



IPS Securex Holdings Limited  
Company Registration Number: 201327639H  
Incorporated in the Republic of Singapore  
213 Henderson Road, #04-09,  
Henderson Industrial Park  
Singapore 159553  
www.ips-securex.com

## Media Release

### IPS Securex's revenue rose 36.5% to S\$2.3 million in 1Q2018

- Revenue from Security Solutions Business increased by 94.3% to S\$785,000 while Maintenance and Leasing Business increased by 18.4% to S\$1.5 million in 1Q2018

SINGAPORE, 7 November 2017 – IPS Securex Holdings Limited (“IPS Securex” or the “Company” and, together with its subsidiaries, the “Group”), a leading provider of security products and integrated security solutions with an established regional presence in the Asia Pacific, is pleased to announce its consolidated financial results for the first quarter ended 30 September 2017 (“1Q2018”).

#### 1Q2018 Financial Highlights

In S\$'million unless otherwise stated	First quarter ended 30 Sep 2017	First quarter ended 30 Sep 2016	Change (%)
Revenue	2.3	1.7	36.5
Gross profit	0.97	0.84	15.7
Gross profit margin	41.7%	49.2%	(7.5)
Loss before tax	(0.31)	(0.56)	(44.0)
Net loss	(0.22)	(0.45)	(51.6)

Commenting on the 1Q2018 results, Mr Kelvin Lim (林青宋), Executive Director and Group Chief Executive Officer of IPS Securex said, ***“We are happy to see both the Security Solutions Business and Maintenance and Leasing Business segments growing on a year-on-year basis. We will continue to work hard on the marketing of our range of security products and***

***integrated security solutions during this challenging time while continuing to manage our expenses.”***

The Group’s 1Q2018 revenue increased by approximately 36.5% to S\$2.3 million from S\$1.7 million in the first quarter ended 30 September 2016 (“**1Q2017**”). Both the Security Solutions Business and the Maintenance and Leasing Business recorded revenue gains.

The revenue for the Group’s Security Solutions Business grew approximately 94.3% from S\$404,000 in 1Q2017 to S\$785,000 in 1Q2018, and this was mainly attributable to the increase in the sales of security products to customers in the Rest of Southeast Asia<sup>1</sup> and in Indochina<sup>2</sup>, which was partially offset by a decrease in demand for integrated security solutions in Singapore for the period under review.

The Group’s Maintenance and Leasing Business’ revenue increased by approximately 18.4% from S\$1.3 million in 1Q2017 to S\$1.5 million in 1Q2018. This was mainly attributable to the increase in the fees earned from the provision of maintenance support services to customers in Singapore.

On the back of the increase in Group revenue, gross profit increased by approximately 15.7% from S\$836,000 in 1Q2017 to S\$967,000 in 1Q2018.

Other income increased by approximately 181.0% from S\$36,000 in 1Q2017 to S\$100,000 in 1Q2018 and the increase was mainly attributable to bad debts written back and an increase in government grants income received under the Productivity and Innovations Credit Scheme.

Administrative expenses decreased by approximately 10.3% from S\$1.5 million in 1Q2017 to S\$1.3 million in 1Q2018. This was mainly attributable to the decrease in employees’ remuneration and benefit expenses mainly due to lower staff bonuses accrued in 1Q2018 arising from the losses incurred by the Group during the period, and lower professional fees

---

<sup>1</sup> Rest of Southeast Asia includes Malaysia, Brunei, Indonesia, Philippines and Timor Leste.

<sup>2</sup> Indochina includes Myanmar, Thailand, Laos, Cambodia and Vietnam

and distribution and marketing expenses due to the Group's negotiation for more favorable arrangements.

Other operating expenses decreased by approximately 71.8% from S\$13,000 in 1Q2017 to S\$4,000 in 1Q2018 as plant and equipment were written off due to obsolescence.

Finance costs increased by approximately 184.6% from S\$14,000 in 1Q2017 to S\$41,000 in 1Q2018 mainly due to foreign exchange loss attributable to the weakening of the United States dollar in which the Group's sales were denominated against the Singapore dollar.

As a result of the above, the Group recorded an overall net loss of S\$0.22 million in 1Q2018, an approximate 51.6% decrease from S\$0.45 million in 1Q2017.

### **Financial Position**

As at 30 September 2017, the Group had net assets of approximately S\$8.8 million, as compared to S\$9.1 million as at 30 June 2017. Cash and cash equivalents as at 30 September 2017 stood at approximately S\$3.4 million compared to approximately S\$4.9 million as at 30 June 2017.

### **Looking Ahead**

Today, governments have to deal with the evolution of active groups, potential targets, and types of terrorist attacks and this presents a complex spectrum of risks and impact, with the situation showing little signs of abating, according to the Aon Risk Maps for Political Risk, Terrorism and Political Violence 2017 report<sup>3</sup>.

With persistent threats and continued security concerns in the Asia-Pacific region, the Group believes that for countries to stay vigilant, their governments would have to continue to purchase, upgrade and replace existing security equipment and systems. This in turn, will

---

<sup>3</sup> Aon Risk Maps for Political Risk, Terrorism and Political Violence 2017. Link: <http://www.aon.com/2017-political-risk-terrorism-and-political-violence-maps/pdfs/2017-Aon-Risk-Maps-Report.pdf>

provide demand for the Group's security products and integrated security systems in the longer term. As such, the Group will continue to actively market its range of security products and integrated security solutions to meet the security needs of its customers in the Asia-Pacific region while managing costs.

However, as the Group's customers make adjustments to their budgets due to their internal priorities and procurement cycles for different equipment and solutions, unexpected delays and/or requirements in the procurement process may result and affect the placement of purchase orders with the Group. Furthermore, new security products and solutions introduced by the Group would need a certain level of time period to penetrate the market in terms of customer education and needs.

End.

**Note to Media: This media release is to be read in conjunction with the announcement issued on SGXNET on the same date.**

**About IPS Securex Holdings Limited ([www.ips-securex.com](http://www.ips-securex.com))**

IPS Securex is 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.

Since 2000, it has been providing security products and integrated security solutions for various security requirements including checkpoint security, law enforcement and the protection and surveillance of buildings and critical infrastructure. It is a one-stop security solutions provider - from the supply of a broad range of security products, the design, installation, testing and commissioning of integrated security solutions, to the provision of maintenance support and leasing services to its customers. Carrying over 100 types of security products, the Group has distribution rights for some of its products spanning across 17 countries in the Asia-Pacific including Singapore, Cambodia, Brunei, Vietnam, Indonesia, Malaysia, Thailand, Myanmar, Philippines, Laos, China (Hong Kong and Macau), Australia, India, Sri Lanka, Japan, South Korea and Taiwan.

Over the years, IPS Securex has received several sales, business and branding awards and built an accomplished reputation in the security products and solutions industry. Some of its awards include the Enterprise 50 Award in 2009, the Singapore SME 500 Company Award in 2010, the Top 100 Singapore Excellence Award (Platinum) in 2013, the Asia Pacific Brands Award in 2014 and Singapore Corporate Award 2015 – Merit Award for Best Investor Relations (First-Year Listed Companies).

---

Issued on behalf of : **IPS Securex Holdings Limited**  
By : Cogent Communications Pte Ltd  
51 Goldhill Plaza, #22-05, Singapore 308900  
Contact : Ms Candy Soh / Mr Gerald Woon  
Office : (65) 6704 9288  
Email / DID / Mobile : [candysoh@cogentcomms.com](mailto:candysoh@cogentcomms.com) / (65) 6704 9284 / (65) 9816 8391  
[woon@cogentcomms.com](mailto:woon@cogentcomms.com) / (65) 6704 9268 / (65) 9694 8364

---

*This media release has been prepared by IPS Securex Holdings Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this media release.*

*This media release has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this media release, including the correctness of any of the statements or opinions made or reports contained in this media release.*

*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.*