailand, Laos, Cambodia and Vietnam.

(3) Includes Malaysia, Brunei, Indonesia, Philippines and Timor Leste.

(4) Includes Australia, United States of America and India.

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods or services. The non-current assets are analysed by the geographical area in which the assets are located.

### 4F. Information on major customers by revenue transactions

	Group	
	2024	2023
	\$	\$
Top 1 customer	3,759,352	4,114,166
Top 2 customers	5,671,823	5,575,999
Top 3 customers	<b>6,173,473</b>	<b>6,371,087</b>

## 5. REVENUE

	Group	
	2024	2023
	\$	\$
Revenue from contracts	8,171,005	6,872,260
Maintenance and leasing services	4,203,244	3,889,027
Sale of goods	1,313,418	781,799
	<b>13,687,667</b>	<b>11,543,086</b>

Revenue classified by timing of revenue recognition:

Over time	12,374,249	10,761,287
Point in time	1,313,418	781,799
	<b>13,687,667</b>	<b>11,543,086</b>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 6. OTHER INCOME AND GAINS/(OTHER LOSSES)

	Group	
	2024	2023
	\$	\$
Government grants	74,911	82,684
(Loss)/gain on disposal of plant and equipment	(327)	240
Trade payables derecognised <sup>(#)</sup>	208,442	–
Other miscellaneous income	10,382	7,180
	<b>293,408</b>	<b>90,104</b>
Presented in profit or loss as:		
Other income and gains	293,735	90,104
Other losses	(327)	–
	<b>293,408</b>	<b>90,104</b>

(#) Trade payables amounting to \$208,442 were derecognised during the year as the supplier had been uncontactable since 2018.

## 7. FINANCE INCOME

	Group	
	2024	2023
	\$	\$
Interest income from cash at banks	9	9
Interest income from fixed deposits	1,504	567
	<b>1,513</b>	<b>576</b>

## 8. FINANCE COSTS

	Group	
	2024	2023
	\$	\$
Interest on trade financing facilities	10,989	14,497
Interest on lease liabilities	1,204	1,689
Interest on bank borrowings	50,141	80,868
Foreign exchange loss (net)	6,340	7,455
	<b>68,674</b>	<b>104,509</b>

## 9. ADMINISTRATIVE EXPENSES

Major and selected components include the following:

	Group	
	2024	2023
	\$	\$
Employee benefits expense (inclusive of directors' remuneration):		
– Salaries and related expenses	3,778,991	3,707,941
– Defined contribution plan	498,343	439,551
– Staff benefits	32,753	34,452
Depreciation of plant and equipment	134,874	105,484

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 10. INCOME TAX

### 10A. Components of tax expense/(benefit) recognised in profit or loss

	Group	
	2024	2023
	\$	\$
<u>Current tax</u>		
Adjustments in respect of prior years	2,302	(18,055)
Withholding tax	9,500	9,500
Total income tax expense/(benefit)	<b>11,802</b>	<b>(8,555)</b>

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore statutory tax rate of 17% (2023: 17%) to profit or loss before tax as a result of the following differences:

	Group	
	2024	2023
	\$	\$
Profit/(loss) before tax	<b>115,443</b>	<b>(2,019,846)</b>
Income tax at statutory rate	19,625	(343,374)
Effect of tax rates in different countries	(1,141)	7
Unrecognised deferred tax assets	(26,757)	345,194
Expenses not deductible for tax purposes	23,601	22,554
Non-taxable income	(6,436)	(24,297)
Tax exempt income	(8,892)	(84)
Adjustments in respect of prior years	2,302	(18,055)
Withholding tax	9,500	9,500
Total income tax expense/(benefit)	<b>11,802</b>	<b>(8,555)</b>

There are no income tax consequences of dividends to owners of the Company.

### 10B. Deferred tax recognised in profit or loss

	Group	
	2024	2023
	\$	\$
Excess of tax value over carrying value of plant and equipment	3,991	–
Excess of carrying value over tax value of plant and equipment	1,459	(3,236)
Tax losses carried forward	(13,266)	(368,185)
Other timing differences	34,573	26,227
Unrecognised deferred tax assets	(26,757)	345,194
	–	–

### 10C. Deferred tax balance in statement of financial position

	Group	
	2024	2023
	\$	\$
<u>From deferred tax assets/(liabilities) recognised in profit or loss</u>		
Excess of tax value over carrying value of plant and equipment	(3,991)	–
Excess of carrying value over tax value of plant and equipment	–	1,459
Tax losses carried forward	649,494	636,228
Other timing differences	(33,426)	1,147
Unrecognised deferred tax assets	(613,567)	(640,324)
	<b>(1,490)</b>	<b>(1,490)</b>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 10. INCOME TAX (CONTINUED)

### 10C. Deferred tax balance in statement of financial position (Continued)

No deferred tax asset for the unused tax losses (including any deductible temporary differences, unused tax losses and unused tax credits) has been recognised in respect of the above balance as the future profit streams are not probable against which the deductible temporary difference can be utilised. The realisation of the future income tax benefits from tax losses carried forward and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

It is impracticable to estimate the amount expected to be settled or used within one year.

## 11. EARNINGS/(LOSS) PER SHARE

	Group	
	2024	2023
Profit/(loss) for the year attributable to equity holders of the Company (\$)	<b>103,641</b>	(2,011,291)
Weighted average number of ordinary shares	<b>484,844,100</b>	484,844,100
Earnings/(loss) per share (cents)	<b>0.02</b>	(0.41)

Earnings/(loss) per share is calculated by dividing the Group's profit/(loss) attributable to shareholders by the weighted number of shares of no par value in issue during the year.

The weighted average number of ordinary shares refers to shares in issue outstanding during the reporting year.

The basic amount per share ratio is based on weighted average number of ordinary shares outstanding during each reporting year. It is after the neutralisation by the treasury shares.

The fully diluted earnings per ordinary share is the same as basic earnings per ordinary share as there were no options granted or outstanding during the reporting year.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 12. PLANT AND EQUIPMENT

<u>Group</u>	<u>Cost</u>	<u>Computers and office equipment</u>	<u>Furniture, fixtures and office renovation</u>	<u>Tools and equipment</u>	<u>Motor vehicles</u>	<u>Alert alarm systems</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$
At 1 July 2022	608,373	757,671	133,878	263,921	4,160,772	5,924,615	
Additions	63,836	2,350	7,769	273,043	–	346,998	
Transfer from inventories	6,550	–	–	–	–	6,550	
Disposals/write-off	(35,114)	–	(1,405)	(96,444)	(4,160,772)	(4,293,735)	
At 30 June 2023	643,645	760,021	140,242	440,520	–	1,984,428	
Additions	43,541	7,020	4,775	–	–	55,336	
Transfer from inventories	–	–	4,615	–	–	4,615	
Disposals/write-off	(14,120)	–	(1,740)	(71,961)	–	(87,821)	
At 30 June 2024	<b>673,066</b>	<b>767,041</b>	<b>147,892</b>	<b>368,559</b>	<b>–</b>	<b>1,956,558</b>	
<u>Accumulated depreciation and impairment</u>							
At 1 July 2022	543,540	750,618	74,056	229,938	4,160,772	5,758,924	
Depreciation for the year	37,130	1,896	15,427	51,031	–	105,484	
Disposals/write-off	(35,114)	–	(607)	(91,871)	(4,160,772)	(4,288,364)	
At 30 June 2023	545,556	752,514	88,876	189,098	–	1,576,044	
Depreciation for the year	49,838	3,028	17,848	64,160	–	134,874	
Disposals/write-off	(14,120)	–	(1,740)	(68,515)	–	(84,375)	
At 30 June 2024	<b>581,274</b>	<b>755,542</b>	<b>104,984</b>	<b>184,743</b>	<b>–</b>	<b>1,626,543</b>	
<u>Carrying value</u>							
At 1 July 2022	64,833	7,053	59,822	33,983	–	165,691	
At 30 June 2023	98,089	7,507	51,366	251,422	–	408,384	
At 30 June 2024	<b>91,792</b>	<b>11,499</b>	<b>42,908</b>	<b>183,816</b>	<b>–</b>	<b>330,015</b>	

As at 30 June 2024, plant and equipment included right-of-use assets related to office equipment of \$18,194 (2023: \$28,590), which are acquired through lease arrangements (note 27).

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 13. OTHER INVESTMENT

	Group	
	2024	2023
	\$	\$
Club membership, at cost	<b>7,605</b>	7,605

The carrying value is measured at cost less allowance for impairment, if any.

## 14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024	2023
	\$	\$
Unquoted equity shares at cost	<b>5,344,199</b>	5,344,199
Less: Allowance for impairment	<b>(2,344,000)</b>	(2,344,000)
	<b>3,000,199</b>	3,000,199

Movements in allowance for impairment are as follows:

At beginning of year	<b>2,344,000</b>	1,344,160
Impairment loss charged to profit or loss	–	999,840
At end of year	<b>2,344,000</b>	2,344,000

The Company assesses at each reporting date whether there is any indication that the investments in subsidiaries are impaired. To determine whether there is indication of impairment, the Company considers factors such as significant deterioration in the financial position of the subsidiaries and/or whether if the subsidiaries are experiencing significant financial difficulties.

The carrying amount of the Company's investment in Securex GS Pte Ltd ("Securex GS") had been fully written down in prior years. During the year, the Company re-assessed the recoverable amount of its investment in Securex GS. The recoverable amount was estimated based on cash flow estimates of the underlying assets (i.e., value in use), which was determined by discounting future cash flows generated from Securex GS (in both segments).

The key assumptions include:

	2024	2023
	%	%
Compounded revenue growth rate	<b>7.9</b>	19.0
Average earnings before interest, taxes, depreciation and amortisation margin	<b>2.5</b>	3.6
Pre-tax discount rate	<b>12.5</b>	12.5
Terminal growth rate	<b>3.0</b>	2.0

The cash flow projections were based on forecasts prepared by management which considered current operating results and available market information.

As the estimated recoverable amount was lower than carrying amount of Securex GS, no reversal of impairment loss was recognised in current reporting year.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The subsidiaries held by the Company are as follows:

Name of subsidiary	Place of incorporation	Principal activities	Cost in books of the Company		Effective interests held	
			2024	2023	2024	2023
			\$	\$	%	%
IPS Securex Pte Ltd (“IPSS”) <sup>(a)</sup>	Singapore	Distribution, installation and commissioning of security equipment and provision of maintenance support and leasing services	2,999,999	2,999,999	100	100
Securex GS Pte Ltd <sup>(a)</sup>	Singapore	Distribution, installation and commissioning of security equipment and provision of maintenance support	2,344,000	2,344,000	100	100
<i>Held by IPSS</i>						
IPS Securex (B) Sdn Bhd <sup>(b)</sup>	Brunei	Distribution, installation and commissioning of security equipment and provision of maintenance support and leasing services	200	200	100	100

(a) Audited by RSM SG Assurance LLP in Singapore, a member of RSM International.

(b) Audited by WKA & Associates, an independent auditor that is not part of RSM International network firms.

## 15. RESTRICTED FIXED DEPOSITS

	Group	
	2024	2023
	\$	\$
Fixed deposits with financial institutions	453,133	452,452

Restricted fixed deposits are held as security for bank guarantees.

The effective interest rates relating to fixed deposits are 0.1% to 0.3% (2023: 0.1% to 0.3%) per annum.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 16. INVENTORIES

	Group	
	2024	2023
	\$	\$
Inventories, net of allowance for write-down	<b>1,683,357</b>	1,805,194
Movements in allowance for write-down are as follows:		
At beginning of year	<b>248,232</b>	214,528
Charge to profit or loss included in other operating expenses	<b>24,434</b>	33,704
At end of year	<b>272,666</b>	248,232
Amount of inventories included in cost of sales	<b>5,881,654</b>	5,739,610
Write-down of inventories charged to profit or loss included in other operating expenses	<b>70,683</b>	33,112

There are no inventories pledged as security for liabilities.

## 17. CONTRACT ASSETS

	Group	
	2024	2023
	\$	\$
At beginning of year	<b>330,510</b>	314,048
Consideration for work completed but not billed	<b>603,229</b>	320,818
Transferred to trade receivables	<b>(663,337)</b>	(304,356)
At end of year	<b>270,402</b>	330,510

Contract assets mainly relate to the Group's rights to consideration for work completed but yet to be billed at reporting date. The contract assets are transferred to trade receivables when the rights become unconditional.

Contract assets shown above are subject to expected credit loss allowance assessment. See note 19 for details.

## 18. CONTRACT COSTS

	Group	
	2024	2023
	\$	\$
At beginning of year	<b>45,200</b>	56,983
Additions	<b>450</b>	45,200
Charged to profit or loss	<b>(45,200)</b>	(56,983)
At end of year	<b>450</b>	45,200

Contract costs primarily relate to subcontractor costs incurred by the Group for installation of equipment at customers' premises. Such costs are capitalised as fulfilment cost for delivery and installation of equipment satisfied at a point in time. These costs are expected to be recoverable through the transaction price and recognised to profit or loss when the related revenue is recognised.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2024 \$	2023 \$	2024 \$	2023 \$
<u>Trade receivables</u>				
External parties	5,077,888	2,354,450	–	–
Less: Allowance for expected credit loss	(10,903)	(353,352)	–	–
	<b>5,066,985</b>	<b>2,001,098</b>	<b>–</b>	<b>–</b>
<u>Other receivables</u>				
External parties	10,915	1,861	–	–
Subsidiaries (note 3D)	–	–	2,359,291	2,453,604
Deposits	772,745	230,203	40,920	40,880
	<b>783,660</b>	<b>232,064</b>	<b>2,400,211</b>	<b>2,494,484</b>
	<b>5,850,645</b>	<b>2,233,162</b>	<b>2,400,211</b>	<b>2,494,484</b>

Presented in statement of financial position as:

Current	5,316,417	2,233,162	2,400,211	2,494,484
Non-current	534,228	–	–	–
	<b>5,850,645</b>	<b>2,233,162</b>	<b>2,400,211</b>	<b>2,494,484</b>

The Group's deposits included refundable cash margin placed with a financial institution amounting to \$534,228 (2023: nil). The margin was required for the financial institution to issue performance guarantees for the Group's trade contracts entered into with its customers. As the performance guarantees cover periods that exceeded 12 months from the end of the reporting year, the cash margin is classified as non-current assets.

Other receivables due from subsidiaries pertain to payments made on behalf and recharge of expenses. These are unsecured, interest-free and repayable on demand.

Movements in allowance for expected credit loss are as follows:

	Group	
	2024 \$	2023 \$
At beginning of year	353,352	324,188
(Reversal)/charge to profit or loss	(3,662)	31,572
Amounts written-off	(338,787)	(2,408)
At end of year	<b>10,903</b>	<b>353,352</b>

The ECL on trade receivables and contract assets are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all such assets recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions. The allowance model is based on the historical observed default rates (over a period of 12 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. In addition, for certain material long overdue trade receivables and contract assets, the ECL allowance is determined by making debtor-specific assessments.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Ageing of trade receivables and contract assets is as follows:

Group	2024		2023	
	Gross amount	Loss allowance	Gross amount	Loss allowance
	\$	\$	\$	\$
Credit impaired	–	–	338,787	(338,787)
Remaining receivables:				
– Current	4,587,574	(3,449)	2,020,076	(2,806)
– 1 to 30 days past due	252,492	(323)	95,246	(234)
– 31 to 90 days past due	281,703	(975)	24,069	(104)
– 91 to 180 days past due	162,743	(1,702)	130,572	(2,919)
– Over 180 days past due	63,778	(4,454)	76,210	(8,502)
	<b>5,348,290</b>	<b>(10,903)</b>	<b>2,684,960</b>	<b>(353,352)</b>

The amounts are written-off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

Concentration of trade receivable customers at end of reporting year:

	2024	2023
	\$	\$
Top 1 customer	2,728,364	358,949
Top 2 customers	3,034,792	596,571
Top 3 customers	<b>3,300,654</b>	827,764

The other receivables shown above and loans to subsidiaries (note 20) are also subject to the ECL model under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception they are recorded net of expected 12-month credit losses. At each reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk. At the end of the reporting year a loss allowance is recognised at an amount equal to the lifetime expected credit losses if there has been a significant increase in credit risk since initial recognition.

## 20. LOANS TO SUBSIDIARIES

Loans to subsidiaries	Company	
	2024	2023
	\$	\$
	<b>622,130</b>	621,563

Loans to subsidiaries are non-trade in nature, unsecured, interest-free and are repayable on demand. These balances are amounts extended to subsidiaries to satisfy short-term funding requirements. No impairment allowance has been made as the subsidiaries have the ability to make repayments in the near term.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Not restricted in use	<b>3,054,013</b>	6,939,564	<b>199,054</b>	146,638
Fixed deposits with a financial institution	<b>18,331</b>	18,186	–	–
Cash pledged for bank facilities <sup>(#)</sup>	<b>68,995</b>	155,613	–	–
	<b>3,141,339</b>	7,113,363	<b>199,054</b>	146,638

(#) These are for amounts held by banks to cover bank guarantees issued.

The rates of interest for cash on interest earning balances are not significant.

## 21A. Reconciliation of liabilities arising from financing activities

Group	2023	Cash flows	Non-cash changes	2024
	\$	\$	\$	\$
Secured bank loans	2,561,821	(1,205,270)	46,832 <sup>(a)</sup>	<b>1,403,383</b>
Lease liabilities	30,106	(11,700)	1,204 <sup>(a)</sup>	<b>19,610</b>
Bills payable	–	345,123	8,429 <sup>(a)</sup>	<b>353,552</b>
	2,591,927	(871,847)	56,465	<b>1,776,545</b>

Group	2022	Cash flows	Non-cash changes	2023
	\$	\$	\$	\$
Secured bank loans	3,795,792	(1,314,839)	80,868 <sup>(a)</sup>	2,561,821
Lease liabilities	40,117	(11,700)	1,689 <sup>(a)</sup>	30,106
Bills payable	1,145,031	(1,159,528)	14,497 <sup>(a)</sup>	–
	4,980,940	(2,486,067)	97,054	2,591,927

(a) Accretion of interest expense excluding accrued interest of \$5,869 (2023: nil) accounted for in trade and other payables (note 24).

## 22. SHARE CAPITAL

	Company	
	Number of shares issued	Share capital \$
At 1 July 2022, 30 June 2023 and 30 June 2024	486,000,000	9,405,906

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

In order to maintain its listing on the Singapore Stock Exchange, the Company has to have at least a free float of 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the year. Management receives a monthly report from the registrars on substantial share interests showing the non-free float and it demonstrated continuing compliance with the 10% limit throughout the reporting year.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 22. SHARE CAPITAL (CONTINUED)

### Capital management

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. Management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. Management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

There are material borrowings, but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.

## 23. OTHER RESERVES

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Reserve for own shares (note 23A)	(89,353)	(89,353)	(89,353)	(89,353)
Merger reserve (note 23B)	(799,999)	(799,999)	–	–
Other reserve (note 23C)	210,000	210,000	210,000	210,000
	<b>(679,352)</b>	<b>(679,352)</b>	<b>120,647</b>	<b>120,647</b>

### 23A. Reserve for own shares

	Group and Company	
	2024	2023
	\$	\$
At beginning and end of year	<b>89,353</b>	89,353

Reserve for own shares comprises the cost of the Company's ordinary shares held by the Company as treasury shares.

As at 30 June 2024, the Company held 1,155,900 (2023: 1,155,900) of its own shares as treasury shares, which were included as deduction against shareholders' equity.

### 23B. Merger reserve

In 2014, the Group underwent a restructuring exercise as part of its preparation for listing of the Company on the SGX-ST. The financial statements incorporated the financial statements of the Company and its subsidiaries and had been prepared using the principles of merger accounting on the basis that the restructuring of entities was under common control.

Merger reserve represents the difference between the share capital of the subsidiaries at the date of acquisition and the share capital issued by the Company as consideration to the former shareholder of the subsidiaries. The acquisition of the subsidiaries was accounted for as common control transactions as the controlling shareholder of the subsidiaries was also the controlling shareholder of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 23. OTHER RESERVES (CONTINUED)

### 23C. Other reserve

Other reserve pertains to the deemed capital contribution by the controlling shareholders of the ultimate parent company for issuance of shares to directors of the Company (i.e., share-based payment) as part of the restructuring exercise in 2014. The ultimate parent company granted 16.38 million ordinary shares of the Company (adjusted for subdivision of ordinary shares) to certain directors of the Company for their services provided to the Company. The ordinary shares were granted at no consideration, with no vesting conditions. Management estimated the fair value of shares granted based on the services provided by the directors and were recognised as an expense in profit or loss in prior years.

## 24. TRADE AND OTHER PAYABLES

	Group		Company	
	2024 \$	2023 \$	2024 \$	2023 \$
<u>Trade payables</u>				
External parties	1,765,947	1,027,366	–	–
Accruals	56,819	745,854	–	–
Bills payable	353,552	–	–	–
	<b>2,176,318</b>	<b>1,773,220</b>	<b>–</b>	<b>–</b>
<u>Other payables</u>				
External parties	395,376	214,046	20,036	28,147
Accruals	568,191	348,296	91,976	113,313
Subsidiary (note 3D)	–	–	169	20
Related parties (note 3D)	53,266	26,950	53,266	26,389
Deposits received	–	–	37,800	37,800
	<b>1,016,833</b>	<b>589,292</b>	<b>203,247</b>	<b>205,669</b>
	<b>3,193,151</b>	<b>2,362,512</b>	<b>203,247</b>	<b>205,669</b>

As at 30 June 2024, the Group has bills payable relating to short-term trade financing facilities that bear interest at 5.62% to 5.71% per annum and mature within 49 to 88 days.

Other payables to subsidiary and related parties pertain to payments made on behalf and recharge of expenses. These are unsecured, interest-free and repayable on demand.

Deposits received relate to office rental deposits from subsidiaries that are refundable at end of the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 25. LOANS AND BORROWINGS

	Group	
	2024	2023
	\$	\$
<u>Non-current</u>		
<u>Financial instruments with fixed interest rates</u>		
Bank loans (secured)	174,403	1,296,543
Lease liabilities (note 27A)	8,604	19,610
	<b>183,007</b>	1,316,153
<u>Current</u>		
<u>Financial instruments with fixed interest rates</u>		
Bank loans (secured)	1,228,980	1,265,278
Lease liabilities (note 27A)	11,006	10,496
	<b>1,239,986</b>	1,275,774
	<b>1,422,993</b>	2,591,927

The non-current portion is payable as follows:

Due within 2 to 5 years	<b>183,007</b>	1,316,153
-------------------------	----------------	-----------

The range of fixed interest rates paid were as follows:

	Group	
	2024	2023
	% p.a.	% p.a.
Bank loans (secured)	2.50	2.50
Lease liabilities	4.75	4.75

The Company provided an intra-group financial guarantee to a bank in respect of bank loans granted to a subsidiary. For further details, refer to note 29E.

## 26. CONTRACT LIABILITIES

	Group	
	2024	2023
	\$	\$
Contract liabilities	<b>337,008</b>	787,126
At beginning of year	787,126	767,145
Performance obligation satisfied – revenue recognised in the reporting year that was included in contract liabilities at beginning of year	(658,886)	(687,705)
Consideration received or receivable	208,768	707,686
At end of year	<b>337,008</b>	787,126

The contract liabilities primarily relate to advance consideration received from customers. The Group exercises the practical expedient under SFRS(I) 15 not to adjust the transaction price for the effects of financing component, at contract inception, as the period between customer payment and transfer of goods to approximate one year.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 27. LEASES

### 27A. Lease liabilities

The Group has a few leases relating to office equipment. Other information about the leasing activities is as follows:

- The leases prohibit the lessee from selling or pledging the underlying leased asset as security unless permitted by the owner;
- The leases do not consist of variable payments linked to an index;
- The leases are for a period of 5 years and do not provide options to purchase the underlying leased assets outright; and
- The leases do not provide options to extend the leases for a further term.

The corresponding right-of-use assets recognised by the Group is presented below.

### 27B. Right-of-use assets

	Office equipment \$
<u>Group</u>	
At 1 July 2022	38,986
Depreciation charge for the year	(10,396)
At 30 June 2023	<u>28,590</u>
At 1 July 2023	28,590
Depreciation charge for the year	(10,396)
At 30 June 2024	<u><b>18,194</b></u>

Right-of-use assets relate to leased assets that are presented as plant and equipment (see note 12).

Amounts recognised in profit or loss:

	Group	
	2024	2023
	\$	\$
Interest on lease liabilities	1,204	1,689
Depreciation of right-of-use assets	10,396	10,396
Expenses relating to short-term leases	216,000	216,000
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	9,742	6,089
	<u>9,742</u>	<u>6,089</u>

Amounts recognised in statement of cash flows:

	Group	
	2024	2023
	\$	\$
Total cash outflow for leases	<u>11,700</u>	<u>11,700</u>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 28. CONTINGENT LIABILITIES

	Group	
	2024	2023
	\$	\$
Performance guarantees issued by a financial institution in favour of customers	<b>1,160,595</b>	641,731

The Group assessed the probability of outflow of economic benefits arising from the outstanding guarantees to be low.

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISK AND OTHER EXPLANATORY INFORMATION

### 29A. Categories of financial assets and financial liabilities

The following table categorises the carrying amounts of financial assets and liabilities recorded at end of reporting year:

	Group		Company	
	2024	2023	2024	2023
	\$	\$	\$	\$
Financial assets at amortised cost	<b>9,445,117</b>	9,798,977	<b>3,221,395</b>	3,262,685
Financial liabilities at amortised cost	<b>4,616,144</b>	4,954,439	<b>203,247</b>	205,669

Further quantitative disclosures are included throughout these financial statements.

### 29B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate and currency risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

- Minimise interest rate, currency and market risks for all kinds of transactions;
- Maximise the use of “natural hedge”: favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk;
- All financial risk management activities are carried out and monitored by senior management staff; and
- All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposure to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISK AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 29C. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

### 29D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses (“ECL”) allowance on financial assets. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets, an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 21 discloses cash and cash equivalents balances. There was no identified impairment loss.

### 29E. Liquidity risk

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity within 12 months after at the end of the reporting year.

The following table analyses the financial liabilities at the end of the reporting year by remaining contractual maturity (contractual and undiscounted cash flows):

<u>Group</u>	<b>Less than 1 year \$</b>	<b>1 – 5 years \$</b>	<b>Total \$</b>
<u>2024</u>			
Trade and other payables	3,193,151	–	3,193,151
Gross loans and borrowings	1,249,098	175,312	1,424,410
Gross lease liabilities	11,700	8,775	20,475
	<b>4,453,949</b>	<b>184,087</b>	<b>4,638,036</b>
<u>2023</u>			
Trade and other payables	2,362,512	–	2,362,512
Gross loans and borrowings	1,314,846	1,314,842	2,629,688
Gross lease liabilities	11,700	20,475	32,175
	<b>3,689,058</b>	<b>1,335,317</b>	<b>5,024,375</b>

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISK AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 29E. Liquidity risk (Continued)

#### Company

	Less than 1 year	
	2024	2023
	\$	\$
Trade and other payables	203,247	205,669

The average credit period taken to settle current trade payables is approximately 60 days. The classification of financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

#### Financial guarantee contracts

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. The fair value of the financial guarantee is assessed to be immaterial. At the end of reporting year, no claim on the financial guarantee is expected to be payable.

The following table shows the analysis of contingent liabilities from the financial guarantee:

	Company	
	2024	2023
	\$	\$
Financial guarantee in favour of a subsidiary	1,403,383	2,561,821

### 29F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The interest from financial assets is not material.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2024	2023
	\$	\$
<u>Financial liabilities with interest</u>		
Fixed rates	1,422,993	2,591,927
Floating rates	353,552	–
	1,776,545	2,591,927

The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on pre-tax (loss)/profit is not material.

### 29G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2024

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISK AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 29G. Foreign currency risks (Continued)

Analysis of amounts denominated in non-functional currency:

	United States Dollar	
	2024	2023
	\$	\$
<u>Group</u>		
<u>Financial assets</u>		
Cash and cash equivalents	448,488	727,276
Trade and other receivables	66,581	42,329
	<b>515,069</b>	<b>769,605</b>
<u>Financial liabilities</u>		
Trade and other payables	(882,750)	(456,656)
Net financial (liabilities)/assets	<b>(367,681)</b>	<b>312,949</b>
<u>Company</u>		
<u>Financial assets</u>		
Cash and cash equivalents	20,542	20,447
Trade and other receivables	122,130	121,563
	<b>142,672</b>	<b>142,010</b>

Sensitivity analysis: The effect on pre-tax profit/(loss) is not material.

## 30. ITEMS IN PROFIT OR LOSS

In addition to profit and loss line items disclosed elsewhere in the notes to the financial statements, these items include the following expenses:

	Group	
	2024	2023
	\$	\$
Audit fees to independent auditor of the Company	134,000	134,000
Audit-related services (“ARS”) to other independent auditors – non-network firms	4,500	4,500
Non-ARS to other independent auditors – non-network firms	<b>32,310</b>	<b>33,190</b>

## 31. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For current reporting year, the ASC issued amendment to SFRS (I) and Practice Statement 2 on disclosures of material accounting policy information and other explanatory information. Immaterial information need not be disclosed. Disclosures should not obscure material accounting policy information (such as material information being obscured, or information regarding a material item, transaction or other event is scattered throughout the financial statements, etc.). In addition, the ASC issued certain new or revised financial reporting standards. None had a material impact to the Group.

## 32. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For future reporting years, the ASC issued certain new or revised financial reporting standards. None is expected to have a material impact to the Group based on its current operations.

# STATISTICS OF SHAREHOLDINGS

AS AT 23 SEPTEMBER 2024

Issued and fully paid-up capital	:	S\$9,630,646.90
Class of Shares	:	Ordinary share
No. of Shares (excluding treasury shares and subsidiary holdings)	:	484,844,100
Voting rights	:	One vote per share
No. of treasury shares and percentage	:	1,155,900 (0.24%)
No. of subsidiary holdings held and percentage	:	Nil

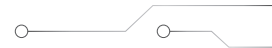
## DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	0	0.00	0	0.00
100 – 1,000	22	3.04	11,800	0.00
1,001 – 10,000	88	12.14	577,200	0.12
10,001 – 1,000,000	588	81.10	80,639,900	16.63
1,000,001 AND ABOVE	27	3.72	403,615,200	83.25
<b>TOTAL</b>	<b>725</b>	<b>100.00</b>	<b>484,844,100</b>	<b>100.00</b>

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	IPS TECHNOLOGIES PTE LTD	248,820,000	51.32
2	KELVIN LIM CHING SONG	57,884,400	11.94
3	GOH KHOON LIM	27,900,000	5.75
4	DBS NOMINEES (PRIVATE) LIMITED	13,036,400	2.69
5	TAN KAH HENG (CHEN JIAXING)	7,393,800	1.52
6	OCBC SECURITIES PRIVATE LIMITED	6,266,900	1.29
7	PHILLIP SECURITIES PTE LTD	3,997,700	0.82
8	LIM KOK LENG	3,800,000	0.78
9	RAMESH S/O PRITAMDAS CHANDIRAMANI	3,212,000	0.66
10	LOW SOW KUAN	3,175,700	0.65
11	LOW SAU CHAN	2,700,000	0.56
12	LEE SIEW HAN	2,575,000	0.53
13	SIM YONG MUI	2,500,000	0.52
14	TIGER BROKERS (SINGAPORE) PTE. LTD.	2,116,300	0.44
15	YEO SIEW CHANG	1,815,400	0.37
16	RAFFLES NOMINEES (PTE.) LIMITED	1,800,600	0.37
17	TAN HWEE KHENG	1,610,000	0.33
18	TAN SOO CHAY	1,500,000	0.31
19	TAN KOK SIAH	1,484,400	0.31
20	KOO FONG KIEW	1,481,900	0.31
	<b>TOTAL</b>	<b>395,070,500</b>	<b>81.47</b>





# STATISTICS OF SHAREHOLDINGS

AS AT 23 SEPTEMBER 2024

## SUBSTANTIAL SHAREHOLDERS AS AT 23 SEPTEMBER 2024

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
IPS Technologies Pte. Ltd.	248,820,000	51.32	–	–
Chan Tien Lok <sup>(1)</sup>	120,000	0.03	248,820,000	51.32
Tan Suan Yap <sup>(2)</sup>	–	–	248,820,000	51.32
Kelvin Lim Ching Song <sup>(3)</sup>	58,014,400	11.97	–	–
Goh Khoon Lim	27,900,000	5.75	–	–

### Notes:

- (1) Mr. Chan Tien Lok is deemed to be interested in the shares of the Company held by IPS Technologies Pte. Ltd. (“IPST”) by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore as he owns 65.0% of the shareholding in IPST.
- (2) Mr. Tan Suan Yap is deemed to be interested in shares of the Company held by IPST by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore as he owns 35.0% of the shareholdings in IPST.
- (3) Mr. Kelvin Lim Ching Song’s direct interest includes 130,000 ordinary shares (SRS) that are held under UOB Kay Hian Nominees Pte. Ltd.

## PERCENTAGE OF SHAREHOLDING IN PUBLIC’S HANDS

As at 23 September 2024, 30.75% of the Company’s shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of Catalist of the SGX-ST which requires 10% of the equity securities (excluding preference shares and convertible equity securities) in a class that is listed to be in the hands of the public.

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of **IPS SECUREX HOLDINGS LIMITED** (“**Company**”) will be convened and held at The Singapore Island Country Club (Bukit Location), 240 Sime Road, The Habitat Level 3, Singapore 288303 on Friday, 25 October 2024 at 9.30 a.m. for the following purposes.

## ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company and the Group for the financial year ended 30 June 2024 together with the Auditors’ Report thereon. **(Resolution 1)**
  
2. To approve the payment of Directors’ fees of S\$176,024 for the financial year ending 30 June 2025, payable half yearly in arrears. (2024: S\$150,216) **(Resolution 2)**
  
3. (a) To re-elect the following Director retiring pursuant to Regulation 91 of the Constitution of the Company:
 

**Regulation 91**

Mr. Ong Beng Chye **(Resolution 3)**

(b) To note the retirement of Mr. Chan Tien Lok as the Director of the Company at the AGM.

(c) To note the retirement of Mr. Joseph Tan Peng Chin as the Director of the Company at the AGM.

*[See Explanatory note (i)]*
  
4. To re-appoint Messrs RSM SG Assurance LLP as auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 4)**
  
5. To transact any other ordinary business which may properly be transacted at an AGM.

## SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as ordinary resolutions, with or without modifications:

6. To approve the appointment of Mr. Barney Lau Tai Chiau as a Director of the Company pursuant to Regulation 93 of the Constitution of the Company. **(Resolution 5)**

*[See Explanatory note (ii)]*
  
7. To approve the appointment of Ms. Lee Li Ing as a Director of the Company pursuant to Regulation 93 of the Constitution of the Company. **(Resolution 6)**

*[See Explanatory note (iii)]*
  
8. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act 1967 (“Companies Act”) and Rule 806 of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”)**

That pursuant to Section 161 of the Companies Act and Rule 806 of the Catalist Rules, the Directors of the Company be authorised and empowered to:

- (a) (i) allot and issue shares in the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

# NOTICE OF ANNUAL GENERAL MEETING

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares pursuant to any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(“Share Issue Mandate”)

**PROVIDED ALWAYS** that:

- (1) the aggregate number of Shares (including Shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed fifty per centum (50.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued Shares and Instruments shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time of the passing of this Resolution, after adjusting for:
  - (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (b) new Shares arising from exercising share options or vesting of share awards provided the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with Rule 806(3)(a) or Rule 806(3)(b) of the Catalist Rules are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of the resolution approving the mandate.

- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments.

*[See Explanatory note (iv)]*

**(Resolution 7)**

## 9. Renewal of the Share Buyback Mandate

That:

- (a) for the purposes of Section 76C and 76E of the Companies Act, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding the Prescribed Limit (as defined hereinafter), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as defined hereinafter), whether by way of:
  - (i) on-market purchases, transacted on the SGX-ST through the SGX-ST’s trading system (“**Market Purchase**”); and/or
  - (ii) off-market purchases pursuant to an equal access scheme in accordance with Section 76C of the Companies Act and the Catalist Rules (“**Off-Market Purchase**”),

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (“**Share Buyback Mandate**”);

# NOTICE OF ANNUAL GENERAL MEETING

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next AGM is held or required by law to be held;
  - (ii) the date on which the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and
  - (iii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by shareholders of the Company in a general meeting;
- (c) in this Resolution:
- “**Prescribed Limit**” means 10.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of passing of this Resolution, unless the Company has effected a reduction of the Shares in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period;
- “**Relevant Period**” means the period commencing from the date on which this Resolution authorising the Share Buyback Mandate is passed, and expiring on the date the next AGM is or is required by law to be held, whichever is the earlier;
- “**Average Closing Price**”, in the case of a Market Purchase, means the average of the closing market prices of the Shares over the last five Market Days on which transactions in the Shares were recorded preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period, or in case of an Off-Market Purchase, means the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, preceding the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;
- “**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:
- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and
  - (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Average Closing Price of the Shares; and
- (d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

*[See Explanatory note (v)]*

**(Resolution 8)**

## 10. Proposed Adoption of the IPS Securex Performance Share Plan

That:

- (1) the performance share plan to be known as the “IPS Securex Performance Share Plan” (“**IPS PSP**”) details of which are set out in the Appendix to the Notice of AGM 2024 to the Shareholders, under which awards (“**Awards**”) of Shares, will be granted, free of payment, to selected employees and Directors of the Group and its Subsidiaries (including Non-Executive Directors) and Controlling Shareholders and/or their Associates, be and is hereby approved and authority be and is hereby given to the Directors or any of them to:
  - (a) establish and administer the IPS PSP;

# NOTICE OF ANNUAL GENERAL MEETING

- (b) modify and/or alter the IPS PSP from time to time, provided such modification and/or alteration is effected in accordance with the provisions of the IPS PSP and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the IPS PSP;
  - (c) offer and grant Awards in accordance with the rules of the IPS PSP and pursuant to Section 161 of the Companies Act and to allot and issue such number of fully-paid Shares and/or transfer such number of existing Shares held in treasury, free of charge, as may be required to be issued or delivered from time to time pursuant to the vesting of Awards under the IPS PSP, provided that the aggregate number of Shares issued and/or issuable and/or transferred and transferable pursuant to the IPS Securex Employee Share Option Scheme, the IPS PSP and all other share-based incentive schemes of the Company for the time being in force, shall not exceed 15% of the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) on the day preceding the date on which the Award is granted; and
  - (d) subject to the same being allowed by law, apply any share purchased or acquired under any share buyback mandate and to deliver such existing Shares (including any shares held in treasury) towards the satisfaction of Awards granted under the IPS PSP.
- (2) the Directors (or any one of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to this resolution as they or each of them may deem fit, with such modifications thereto (if any) as they or each of them may consider necessary, desirable or expedient, in order to give full effect to this resolution.

*[See Explanatory note (vi)]*

**(Resolution 9)**

## 11. Proposed Adoption of the IPS Securex Employee Share Option Scheme

That:

- (1) a share option scheme to be known as the “IPS Securex Employee Share Option Scheme” (“**IPS ESOS**”), the details and rules of which are set out in the Appendix to the Notice of AGM 2024 to the Shareholders, under which options (“**Options**”) to subscribe for Shares, will be granted to selected employees and Directors of the Company and its Subsidiaries (including Non-Executive Directors) and Controlling Shareholders and/or their Associates, details of which are set out in the Appendix to the Notice of AGM 2024 to the Shareholders, be and is hereby approved and authority be and is hereby given to the Directors or any of them to:
  - (a) establish and administer the IPS ESOS;
  - (b) modify and/or alter the IPS ESOS from time to time provided that such modifications and/or alterations are effected in accordance with the provisions of the IPS ESOS and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the IPS ESOS;
  - (c) offer and grant Options in accordance with the rules of the IPS ESOS and pursuant to Section 161 of the Companies Act to allot and issue and/or deliver from time to time such number of fully paid-up Shares as may be required to be issued or delivered pursuant to the exercise of Options provided that the aggregate number of Shares available pursuant to the IPS ESOS, the IPS PSP and any other share-based schemes of the Company, shall not exceed 15% of the total number of all issued Shares of the Company (excluding treasury shares and subsidiary holdings) on the day preceding the date on which the Option is granted; and
  - (d) subject to the same being allowed by law, apply any share purchased or acquired under any share buyback mandate and to deliver such existing Shares (including any shares held in treasury) towards the satisfaction of Options granted and exercised under the IPS ESOS.

# NOTICE OF ANNUAL GENERAL MEETING

- (2) the Directors (or any one of them) be and are hereby authorised to take such steps and do all such acts and things (including without limitation, to sign, seal, execute and deliver all such documents and deeds), and to exercise such discretion in relation to this resolution as they or each of them may deem fit, with such modifications thereto (if any) as they or each of them may consider necessary, desirable or expedient, in order to give full effect to this resolution.

*[See Explanatory note (vii)]*

**(Resolution 10)**

## By Order of the Board

Shirley Tan Sey Liy  
Company Secretary  
Singapore, 10 October 2024

### Explanatory Notes:

- (i) Mr. Ong Beng Chye will, upon re-election as a Director of the Company, re-designates as the Non-Executive and Non-Independent Chairman of the Company and a member of the Audit Committee. He will remain as a member of the Nominating Committee and Remuneration Committee of the Company.

Mr. Chan Tien Lok will, upon his retirement as a Director of the Company, cease as a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

Mr. Joseph Tan Peng Chin will, upon his retirement as a Director of the Company, cease as the Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee of the Company.

Please refer to pages 62 to 65 of the annual report for the detailed information for Mr. Ong Beng Chye required pursuant to Rule 720(5) of the Catalist Rules.

- (ii) Resolution 5 above is to appoint Mr. Barney Lau Tai Chiau as an additional Director pursuant to Regulation 93 of the Constitution of the Company. There are no relationships (including family relationships) between Mr. Barney Lau Tai Chiau and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Mr. Barney Lau Tai Chiau to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Please refer to pages 65 to 69 of the annual report for the detailed information on Mr. Barney Lau Tai Chiau as set out in Appendix 7F of the Catalist Rules.

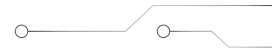
- (iii) Resolution 6 above is to appoint Ms. Lee Li Ing as an additional Director pursuant to Regulation 93 of the Constitution of the Company. There are no relationships (including family relationships) between Ms. Lee Li Ing and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect her independence. The Board considers Ms. Lee Li Ing to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Please refer to pages 65 to 69 of the annual report for the detailed information on Ms. Lee Li Ing as set out in Appendix 7F of the Catalist Rules.

- (iv) Resolution 7 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, one hundred per centum (100.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to fifty per centum (50.0%) may be issued other than on a pro rata basis to existing shareholders of the Company for such purposes as they consider would be in the interest of the Company.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of Shares.

- (v) Resolution 8 above, if passed, will empower the Directors of the Company effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in Section 2.3.4 of the Letter to Shareholders. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial accounts of the Group for the financial year ended 30 June 2024 are set out in greater detail in the Letter to Shareholders.
- (vi) Resolution 9 above, if passed, will empower the Directors to offer and grant Awards and to allot and issue Shares pursuant to the vesting of Awards in accordance with the rules of the IPS PSP as set out in the Appendix as well as the provisions set forth in the Companies Act and the Catalist Rules. Please refer to the Appendix for more information regarding the proposed adoption of the IPS PSP.
- (vii) Resolution 10 above, if passed, will empower the Directors to offer and grant Options and to allot and issue Shares pursuant to the exercise of Options in accordance with the rules of the IPS ESOS as set out in the Appendix as well as the provisions set forth in the Companies Act and the Catalist Rules. Please refer to the Appendix for more information regarding the proposed adoption of the IPS ESOS.



# NOTICE OF ANNUAL GENERAL MEETING

## Notes:

1. The members of the Company are invited to attend physically only at the AGM. A copy of this Notice of AGM will be sent by post to members and is also made available via publication on the Company's corporate website at <https://www.ips-securex.com/> and SGXNET at <https://www.sgx.com/securities/company-announcements>.
2. A member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. The accompanying proxy form for the AGM may be accessed via the Company's corporate website at <https://www.ips-securex.com/>, and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>. Printed copies of the proxy form for the AGM will also be sent by post to members.
3. A Relevant Intermediary\* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by him (which number and class of shares shall be specified).
4. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the Instrument appointing the proxies.
5. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.
6. The Instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the Company's registered office at 213 Henderson Road #04-09 Henderson Industrial Park Singapore 159553; or
  - (b) if submitted electronically, be submitted via email to the Company at [agm@ips-securex.com](mailto:agm@ips-securex.com),
 in either case by **no later than 9.30 a.m. on 23 October 2024**, being forty-eight (48) hours before the time appointed for the AGM ("Cut-Off Time").

**Members are strongly encouraged to submit completed proxy forms electronically via email to the Company.**

7. In view of the guidance note issued by the Singapore Exchange Regulation, a member may ask question relating to the item on the agenda of the AGM by:–
  - (a) submitting question via post to the Company's registered office at 213 Henderson Road #04-09 Henderson Industrial Park Singapore 159553 in advance of the AGM no later than 17 October 2024 at 9.30 a.m.; or
  - (b) in person at the AGM.

Shareholders submitting questions are required to state:

- (a) their full name as it appears on his/her/its The Central Depositor (Pte) Limited ("CDP")/Central Provident Fund ("CPF") Investment Scheme/Supplementary Retirement Scheme ("SRS") records;
- (b) their identification/registration number;
- (c) current address;
- (d) contact number; and
- (e) number of shares held and the manner in which his/her/its shares in the Company are held (e.g. via CDP, CPF, or SRS),

failing which the Company shall be entitled to regard the submission as invalid and not respond to the question(s) submitted.

Shareholders are encouraged to submit their questions before 17 October 2024 at 9.30 a.m., as this will allow the Company sufficient time to address and respond to these questions on or before 21 October 2024, 9.30 a.m. (48 hours prior to the closing date and time for the lodgement of the proxy forms). The Company will endeavour to address all substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from Shareholders before the AGM on SGXNet and the Company's corporate website at <https://www.ips-securex.com/> at least forty-eight (48) hours prior to the Cut-Off Time for the lodgement of the proxy form or in person at the AGM for the relevant questions received during the AGM.

The Company will publish the minutes of the AGM on SGXNet and the Company's corporate website within one month after the date of the AGM and the minutes will include the responses to the questions referred to above.

\* A Relevant Mandatory is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Central Provident Fund Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

# NOTICE OF ANNUAL GENERAL MEETING

## PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) or the Chairman of the AGM as a proxy to vote at the AGM and/or any adjournment thereof, or (b) submitting any question prior to the AGM in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents) of proxy forms appointing a proxy(ies) and/or representative(s) or the Chairman of the AGM as a proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iii) preparation and compilation of the attendance list, proxy list, minutes and other documents relating to the AGM (including any adjournment thereof); and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

*This Notice of AGM has been prepared by IPS Securex Holdings Limited ("Company") and has been reviewed by the Company's sponsor, United Overseas Bank Limited ("Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited ("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. David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.*



**IPS SECUREX HOLDINGS LIMITED**

(Company Registration No. 201327639H)  
(Incorporated in the Republic of Singapore)

**ANNUAL GENERAL MEETING  
PROXY FORM**

(Please see notes overleaf before completing this Form)

**IMPORTANT:**

1. An investor who holds shares under the Central Provident Fund Investment Scheme (“CPF Investor”) and/or the Supplementary Retirement Scheme (“SRS Investors”) (as may be applicable) may attend and cast his vote(s) at the Annual General Meeting (“AGM” or “Meeting”) in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

\*I/We, \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport No)  
of \_\_\_\_\_ (Address)  
being a \*member/members of IPS SECUREX HOLDINGS LIMITED (“Company”), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her/them, the Chairman of the Annual General Meeting (the “AGM”) of the Company as \*my/our \*proxy/proxies to attend and to vote for \*me/us on \*my/our behalf at the AGM to be held on Friday, 25 October 2024 at 9.30 a.m. at The Singapore Island Country Club (Bukit Location), 240 Sime Road, The Habitat Level 3, Singapore 288303 and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against, or abstain from voting on the ordinary resolutions to be proposed at the AGM as indicated hereunder.

**If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the \*proxy/proxies (other than the Chairman of the AGM as proxy) will vote or abstain from voting at \*his/her/their discretion. In appointing the Chairman of the AGM as proxy, Shareholders (whether individuals or corporates) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid. All Resolutions put to vote at the AGM shall be decided by way of poll.**

No.	Resolutions relating to:	No. of Votes ‘For’**	No. of Votes ‘Against’**	No. of Votes ‘Abstain’**
<b>Ordinary Business</b>				
1	Adoption of the Directors’ Statement, Audited Financial Statements and Auditors’ Report for the financial year ended 30 June 2024			
2	Approval of Directors’ fees amounting to S\$176,024 for the financial year ending 30 June 2025, payable half yearly in arrears			
3	Re-election of Mr. Ong Beng Chye as a Director			
4	Re-appointment of Messrs RSM SG Assurance LLP as auditors of the Company and to authorize the Directors of the Company to fix their remuneration			
<b>Special Business</b>				
5	Appointment of Mr. Barney Lau Tai Chiau as a Director			
6	Appointment of Ms. Lee Li Ing as a Director			
7	Authority for Directors to allot and issue new shares			
8	Approval of renewal of Share Buyback Mandate			
9	Approval of proposed adoption of IPS Securex Performance Share Plan			
10	Approval of proposed adoption of IPS Securex Employee Share Option Scheme			

\* Delete where inapplicable

\*\* If you wish to exercise all your votes ‘For’ or ‘Against’ or ‘Abstain’, please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2024

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Member  
and/or, Common Seal of Corporate Shareholder

**IMPORTANT:** Please read notes overleaf

#### Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company who is not a Relevant Intermediary (as defined below) entitled to attend and vote at this AGM is entitled to appoint one or two proxies to attend and vote in his/her stead. Where such member appoints two proxies, the proportion of his shareholding which each proxy has been appointed shall be specified in the proxy form. A proxy need not be a member of the Company.
3. A member of the Company who is a Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than one proxy, the number and class of shares to which each proxy has been appointed shall be specified in the proxy form.
4. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
  - (a) if submitted by post, be lodged at the Company's registered office at 213 Henderson Road #04-09 Henderson Industrial Park Singapore 159553; or
  - (b) if submitted electronically, be submitted via email to the Company at [agm@ips-securex.com](mailto:agm@ips-securex.com).in either case by **no later than 9.30 a.m. on 23 October 2024**, being forty-eight (48) hours before the time appointed for the AGM ("**Cut-Off Time**").

**Members are strongly encouraged to submit completed proxy forms electronically via email to the Company.**

5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.
6. Subject to paragraph (9) below, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the AGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the AGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who holds shares under the Central Provident Fund Investment ("**CPF Investor**") and/or Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and wishes to vote, should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes to appoint the Chairman of the AGM as their proxy, at least seven (7) working days before the AGM.

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

#### GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

#### PERSONAL DATA PRIVACY

By submitting an instrument appointing the proxy(ies), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 October 2024.





**IPS SECUREX HOLDINGS LIMITED**  
COMPANY REGISTRATION NO. 201327639H

213 HENDERSON ROAD, #04-09  
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