



IPS Securex Holdings Limited
Company Registration Number: 201327639H
71 Tech Park Crescent
Singapore 638072
www.ips-securex.com

IPS Securex's FY2014 net profit grew 41% to S\$2.4 million excluding IPO expenses & share based payments

- Revenue increased by 31.2% to S\$12.4 million with more than a 25% increase in both Security Solutions and Maintenance and Leasing businesses respectively
- Gross profit up 49.2% to S\$6.0 million and gross margins improved by 5.8 percentage points (FY2014: 48.2% ; FY2013: 42.4%)

SINGAPORE, 21 August 2014 – 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, today announced that its net profit for the financial year ended 30 June 2014 (“FY2014”) reached S\$1.1 million.

Excluding the one-off expenses from the Company’s initial public offering (“IPO”) and share based payments relating to a charge on the fair value of the Company’s shares in FY2014 that were allotted and issued to the Group’s Executive Director and CEO, Mr Kelvin Lim, as part of the restructuring exercise undertaken by our Group prior to the IPO of approximately S\$1.1 million and S\$0.2 million respectively, the Group would have recorded approximately S\$2.4 million - in net profit, or a 41% increase from the previous financial year (“FY2013”).

Commenting on the FY2014 results, Mr Kelvin Lim (林青宋), Executive Director and Chief Executive Officer of IPS Securex said: ***“We have registered significant growth in our revenue and gross profit for both our Security Solutions and Maintenance and Leasing businesses for FY2014. Excluding one-off IPO expenses and share based payments, our FY2014 net profit also grew significantly.”*** FY2014 Financial Highlights

In S\$'million unless otherwise stated	FY2014	FY2013	Change (%)
Revenue	12.4	9.5	31.2
Gross Profit	6.0	4.0	49.2
Gross Margin	48.2%	42.4%	5.8%
Profit before IPO expenses & Share Based Payment	2.4	1.7	41.2%
Net Profit	1.1	1.7	(35.2)

The Group's FY2014 revenue increased by 31.2% to S\$12.4 million, with the Security Solutions Business and the Maintenance and Leasing Business recording revenue increases of approximately S\$1.8 million and S\$1.2 million respectively.

The 26.1% boost in revenue for the Group's Security Solutions Business from S\$6.7 million in FY2013 to S\$8.5 million in FY2014 was mainly due to increased sales of security products and integrated security solutions to customers in Malaysia, Indonesia and Singapore.

The Group's Maintenance and Leasing Business' revenue increased by approximately 43.5% from S\$2.8 million in FY2013 to S\$4.0 million in FY2014. This increase was largely due to an ad-hoc replacement of a component in a security system for a public sector customer in Singapore; an increase in fees earned for the provision of maintenance support services in Thailand and Indonesia; and consultancy fees earned for an airport security project in Ethiopia.

Gross Profit increased by approximately 49.2% from S\$4.0 million to S\$6.0 million in FY2014, with gross profit margins also improving from 42.4% in FY2013 to 48.2% in FY2014. The improvement in gross profit margin was mainly due to higher margins secured from the sale of security products.

Administrative expenses increased from S\$2.3 million in FY2013 to S\$4.7 million in FY2014. Of the S\$2.4 million increase, S\$1.1 million was attributable to the placement expenses incurred in relation to the Group's IPO. The remaining increase in administrative expenses were attributable to distribution and marketing expenses, directors and employees' remuneration and benefit expenses, professional fees on audit, secretarial and tax agent services as well as other office expenses.

Overall, the Group recorded a net profit of S\$1.1 million for FY2014.

Healthy Financial Position

As at 30 June 2014, the Group had net assets of approximately S\$8.2 million, compared to S\$3.0 million as at 30 June 2013. Cash and cash equivalents as at 30 June 2014 stood at S\$4.5 million compared to S\$1.4 million as at 30 June 2013, with the increase mainly due to unutilised net proceeds of S\$3.1 million raised from the IPO.

Looking Ahead

The Group believes that the security products and solutions industry is generally dependent on factors such as perceived threats or otherwise from terrorist activities, political unrests, government budgets and general economic conditions. With the resilient economic outlook and expected increase in government budget allocations for security and defence spending in ASEAN, the demand for the latest security products and solutions is expected to rise in tandem. The Group believes that it is well-positioned to benefit from this expected increase in demand.

The Group has also been recognised as an authorised distributor of PepperBall Technologies Inc. ("PepperBall Technologies") brand products and services within Vietnam, Indonesia, Malaysia and Cambodia with effect from 15 July 2014. PepperBall Technologies is a supplier of non-lethal PAVA (Pelargonic Acid Vanillylamide)-based launchers and projectiles for those launchers and supplies thousands of users and major agencies including the Federal Bureau of Prisons, the United States Border Patrol, thousands of police and sheriff departments in major United States cities, as well as private entities, security services and bail enforcement agencies around the world. The Group expects the recognition from PepperBall Technologies to contribute positively to the Company's financial performance for the financial year ending 30 June 2015.

Barring any unforeseen circumstances, the Board of Directors is positive about the business outlook for the financial year ending 30 June 2015.

End.

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

About IPS Securex Holdings Limited (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 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, its distribution rights for some of its products span 10 countries in Asia Pacific, including Singapore, Brunei, Vietnam, Indonesia, Malaysia, Thailand, China (Hong Kong and Macau), Australia, India and Sri Lanka.

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 and the Asia Pacific Brands Award in 2014.

Issued for and on behalf of IPS Securex Holdings Limited by Cogent Communications Pte Ltd. For more information, please contact:

Gerald Woon

DID: (65) 6704 9268

MOB: (65) 9694 8364

Email: woon@cogentcomms.com

Jess Fu

DID: (65) 6704 9286

MOB: (65) 9823 5132

Email: jessfu@cogentcomms.com

This press 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 press release.

This press 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 press release, including the correctness of any of the statements or opinions made or reports contained in this press release. The contact persons for the Sponsor are Mr Khong Choun Mun, Managing Director, Corporate Finance and Mr David Tham, Senior Director, Corporate Finance, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6539 1177.