

## General Announcement::IPS Securex to acquire 100.0% of Yatai and Avac

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	IPS SECUREX HOLDINGS LIMITED
<b>Securities</b>	IPS SECUREX HOLDINGS LIMITED - SG1BJ0000005 - 42N
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## Announcement Details

<b>Announcement Title</b>	General Announcement
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<b>Announcement Sub Title</b>	IPS Securex to acquire 100.0% of Yatai and Avac
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<b>Submitted By (Co./ Ind. Name)</b>	Kelvin Lim Ching Song
<b>Designation</b>	Executive Director and Chief Executive Officer
<b>Description (Please provide a detailed description of the event in the box below)</b>	Please refer to the attached.

<b>Attachments</b>	<a href="#">IPS Securex Media Release -100 Percent Acquisition of Yatai and Avac - 24 Feb 2016.pdf</a> Total size =469K
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## Media Release

# IPS Securex to acquire 100.0% of Yatai and Avac

**SINGAPORE, 24 February 2016** – 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, wishes to announce that further to its announcement on 29 October 2015, it has entered into a conditional sale and purchase agreement (the “Agreement”) to acquire 100.0% of the issued share capital of Yatai Security & Communications Pte. Ltd. (“Yatai”) and Avac Systems Pte. Ltd. (“Avac”), collectively (the “Target Companies”), from Mr Lim Ang Seng and Mr Lim Bang Quan, the existing shareholders of the Target Companies (the “Vendors”).

Previously, IPS Securex had entered into a memorandum of understanding to acquire 40.0% of the Target Companies but subsequent to further negotiations and due diligence carried out by IPS Securex on the Target Companies, IPS Securex and the Vendors have agreed for IPS Securex to acquire 100.0% of the Target Companies. Each of the Vendors have undertaken not to directly or indirectly compete with the Target Companies for a period of three years from the date that they cease to be shareholders of the Target Companies.

The purchase consideration payable by the Company to the Vendors for the Sale Shares (the “Purchase Consideration”) is S\$1,866,000, which represents the aggregate unaudited net asset value (“NAV”) of the Target Companies as at 31 October 2015. The unaudited NAV of Yatai and Avac as at 31 October 2015 was approximately S\$1,444,000 and S\$422,000, respectively.

Mr Kelvin Lim (林青宋), Executive Director and Chief Executive Officer of IPS Securex commented: ***“This proposed acquisition will allow us to expand our market share in Singapore as we continue to capitalise on such acquisition opportunities as and when they arise.*”**

***Building on Yatai & Avac's track record and rich expertise in the security industry, we look forward to taking on more projects and growing further."***

For the financial year ended 31 December 2015, the net profit of Yatai and net loss of Avac were approximately S\$828,000 and S\$34,000 respectively, whereas the book value and net tangible asset value of Yatai and Avac were approximately S\$1,638,000 and S\$404,000 respectively.

The Purchase Consideration is to be satisfied fully in cash and payable based on the following payment schedule: 60.0% is payable upon completion of the Proposed Acquisition (the "Completion"); 20.0% is payable three months from Completion; and the remaining 20.0% is payable twelve months from Completion.

The Purchase Consideration will be funded by a combination of the Group's internal resources and bank financing and completion of the Proposed Acquisition will take place on 1 April 2016 or on another date as agreed in writing by all parties, subject to conditions precedent set out in the Agreement.

Since 1984, the Vendors have been in the business of supplying and installing public address, communication and security systems to customers. In their 30 years of experience in the security industry, the Vendors have rendered services to clients ranging from government agencies, shopping malls and hospitals to developers of commercial and residential properties.

Yatai and Avac have been involved in various large scale projects in Singapore such as the supply and installation of public address system for the Kallang Paya Lebar Express Way; the upgrade and servicing of CCTV system for Capitaland Raffles City; and the servicing of public address and CCTV systems for the Ministry of Home Affairs. With the reputation, track record and experience of Yatai and Avac in the general security sector, the Company believes that their security business will complement and further boost the Group's existing security business. The Proposed Acquisition could potentially derive synergies within the Group as well as allowing the Group to establish its market presence and expand its market share in Singapore.

End.

**Note to Media: This press 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).

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*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 persons for the Sponsor are Mr Khong Choun Mun, Managing Director, Equity Capital Markets and 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.*