

Issuer & Securities

Issuer/ Manager

IPS SECUREX HOLDINGS LIMITED

Security

IPS SECUREX HOLDINGS LIMITED - SG1BJ0000005 - 42N

Announcement Details

Announcement Title

Annual General Meeting

Date & Time of Broadcast

10-Oct-2022 19:00:43

Status

New

Announcement Reference

SG221010MEETYBYB

Submitted By (Co./ Ind. Name)

Kelvin Lim Ching Song

Designation

Executive Director and Group Chief Executive Officer

Financial Year End

30/06/2022

Event Narrative

Narrative Type	Narrative Text
Additional Text	The Annual General Meeting of the Company ("AGM") will be held at Heron Room, Level 2, Seletar Country Club, 101 Seletar Club Rd, Singapore 798273.
Additional Text	ANNUAL GENERAL MEETING::VOLUNTARY 1. Notice of AGM 2. Proxy Form 3. Letter to Shareholders

Event Dates

Meeting Date and Time

25/10/2022 08:30:00

Response Deadline Date

23/10/2022 08:30:00

Event Venue(s)**Place**

Venue(s)	Venue details
Meeting Venue	Heron Room, Level 2, Seletar Country Club, 101 Seletar Club Rd, Singapore 798273

Attachments[IPSH - Notice of AGM.pdf](#)[IPSH - Proxy Form.pdf](#)[IPSH - Letter to Shareholders.pdf](#)

Total size =330K MB

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of IPS Securex Holdings Limited (“Company” and, together with its subsidiaries, “Group”) will be held at Heron Room, Level 2, Seletar Country Club, 101 Seletar Club Rd, Singapore 798273, on Tuesday, 25 October 2022 at 8.30 a.m. for the following purposes:

AS ORDINARY BUSINESS

- To receive and adopt the Audited Financial Statements and Directors’ Statement of the Company and the Group for the financial year ended 30 June 2022 together with the Auditors’ Report thereon. **(Resolution 1)**
- To approve the payment of Directors’ fees of S\$205,216 for the financial year ending 30 June 2023, payable half yearly in arrears (2022: S\$205,216). **(Resolution 2)**
- To re-elect the following Directors of the Company retiring pursuant to Regulation 91 of the Constitution of the Company:

Regulation 91

- Mr. Kelvin Lim Ching Song **(Resolution 3)**
- Mr. Ong Beng Chye **(Resolution 4)**
[See Explanatory Note (i)]

- That contingent upon passing of Ordinary Resolution 4 above, to approve Mr. Ong Beng Chye’s (“Mr. Ong”) continued appointment as an Independent Director in accordance with Rule 406(3)(d)(iii)(A) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”), and such Resolution shall remain in force until the earliest of the following (i) Mr. Ong’s retirement or resignation; or (ii) the conclusion of the AGM following the passing of this Resolution. **(Resolution 5)**
[See Explanatory Note (iii)]

- That contingent upon passing of Ordinary Resolution 4 and 5 above, shareholders (excluding the Directors and the Chief Executive Officer (“CEO”) of the Company, and the respective associates of such Directors and CEO) to approve Mr. Ong’s continued appointment as an Independent Director in accordance with Rule 406(3)(d)(iii)(B) of the Catalist Rules, and such Resolution shall remain in force until the earlier of the following: (i) Mr. Ong’s retirement or resignation; or (ii) the conclusion of the third AGM following the passing of this Resolution. **(Resolution 6)**
[See Explanatory Note (ii)]

- To approve Mr. Joseph Tan Peng Chin’s (“Mr. Tan”) continued appointment as an Independent Director in accordance with Rule 406(3)(d)(iii)(A) of the Catalist Rules, and such Resolution shall remain in force until the earliest of the following (i) Mr. Tan’s retirement or resignation; or (ii) the conclusion of the AGM following the passing of this Resolution. **(Resolution 7)**
[See Explanatory Note (ii)]

- That contingent upon passing of Ordinary Resolution 7 above, shareholders (excluding the Directors and the CEO of the Company, and the respective associates of such Directors and CEO) to approve Mr. Tan’s continued appointment as an Independent Director in accordance with Rule 406(3)(d)(iii)(B) of the Catalist Rules, and such Resolution shall remain in force until the earlier of the following: (i) Mr. Tan’s retirement or resignation; or (ii) the conclusion of the third AGM following the passing of this Resolution. **(Resolution 8)**
[See Explanatory Note (ii)]

- To appoint Messrs RSM Chio Lim LLP as auditors of the Company in place of retiring auditors of the Company, Messrs KPMG LLP, to hold office until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration and take such steps and exercise such discretion and do all such acts and things (including, without limitation, executing all such documents as may be required) as any Director of the Company may deem desirable, necessary, advisable or expedient to give effect to this Ordinary Resolution. **(Resolution 9)**
[See Explanatory Note (iii)]

To transact any other ordinary business which may be properly transacted at an AGM.

AS SPECIAL BUSINESS

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

10. Authority to allot and issue shares

That pursuant to Section 161 of the Companies Act 1967 (“Companies Act”) and Rule 806 of the Catalist Rules of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors of the Company be authorised and empowered to:

- (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
- (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 10)

11. Authority to issue shares under the IPS Securex Employee Share Option

That pursuant to Section 161 of the Companies Act and the provisions of the IPS Securex Employee Share Option Scheme (“IPS Securex ESOS”), the Directors of the Company be authorised and empowered to offer and grant share options under the IPS Securex ESOS and to issue from time to time such number of Shares as may be required to be issued pursuant to the exercise of share options granted by the Company under the IPS Securex ESOS, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the IPS Securex ESOS shall not exceed fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (v)]

(Resolution 11)

12. Authority to issue shares under the IPS Securex Performance Share Plan

That pursuant to Section 161 of the Companies Act and the provisions of the IPS Securex Performance Share Plan (“IPS Securex PSP”), the Directors of the Company be authorised and empowered to offer and grant share awards under the IPS Securex PSP and to issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of share awards under the IPS Securex PSP, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the IPS Securex PSP shall not exceed fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force 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.

[See Explanatory Note (vi)]

(Resolution 12)

13. Renewal of Share Buyback Mandate

That:

- 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:
 - on-market purchases, transacted on the SGX-ST through the SGX-ST’s trading system (“Market Purchase”); and/or
 - 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”);
- 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:
 - the date on which the next AGM is held or required by law to be held;
 - 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
 - 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;
- 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:
 - in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and
 - 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
- 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 (vii)]

(Resolution 13)

By Order of the Board

Shirley Tan Sey Liy

Company Secretary

Singapore, 10 October 2022

Explanatory Notes:

- Mr. Ong will, upon re-election as a Director of the Company, remain as Lead Independent Director, the Chairman of the Audit Committee and member of the Nominating Committee and Remuneration Committee. There are no relationships (including family relationships) between Mr. Ong and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Mr. Ong to be independent for the purposes of Rule 704(7) of the Catalist Rules. Please refer to pages 56 to 61 of the Annual Report for the detailed information for Mr. Ong and Mr. Kelvin Lim Ching Song required pursuant to Rule 720(5) of the Catalist Rules.
- Ordinary Resolutions 5 to 8 are subject to the continued appointment of Mr. Ong and Mr. Tan, who would have served as an Independent Director for an aggregate period of more than 9 years, to a two-tier voting process in accordance with Rule 406(3)(d)(iii) of the Catalist Rules which took effect on 1 January 2022. For the purpose of Ordinary Resolutions 6 and 8, in accordance with Rule 406(3)(d)(iii) of the Catalist Rules, the Directors and the CEO of the Company, and their respective associates, must not accept appointment as proxies unless specific instructions as to voting are given. The Board of the Company and the Nominating Committee have evaluated the participation of Mr. Ong and Mr. Tan at Board and Board committees meetings and determined that they continue to possess independent thinking and the ability to exercise objective judgement on corporate matters independently.
- The Letter to Shareholders dated 10 October 2022 (“Letter”) is attached to this notice to provide shareholders with information and the rationale relating to the Proposed Change of Auditors to be tabled at the AGM. In accordance with the requirements of Rule 712(3) of the Catalist Rules:
 - The retiring auditors of the Company, Messrs KPMG LLP (“KPMG”), have confirmed to Messrs RSM Chio Lim LLP (“RSM”) by way of letter dated 3 October 2022 that they are not aware of any professional reasons why RSM should not accept appointment as the new auditors of the Company and its subsidiaries;
 - the Company confirms that there were no disagreements with the retiring auditors, KPMG on accounting treatments within the last 12 months and up to the date of the Circular;
 - the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of shareholders which has not been disclosed in the Letter;
 - the Company confirms that the rationale for the Circumstances Change of Auditors are as disclosed in Section 2 of the Letter. The Company is of the view that it would be timely to effect a change of external auditors. Accordingly, KPMG has informed the Company that they will not be seeking re-election at the forthcoming AGM; and
 - the Company has confirmed that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of RSM as the new auditors of the Company.
- Resolution 10 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, (making 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.
- Resolution 11 above, if passed, will empower the Directors of the Company, from the date of this AGM until 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 allot and issue Shares pursuant to the exercise of share options granted or to be granted under the IPS Securex ESOS provided that the aggregate additional Shares to be allotted and issued pursuant to the IPS Securex ESOS and IPS Securex PSP do not exceed in total (for the entire duration of the IPS Securex ESOS and IPS Securex PSP) fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.
- Resolution 12 above, if passed, will empower the Directors of the Company, from the date of this AGM until 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 allot and issue Shares pursuant to the vesting of share awards under the IPS Securex PSP provided that the aggregate additional Shares to be allotted and issued pursuant to the IPS Securex PSP and IPS Securex ESOS do not exceed in total (for the entire duration of the IPS Securex PSP and IPS Securex ESOS) fifteen per centum (15.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) from time to time.
- Resolution 13 above, if passed, will empower the Directors of the Company from the date of this AGM until 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 Shares of the Company by way of market purchases or off-market purchases of up to ten per centum (10.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in the Notice of AGM.

Notes:

- A member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at this meeting 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.
- 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).
- Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the Instrument appointing the proxies.
- 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.
- The Instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - If submitted by post, be lodged at the Company’s registered office at 213 Henderson Road #04-09 Henderson Industrial Park Singapore 159553; or
 - If submitted electronically, be submitted via email to the Company at agm@ips-securex.com, in either case by no later than 8.30 a.m. on 23 October 2022, being 48 hours before the time appointed for the AGM.
- 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:–
 - submitting question via mail to the Company’s registered office at 213 Henderson Road #04-09 Henderson Industrial Park Singapore 159553, or email to agm@ips-securex.com in advance of the AGM no later than 17 October 2022; or
 - “live” at the AGM.
When submitting the questions, please provide the Company with the following details, for verification purpose:–
 - full name;
 - NRIC number;
 - current address;
 - contact number; and
 - number of Shares held. Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS).
Shareholders are encouraged to submit their questions before 17 October 2022, as this will allow the Company sufficient time to address and respond to these questions on or before 21 October 2022, 8.30 a.m. (48 hours prior to the closing date and time for the lodgement of the proxy forms). The responses will be published on (i) the SGX-ST’s website; and (ii) the Company’s corporate website.

*A Relevant Intermediary is:
 - a banking corporation licensed under the Banking Act 1970 of Singapore 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;
 - a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds Shares in that capacity; or
 - the Central Provident Fund Board (“CPF Board”) established by the Central Provident Fund Act 1953 of Singapore, 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 CPF Board holds those Shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

Where a member of the Company submits an Instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purpose”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

This Notice of AGM (“Notice”) has been prepared by IPS Securex Holdings Limited (“Company”) and its contents have 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 Catalist.

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

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 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 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. and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) NRIC/Passport No./Co. Registration No. _____

of _____ (Address)

being *a member/members of **IPS SECUREX HOLDINGS LIMITED** ("Company"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No of Shares	%

*and/or (delete as appropriate)

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No of Shares	%

or failing *him/her/them, the Chairman of the Annual General Meeting ("AGM") of the Company, as *my/our proxy/proxies to attend and vote for *me/us on *my/our behalf at the AGM to be held at Heron Room, Level 2, Seletar Country Club, 101 Seletar Club Rd, Singapore 798273 on Tuesday, 25 October 2022 at 8.30 a.m. and at any adjournment thereof. *I/We direct my/our proxy/proxies to vote for or against, or abstain from voting on the Resolutions proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid at the AGM and at any adjournment thereof.

No.	Resolutions relating to:	No. of votes 'For'**	No. of votes 'Against'**	No. of votes 'Abstain'**
Ordinary Businesses				
1	Audited Financial Statements and Directors' Statement for the financial year ended 30 June 2022			
2	Approval of Directors' fees amounting to S\$205,216 for the financial year ending 30 June 2023, payable half yearly in arrears.			
3	Re-election of Mr. Kelvin Lim Ching Song as a Director			
4	Re-election of Mr. Ong Beng Chye ("Mr. Ong") as a Director			
5	Approval of Mr. Ong's continued appointment as an Independent Director by all shareholders			
6	Approval of Mr. Ong's continued appointment as an Independent Director by all shareholders (excluding the Directors and the Chief Executive Officer of the Company, and their respective associates)			
7	Approval of Mr. Joseph Tan Peng Chin's ("Mr. Tan") continued appointment as an Independent Director by all shareholders			
8	Approval of Mr. Tan's continued appointment as an Independent Director by all shareholders (excluding the Directors and the Chief Executive Officer of the Company, and their respective associates)			
9	To appoint Messrs RSM Chio Lim LLP as auditors of the Company in place of retiring auditors of the Company, Messrs KPMG LLP			
Special Businesses				
10	Authority to allot and issue shares			
11	Authority to issue shares under the IPS Securex Employee Share Option			
12	Authority to issue shares under the IPS Securex Performance Share Plan			
13	Renewal of Share Buyback Mandate			

**If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (V) 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 _____ 2022

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
and/or, Common Seal of Corporate Shareholder

*Delete where inapplicable

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@dips-securex.com,

in either case by no later than 8.30 a.m. on 23 October 2022, being 48 hours before the time appointed for the AGM.

5. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 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 note 9, 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 ("CPF") 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 AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

* Relevant Intermediary is:

- a. a banking corporation licensed under the Banking Act 1970 of Singapore 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;
- b. a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
- c. the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act 1953 of Singapore, 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 CPF 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 the Chairman of the Meeting as proxy 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 the Chairman of the Meeting as proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 10 October 2022.

LETTER DATED 10 OCTOBER 2022

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

If you have sold or transferred all your shares in the capital of IPS Securex Holdings Limited (the “**Company**”), you should immediately forward this Letter (as defined herein) to the purchaser, transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Your attention is drawn to pages 122 to 128 of the Annual Report in respect of actions to be taken if you wish to attend and vote at the AGM (as defined herein).

This Letter has been prepared by the Company and has been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this Letter.

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

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 Number: 201327639H)

(Incorporated in the Republic of Singapore on 10 October 2013)

LETTER TO SHAREHOLDERS

IN RELATION TO

(1) THE PROPOSED CHANGE OF THE AUDITORS OF THE COMPANY FROM MESSRS KPMG LLP TO MESSRS RSM CHIO LIM LLP; AND

(2) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	23 October 2022 at 8.30 a.m.
Date and time of Annual General Meeting	:	25 October 2022 at 8.30 a.m.
Place of Annual General Meeting	:	Seletar Country Club 101 Seletar Club Singapore 798273 Heron Room, Level 2

TABLE OF CONTENTS

	PAGE
Contents	
DEFINITIONS.....	2
LETTER TO SHAREHOLDERS	5
1. INTRODUCTION	5
2. THE PROPOSED CHANGE OF AUDITORS	5
3. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE	8
4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	26
5. SHARES BOUGHT BY THE COMPANY IN THE PAST TWELVE MONTHS	27
6. ACTION TO BE TAKEN BY SHAREHOLDERS	27
7. DIRECTORS' RECOMMENDATION.....	28
8. DIRECTORS' RESPONSIBILITY STATEMENT	28
9. DOCUMENTS FOR INSPECTION	29

DEFINITIONS

In this Letter, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

“AGM” or “Annual General Meeting”	:	The annual general meeting of the Company to be held on 25 October 2022, notice of which is set out on pages 122 to 128 of the Annual Report
“Annual Report”	:	The annual report of the Company for FY2022
“Associates”	:	Shall bear the meaning assigned to it by the Catalist Rules
“Catalist Rules”	:	The Listing Manual of the SGX-ST, Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time
“Company”	:	IPS Securex Holdings Limited
“Constitution”	:	The constitution of the Company, as may be amended, modified or supplemented from time to time
“Directors”	:	The directors of the Company as at the date of this Letter
“FY”	:	The financial year ended or ending on 30 June (as the case may be)
“Group”	:	The Company and its subsidiaries
“KPMG”	:	Messrs KPMG LLP
“Latest Practicable Date”	:	27 September 2022 being the latest practicable date prior to the printing of this Letter
“Letter”	:	This letter to Shareholders dated 10 October 2022
“LPS” or “EPS”	:	Loss per Share or Earnings per Share
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NTA”	:	Net tangible assets attributable to Shareholders of the Company
“Proposed Change of Auditors”	:	The proposed change of auditors of the Company from KPMG to RSM

DEFINITIONS

“Proposed Renewal”	:	The proposed renewal of the Company’s Share Buyback Mandate
“Registrar”	:	Shall bear the meaning assigned to it by the Companies Act
“Relevant Period”	:	The period commencing from the date on which the ordinary resolution authorising the renewal of the Share Buyback Mandate is passed, and expiring on the date the next annual general meeting of the Company is or is required by law to be held, whichever is the earlier
“RSM”	:	Messrs RSM Chio Lim LLP
“Securities Account”	:	The securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback”	:	The buyback of Shares by the Company pursuant to the terms of the Share Buyback Mandate
“Share Buyback Mandate”	:	The mandate to enable the Company to purchase or otherwise acquire its issued Shares, the terms of which are set out in this Letter
“Shareholders”	:	The registered holders of the Shares except where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	The Securities Industry Council
“Substantial Shareholder”	:	A person who holds, directly or indirectly, 5.0% or more of the issued voting Shares of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%” or “per cent.”	:	Percentage or per centum

DEFINITIONS

The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term “**subsidiary**” shall have the meaning ascribed to it under Section 5 of the Companies Act.

The term “**subsidiary holdings**” shall have the meaning ascribed to it under Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

The term “**treasury share**” shall have the meaning ascribed to it under Section 4(1) of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall, where applicable, include corporations.

The headings in this Letter are inserted for convenience only and shall be ignored in construing this Letter.

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, Securities and Futures Act, Catalist Rules or any statutory modification thereof and not otherwise defined in this Letter shall have the same meaning assigned to it under the Companies Act, Securities and Futures Act, Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to a time of a day and date in this Letter shall be a reference to Singapore time and date unless otherwise stated.

Any discrepancies in the figures in this Letter between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Letter may not be an arithmetic aggregate of the figures that precede them.

LETTER TO SHAREHOLDERS

IPS SECUREX HOLDINGS LIMITED

(Company Registration Number: 201327639H)
(Incorporated in the Republic of Singapore on 10 October 2013)

Directors:

Chan Tien Lok (Non-Executive Chairman)
Kelvin Lim Ching Song (Executive Director and
Group Chief Executive Officer)
Ong Beng Chye (Lead Independent Director)
Joseph Tan Peng Chin (Independent Director)

Registered Office:

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

10 October 2022

To: The Shareholders of IPS Securex Holdings Limited

Dear Sir/Madam,

THE PROPOSED CHANGE OF AUDITORS AND THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

- 1.1 The Directors propose to seek Shareholders' approval for the Proposed Change of Auditors and the Proposed Renewal at the AGM.
- 1.2 The purpose of this Letter is to provide Shareholders with the relevant information, and to seek the approval of Shareholders, in relation to the Proposed Change of Auditors and the Proposed Renewal.
- 1.3 RHTLaw Asia LLP has been appointed as the legal adviser to the Company as to Singapore law in respect of the Proposed Change of Auditors and the Proposed Renewal.

2. THE PROPOSED CHANGE OF AUDITORS

2.1 Background and rationale for the Proposed Change of Auditors

- 2.1.1 KPMG has served as the auditors of the Group since 29 December 2016 and was last re-appointed at the annual general meeting held on 28 October 2021 to hold office until the conclusion of the next AGM of the Company scheduled on 25 October 2022.
- 2.1.2 To manage the Company's overall business costs and expenses amidst the current business climate, the Board is of the view that it would be appropriate and timely to effect a change of auditors and to appoint RSM as auditors of the Company for the following financial year ending 30 June 2023.
- 2.1.3 The Audit Committee, in reviewing and deliberating on the suitability of other firms, had evaluated proposals from other audit firms and had taken into consideration the Audit Quality Indicators Disclosure Framework issued by ACRA, as well as the criteria for the evaluation and selection of external auditors contained in the Guidebook for Audit Committees in Singapore, including various factors such as

LETTER TO SHAREHOLDERS

the adequacy of resources and experiences of the audit firm to be selected and the audit engagement partner to be assigned to the audit, the audit firm's other engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff to be assigned.

- 2.1.4 As part of the Company's ongoing efforts to enhance operating cost efficiencies, the Board had reviewed audit fee proposals from various audit firms. The appointment of RSM will also result in cost savings for the Group of approximately S\$21,000 due to the lower audit fees. The Audit Committee has assessed and does not expect the reduction in cost to affect the quality and scope of the audit to be undertaken by RSM.
- 2.1.5 Following the evaluation of the proposals from other accounting firms and after due deliberation, the Board, at the recommendation of the Audit Committee, wishes to propose that RSM be appointed as the auditors of the Group for the financial year ending 30 June 2023, in place of KPMG.
- 2.1.6 In view of the above, KPMG will retire and not seek re-appointment as auditors of the Company at the AGM, being the end of their current term. RSM had on 3 October 2022 given their written consent to act as the auditors of the Company, subject to the approval of Shareholders at the AGM. Pursuant to Rule 712(3) of the Catalist Rules, the appointment of RSM must be specifically approved by Shareholders at a general meeting. The appointment of RSM as the auditors of the Company will take effect upon receipt of Shareholders' approval, and if appointed, RSM will hold office until the conclusion of the next annual general meeting of the Company.
- 2.1.7 The Board wishes to express its appreciation for the past services rendered by KPMG.
- 2.1.8 The ordinary resolution for the Shareholders to approve the Proposed Change of Auditors is set out in the notice of the AGM.

2.2 Information on RSM and the Audit Partner-in-Charge

- 2.2.1 RSM is a firm of Chartered Accountants in Singapore registered with ACRA. It is one of the largest accounting and business advisory firms besides the Big 4 in Singapore and has 38 partners, 54 Directors and a staff strength of more than 1000. It has significant experience acting as auditors for companies listed on the SGX-ST. For more information about RSM, please visit its website at <https://www.rsm.global/singapore/>.

LETTER TO SHAREHOLDERS

- 2.2.2 The Audit Partner-in-Charge, Mr Adrian Tan KC, has more than 25 years of audit and advisory experience, and provides such services to clients from a wide range of industries, including technology, media, real estate, manufacturing, and charities. He has also helped to list companies on local and overseas stock exchanges. Prior to joining RSM as a partner in 2014, he was an audit partner with a Big 4 firm – first in their China office and then in Singapore and was amongst the few Singaporean partners who worked in China during the country's high growth years in the 2000s.
- 2.2.3 Outside RSM, Mr Tan is a guest lecturer with the Singapore Institute of Technology (SIT) and serves as a committee member of the Bachelor of Accountancy Programme Advisory Committee of the Singapore University of Social Sciences (SUSS).
- 2.2.4 Mr. Tan is a Public Accountant registered with ACRA, a Member of the Institute of Singapore Chartered Accountants, and a Certified Practising Accountant in Australia. He is also a member of the ESG Committee of CPA Australia.

2.3 Requirements under Rule 712 of the Catalist Rules

- 2.3.1 The Board, having taken into account the Audit Committee's recommendation and various factors, including, inter alia, the following:
- (a) the fee structure, the adequacy of the resources and experiences of RSM;
 - (b) the audit engagement partner assigned to the audit;
 - (c) RSM's other audit engagements;
 - (d) the size and complexity of the Group's operations; and
 - (e) the number and experience of supervisory and professional staff assigned to the audit of the Company and the Group,

are of the opinion that RSM will be able to meet the audit requirements of the Group and that Rule 712 of the Catalist Rules has been complied with.

Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the appointment of RSM as the Company's new auditors must be specifically approved by Shareholders at a general meeting. The appointment of RSM would therefore take effect upon the approval of the Shareholders at the AGM and, if appointed, RSM will hold office until the conclusion of the next AGM.

2.4 Requirements under Rule 715 of the Catalist Rules

- 2.4.1 The Board confirms that pursuant to Shareholders' approval of the Proposed Change of Auditors, RSM will become the auditors of the Company as well as its Singapore-incorporated subsidiaries and significant associated companies in compliance with Rule 715(1) of the Listing Manual.

LETTER TO SHAREHOLDERS

2.4.2 The Company does not have any significant foreign-incorporated subsidiaries or associated companies. However, in the event that it does incorporate or acquire any such foreign-incorporated subsidiaries in compliance with Rule 715(2) of the Catalist Rules, the Company will also engage a suitable auditing firm for such significant foreign-incorporated subsidiaries and associated companies.

2.4.3 Accordingly, the Company confirms that Rule 715 of the Catalist Rules has been complied with and/or will be complied with upon obtaining Shareholders' approval for the Proposed Change of Auditors.

2.5 Confirmations pursuant to Rule 712(3) of the Catalist Rules

2.5.1 In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (a) the outgoing auditors, KPMG, have confirmed that they are not aware of any professional reasons why RSM should not accept appointment as auditors of the Company;
- (b) the Company confirms that there were no disagreements with the outgoing auditors, KPMG, on accounting treatments within the last twelve (12) months;
- (c) the Company confirms that, other than set out above, it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of Shareholders;
- (d) the specific reasons for the Proposed Change of Auditors are disclosed in Paragraphs 2.1.1 to 2.1.4 above; and
- (e) the Company confirms that Rule 712 and Rule 715 of the Catalist Rules in relation to the appointment of RSM as the new auditors of the Company are complied with.

2.6 Nomination Notice

2.6.1 Pursuant to Section 205 of the Companies Act, a copy of the notice of nomination of the proposed new auditors of the Company dated 29 September 2022 from a Shareholder ("**Notice of Nomination**") is attached to this Appendix as *Annex A*.

2.7 Audit Committee's Recommendation

2.7.1 The Audit Committee has reviewed the Proposed Change of Auditors and recommends the appointment of RSM in place of KPMG to the Directors, having satisfied itself of the suitability of RSM and ensuring compliance with the requirements of the Listing Manual as set out above.

3. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

3.1 The Share Buyback Mandate

3.1.1 Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Companies Act, the Constitution and the Catalist Rules and such other laws and regulations as may, for the time being, be applicable.

LETTER TO SHAREHOLDERS

- 3.1.2 It is a requirement of the Companies Act that before a company purchases or acquires its own shares, its constitution must expressly permit the company to purchase or otherwise acquire its own shares. Regulation 10(B) of the Constitution provides that the Company may, subject to and in accordance with the Companies Act, purchase or otherwise acquire its issued Shares on such terms and in such manner as the Company may from time to time think fit.
- 3.1.3 Rule 866 of the Catalist Rules provides that an issuer may purchase its own shares if it has obtained the prior specific approval of shareholders in a general meeting. Accordingly, approval is being sought from the Shareholders at the AGM for the Proposed Renewal. An ordinary resolution will be proposed, pursuant to which the Share Buyback Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares according to the terms of the Share Buyback Mandate.
- 3.1.4 If the Proposed Renewal is approved by the Shareholders at the AGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the AGM and continue in force until the date on which the next AGM is held or as required by law to be held, whichever is earlier, unless prior thereto, purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate have been carried out to the full extent mandated, or the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting.

3.2 Rationale for the Share Buyback Mandate

- 3.2.1 The rationale for the Company to renew the Share Buyback Mandate is as follows:
- (a) The Share Buyback Mandate will provide the Company with greater flexibility in managing its capital structure. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account the growth and expansion plans of the Group, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
 - (b) In managing its business, the Group strives to increase Shareholders' value by improving, amongst others, the return on equity of the Group. In addition to growth and expansion of the business, purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate may be considered as one of the ways through which the return on equity of the Group may be enhanced.
 - (c) The Share Buyback Mandate will enable the Directors to utilise the Shares which are purchased or acquired thereunder and held as treasury shares to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, or for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons, which may be less dilutive than if new Shares were issued for this purpose.

LETTER TO SHAREHOLDERS

3.2.2 The Company will only purchase or acquire Shares pursuant to the Share Buyback Mandate if it is beneficial to the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST.

3.3 Authority and Limits of the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate, if approved at the AGM, are summarised below:

3.3.1 Maximum Number of Shares

(a) Share buy-back limit

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate shall not exceed 10.0% of the total number of issued Shares as at the date on which the resolution authorising the Share Buyback Mandate is passed, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the issued share capital of the Company shall be taken to be the amount of the issued share capital of the Company as altered. Any Shares which are held as treasury shares or any subsidiary holdings shall be disregarded for the purposes of computing the 10.0% limit.

For illustrative purposes only, based on 484,844,100 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that there will be no changes in the number of Shares on or prior to the date of the AGM, the purchase or acquisition by the Company pursuant to the Share Buyback Mandate of up to the maximum limit of 10.0% of its issued Shares will result in the purchase or acquisition of up to 48,484,410 Shares.

(b) Listing status on the SGX-ST

The Listing Manual provides that an issuer must ensure that at least 10% of a class of the total number of issued shares in a class that is listed (excluding treasury shares, preference Shares and convertible equity securities) is at all times held by the public.

In order to maintain the listing status of the Shares on the SGX-ST and pursuant to Rule 723 of the Catalist Rules, the Company must ensure that there is at all times a public float of not less than 10% of the issued Shares (excluding treasury shares and subsidiary holdings). The Company will not carry out any Share Buy-back to such extent that it would result in the number

LETTER TO SHAREHOLDERS

of Shares remaining in the hands of the public to fall below the minimum level required under the Listing Manual without adversely affecting the listing status of the Company.

As at the Latest Practicable Date, 149,089,700 Shares (or approximately 30.75% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) are held in the hands of the public. In the event that the Company purchases the maximum of 10% of its issued ordinary share capital from such public Shareholders, the resultant percentage of the issued Shares (excluding treasury shares and subsidiary holdings) held by the public Shareholders would be reduced to approximately 23.06%.

The Company will not undertake Share Buy-Backs up to the full 10.0% limit pursuant to the Share Buy-Back Mandate if it will result in the public float falling below 10.0% of the issued Shares (excluding treasury shares and subsidiary holdings) and will ensure that the 10.0% public float requirement is maintained at all times if any Share Buy-back is undertaken. The Directors will ensure that any Share Buy-Back, if undertaken by the Company pursuant to the Share Buy-Back Mandate, will not affect orderly trading of the Company's Shares and its listing status.

Therefore, although the Share Buy-Back Mandate would authorise the Company to purchase up to 10.0% of the total number of issued Shares of the Company as at the date the Share Buy-Back Mandate is approved, the Company may not necessarily buy back or be able to buy back 10.0% of the total number of issued Shares in full (as set out above).

Before deciding to effect a Share Buy-back, the Directors will ensure that, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to comply with Listing Manual requirements.

3.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM at which the Share Buyback Mandate is approved ("**Approval Date**"), up to the earliest of:

- (a) the date on which the next AGM is held or is required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting.

The Share Buyback Mandate may be renewed at each subsequent AGM or other general meetings of the Company.

LETTER TO SHAREHOLDERS

3.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares under the Share Buyback Mandate may be made by way of:

- (a) on-market purchases, transacted on the SGX-ST through the SGX-ST's trading system ("**Market Purchase**"); and/or
- (b) 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**").

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any Off-Market Purchases.

Under the Companies Act, an Off-Market Purchase must satisfy all of the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the Share Buyback;
- (d) the consequences, if any, of the Share Buyback that will arise under the Take-over Code or other applicable take-over rules;

LETTER TO SHAREHOLDERS

- (e) whether the Share Buyback, if made, could affect the listing of the Company's equity securities on the SGX-ST;
- (f) details of any Share Buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

3.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105.0% of the Average Closing Price (as defined herein) of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase or acquisition (the "**Maximum Price**").

For the above purposes, "**Average Closing Price**", in the case of a 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 day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period, or in the 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.

3.4 Status of Purchased Shares under the Share Buyback Mandate

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

At the time of each Share Buyback, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

LETTER TO SHAREHOLDERS

3.5 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

3.5.1 Maximum Holdings

The aggregate number of Shares held as treasury shares cannot at any time exceed 10.0% of the total number of issued Shares.

In the event that the number of treasury shares held by the Company exceeds 10.0% of the total number of Shares, the Company shall dispose of or cancel such excess treasury shares within six (6) months of the day on which such contravention occurs, or such further period as the Registrar may allow.

3.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Furthermore, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

3.5.3 Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time (but subject always to the Take-over Code):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

LETTER TO SHAREHOLDERS

In addition, under Rule 704(31) of the Catalist Rules, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares held by it stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer or cancelled.

3.6 Source of Funds for Share Buyback

3.6.1 Pursuant to Section 76F of the Companies Act, any purchase or acquisition of Shares may be made only if the Company is solvent and out of the Company's capital or profits. It is an offence for a director or chief executive officer of the company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Companies Act, the Company is solvent if at the date of the payment, the following conditions are satisfied:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if –
 - (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release of Shares (as the case may be), become less than the value of its liabilities (including contingent liabilities).

LETTER TO SHAREHOLDERS

3.6.2 The Company will use internal resources and/or external borrowings to finance the purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The Directors will only make purchases or acquisitions of Shares under the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, the working capital requirements of the Group, availability of financial resources, the Group's ability to service its debts and other obligations, the expansion and investment plans of the Group, as well as, taking into consideration the prevailing market conditions.

3.7 Financial Effects

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Buyback Mandate on the Group and the Company will depend on, amongst others, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled. The financial effects on the Group and the Company, based on the audited financial statements of the Group and the Company for FY2022 are based on the following principal assumptions:

- (a) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 July 2021 for the purpose of computing the financial effects on the EPS;
- (b) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 30 June 2022 for the purpose of computing the financial effects on Shareholders' equity, NTA per Share and gearing of the Group and the Company; and
- (c) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate have been assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

3.7.1 Purchase or Acquisition out of Profits and/or Capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends out of profits by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends out of profits by the Company will not be reduced but the shareholders' equity of the Company will be reduced by such amounts.

LETTER TO SHAREHOLDERS

3.7.2 Number of Shares Acquired or Purchased

For illustrative purposes only, on the basis of 484,844,100 Shares (excluding treasury shares and subsidiary holdings) in issue as at the Latest Practicable Date, and assuming no change in the number of Shares on or prior to the Approval Date, the purchase or acquisition by the Company of 10.0% of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition of 48,484,410 Shares.

3.7.3 Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 48,484,410 Shares at the Maximum Price of S\$0.036 per Share (being the price equivalent to 5.0% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 48,484,410 Shares is S\$1,745,439.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 48,484,410 Shares at the Maximum Price of S\$0.041 per Share (being the price equivalent to 20.0% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 48,484,410 Shares is S\$1,987,861.

3.7.4 Illustrative Financial Effects

For illustrative purposes only, and on the basis of the assumptions set out above, the financial effects of the: (i) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and held as treasury shares; and (ii) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and cancelled; on the audited financial statements of the Group and the Company for FY2022 are set out in the sections below.

Save as set out in Paragraph 3.7.1 above, the financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of the Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Letter.

LETTER TO SHAREHOLDERS

Scenario 1(A)

Market Purchases of 48,484,410 Shares out of capital and held as treasury shares

	Group		Company	
	Before the Share Buyback S\$	After the Share Buyback S\$	Before the Share Buyback S\$	After the Share Buyback S\$
Share capital	9,405,906	9,405,906	9,405,906	9,405,906
Shareholders' equity ⁽¹⁾	8,942,492	7,197,053	7,106,871	5,361,432
Share capital	9,405,906	9,405,906	9,405,906	9,405,906
Treasury shares	(89,353)	(1,834,792)	(89,353)	(1,834,792)
Reserves	(374,061)	(374,061)	(2,209,682)	(2,209,682)
NTA	8,942,492	7,197,053	7,106,871	5,361,432
Current assets ⁽²⁾	16,763,539	16,610,449	3,398,221	3,245,131
Current liabilities ⁽²⁾	5,400,975	6,993,324	291,389	1,883,738
Working capital	11,362,564	9,617,125	3,106,832	1,361,393
Total borrowings ⁽²⁾	3,835,909	5,428,258	–	1,592,349
Cash and cash equivalents ⁽²⁾	8,481,479	8,328,389	153,090	–
Restricted fixed deposits	470,145	470,145	–	–
Net profit/(loss) ⁽³⁾	263,451	263,451	(84,786)	(84,786)
Number of Shares	486,000,000	486,000,000	486,000,000	486,000,000
Number of treasury shares	1,155,900	49,640,310	1,155,900	49,640,310
Number of Shares (excluding treasury shares and subsidiary holdings)	484,844,100	436,359,690 ⁽⁴⁾	484,844,100	436,359,690 ⁽⁴⁾

Financial Ratios

NTA per Share (cents)	1.84	1.65	1.47	1.23
Basic EPS/(LPS) (cents) ⁽⁵⁾	0.05	0.06	(0.02)	(0.02)
Gearing (%) ⁽⁶⁾	42.90	75.42	–	29.70

Notes:

- (1) Shareholders' equity is defined as equity attributable to Shareholders.
- (2) Assuming the Share Buyback will be funded by cash and cash equivalents of the Company first, with the balance funded by short-term borrowings secured by the Company.
- (3) Net profit/(loss) is defined as the net profit/(loss) attributable to Shareholders.
- (4) Number of Shares excludes 48,484,410 Shares that have been assumed to be held as treasury shares and assumes no change in the number of Shares on or prior to the Approval Date.
- (5) EPS/(LPS) has been computed based on FY2022 net profit/net (loss) attributable to Shareholders divided by the number of Shares (excluding treasury shares and subsidiary holdings) in issue.
- (6) Gearing equals total borrowings divided by Shareholders' equity.

LETTER TO SHAREHOLDERS

Scenario 1(B)

Off-Market Purchases of 48,484,410 Shares out of capital and held as treasury shares

	Group		Company	
	Before the Share Buyback S\$	After the Share Buyback S\$	Before the Share Buyback S\$	After the Share Buyback S\$
Share capital	9,405,906	9,405,906	9,405,906	9,405,906
Shareholders' equity ⁽¹⁾	8,942,492	6,954,631	7,106,871	5,119,010
Share capital	9,405,906	9,405,906	9,405,906	9,405,906
Treasury shares	(89,353)	(2,077,214)	(89,353)	(2,077,214)
Reserves	(374,061)	(374,061)	(2,209,682)	(2,209,682)
NTA	8,942,492	6,954,631	7,106,871	5,119,010
Current assets ⁽²⁾	16,763,539	16,610,449	3,398,221	3,245,131
Current liabilities ⁽²⁾	5,400,975	7,235,746	291,389	2,126,160
Working capital	11,362,564	9,374,703	3,106,832	1,118,971
Total borrowings ⁽²⁾	3,835,909	5,670,680	–	1,834,771
Cash and cash equivalents ⁽²⁾	8,481,479	8,328,389	153,090	–
Restricted fixed deposits	470,145	470,145	–	–
Net profit/(loss) ⁽³⁾	263,451	263,451	(84,786)	(84,786)
Number of Shares	486,000,000	486,000,000	486,000,000	486,000,000
Number of treasury shares	1,155,900	49,640,310	1,155,900	49,640,310
Number of Shares (excluding treasury shares and subsidiary holdings)	484,844,100	436,359,690 ⁽⁴⁾	484,844,100	436,359,690 ⁽⁴⁾

Financial Ratios

NTA per Share (cents)	1.84	1.59	1.47	1.17
Basic EPS/(LPS) (cents) ⁽⁵⁾	0.05	0.06	(0.02)	(0.02)
Gearing (%) ⁽⁶⁾	42.90	81.54	–	35.84

Notes:

- (1) Shareholders' equity is defined as equity attributable to Shareholders.
- (2) Assuming the Share Buyback will be funded by cash and cash equivalents of the Company first, with the balance funded by short-term borrowings secured by the Company.
- (3) Net profit/(loss) is defined as the net profit/(loss) attributable to Shareholders.
- (4) Number of Shares excludes 48,484,410 Shares that have been assumed to be held as treasury shares and assumes no change in the number of Shares on or prior to the Approval Date.
- (5) EPS/(LPS) has been computed based on FY2022 net profit/net (loss) attributable to Shareholders divided by the number of Shares (excluding treasury shares and subsidiary holdings) in issue.
- (6) Gearing equals total borrowings divided by Shareholders' equity.

LETTER TO SHAREHOLDERS

Scenario 2(A)

Market Purchases of 48,484,410 Shares out of capital and cancelled

	Group		Company	
	Before the Share Buyback S\$	After the Share Buyback S\$	Before the Share Buyback S\$	After the Share Buyback S\$
Share capital	9,405,906	7,660,467	9,405,906	7,660,467
Shareholders' equity ⁽¹⁾	8,942,492	7,197,053	7,106,871	5,361,432
Share capital	9,405,906	7,660,467	9,405,906	7,660,467
Treasury shares	(89,353)	(89,353)	(89,353)	(89,353)
Reserves	(374,061)	(374,061)	(2,209,682)	(2,209,682)
NTA	8,942,492	7,197,053	7,106,871	5,361,432
Current assets ⁽²⁾	16,763,539	16,610,449	3,398,221	3,245,131
Current liabilities ⁽²⁾	5,400,975	6,993,324	291,389	1,883,738
Working capital	11,362,564	9,617,125	3,106,832	1,361,393
Total borrowings ⁽²⁾	3,835,909	5,428,258	–	1,592,349
Cash and cash equivalents ⁽²⁾	8,481,479	8,328,389	153,090	–
Restricted fixed deposits	470,145	470,145	–	–
Net profit/(loss) ⁽³⁾	263,451	263,451	(84,786)	(84,786)
Number of Shares	486,000,000	437,515,590	486,000,000	437,515,590
Number of treasury shares	1,155,900	1,155,900	1,155,900	1,155,900
Total number of Shares (excluding treasury shares and subsidiary holdings)	484,844,100	436,359,690 ⁽⁴⁾	484,844,100	436,359,690 ⁽⁴⁾

Financial Ratios

NTA per Share (cents)	1.84	1.65	1.47	1.23
Basic EPS/(LPS) (cents) ⁽⁵⁾	0.05	0.06	(0.02)	(0.02)
Gearing (%) ⁽⁶⁾	42.90	75.42	–	29.70

Notes:

- (1) Shareholders' equity is defined as equity attributable to Shareholders.
- (2) Assuming the Share Buyback will be funded by cash and cash equivalent of the Company first, with the balance funded by short-term borrowings secured by the Company.
- (3) Net profit/(loss) is defined as the net profit/(loss) attributable to Shareholders.
- (4) Number of Shares excludes 48,484,410 Shares that have been assumed to be held as treasury shares and assumes no change in the number of Shares on or prior to the Approval Date.
- (5) EPS/(LPS) has been computed based on FY2022 net profit/net (loss) attributable to Shareholders divided by the number of Shares (excluding treasury shares and subsidiary holdings) in issue.
- (6) Gearing equals total borrowings divided by Shareholders' equity.

LETTER TO SHAREHOLDERS

Scenario 2(B)

Off-Market Purchases of 48,484,410 Shares out of capital and cancelled

	Group		Company	
	Before the Share Buyback S\$	After the Share Buyback S\$	Before the Share Buyback S\$	After the Share Buyback S\$
Share capital	9,405,906	7,418,045	9,405,906	7,418,045
Shareholders' equity ⁽¹⁾	8,942,492	6,954,631	7,106,871	5,119,010
Share capital	9,405,906	7,418,045	9,405,906	7,418,045
Treasury shares	(89,353)	(89,353)	(89,353)	(89,353)
Reserves	(374,061)	(374,061)	(2,209,682)	(2,209,682)
NTA	8,942,492	6,954,631	7,106,871	5,119,010
Current assets ⁽²⁾	16,763,539	16,610,449	3,398,221	3,245,131
Current liabilities ⁽²⁾	5,400,975	7,235,746	291,389	2,126,160
Working capital	11,362,564	9,374,703	3,106,832	1,118,971
Total borrowings ⁽²⁾	3,835,909	5,670,680	–	1,834,771
Cash and cash equivalents ⁽²⁾	8,481,479	8,328,389	153,090	–
Restricted fixed deposits	470,145	470,145	–	–
Net profit/(loss) ⁽³⁾	263,451	263,451	(84,786)	(84,786)
Number of Shares	486,000,000	437,515,590	486,000,000	437,515,590
Number of treasury shares	1,155,900	1,155,900	1,155,900	1,155,900
Number of Shares (excluding treasury shares and subsidiary holdings)	484,844,100	436,359,690 ⁽⁴⁾	484,844,100	436,359,690 ⁽⁴⁾

Financial Ratios

NTA per Share (cents)	1.84	1.59	1.47	1.17
Basic EPS/(LPS) (cents) ⁽⁵⁾	0.05	0.06	(0.02)	(0.02)
Gearing (%) ⁽⁶⁾	42.90	81.54	–	35.84

Notes:

- (1) Shareholders' equity is defined as equity attributable to Shareholders.
- (2) Assuming the Share Buyback will be funded by cash and cash equivalents of the Company first, with the balance funded by short-term borrowings secured by the Company.
- (3) Net profit/(loss) is defined as the net profit/(loss) attributable to Shareholders.
- (4) Number of Shares excludes 48,484,410 Shares that have been assumed to be held as treasury shares and assumes no change in the number of Shares on or prior to the Approval Date.
- (5) EPS/(LPS) has been computed based on FY2022 net profit/net (loss) attributable to Shareholders divided by the number of Shares (excluding treasury shares and subsidiary holdings) in issue.
- (6) Gearing equals total borrowings divided by Shareholders' equity.

LETTER TO SHAREHOLDERS

Shareholders should note that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the historical audited financial statements of the Group and the Company for FY2022, and is not necessarily representative of future financial performance.

Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10.0% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire 10.0% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares purchased or acquired, or hold all or part of the Shares purchased or acquired as treasury shares.

3.8 Listing Rules

3.8.1 Rule 871 of the Catalist Rules specifies that an issuer must announce all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D of the Catalist Rules) must include the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and subsidiary holdings after the purchase and the number of treasury shares held after the purchase.

3.8.2 The Catalist Rules does not expressly prohibit an issuer from purchasing or acquiring its own shares during any particular time or times. However, as the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.

3.8.3 In particular, in line with the best practices guide on dealings in securities under Rule 1204(19) of the Catalist Rules, the Company will not purchase or acquire any Shares pursuant to the Share Buyback Mandate during the period commencing one (1) month before the announcement of the Company’s half year and full year financial statements (if not required to announce quarterly financial statements), or two (2) weeks before the announcement of the Company’s financial statements for each of the first three (3) quarters of its financial year and one (1) month before the announcement of the Company’s full year financial statements (if required to announce quarterly financial statements), as the case may be.

LETTER TO SHAREHOLDERS

3.8.4 Rule 723 of the Catalist Rules requires an issuer to ensure that at least 10.0% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by public shareholders. As at the Latest Practicable Date, approximately 30.75% of the Shares are held by the public. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by the public which would permit the Company to undertake Share Buybacks up to the full 10.0% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

For the purpose of this section, “**public**” under the Catalist Rules is defined as persons other than:

- (a) directors, chief execution officer, substantial shareholders or controlling shareholders of the issuer or its subsidiary companies; and
- (b) associates of the persons in paragraph (a) above.

3.9 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

3.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder’s proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

3.9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, amongst others, be presumed to be acting in concert:

- (a) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

LETTER TO SHAREHOLDERS

- (b) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the aforementioned companies, any company whose associated companies include any of the aforementioned companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the aforementioned, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the aforementioned for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

LETTER TO SHAREHOLDERS

3.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and persons acting in concert with them would increase to 30.0% or more, or in the event that such Directors and persons acting in concert with them hold between 30.0% and 50.0% of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than 1.0% in any period of six (6) months. In order for the Directors and their concert parties to avail themselves of exemption from the requirement to make a take-over offer, certain conditions as set out in the Take-over Code have to be satisfied, including:

- (a) the inclusion in the circular to Shareholders on the resolution to authorise the Share Buyback Mandate, advice to the effect that by voting for the resolution to authorise the Share Buyback Mandate, Shareholders are waiving their right to a take-over offer at the required price from Directors and parties acting in concert with them who, as a result of the Company purchasing or acquiring its Shares, would increase their voting rights to 30.0% or more, or, if they together hold between 30.0% and 50.0% of the Company's voting rights, would increase their voting rights by more than 1.0% in any period of six (6) months; and the names of such Directors and persons acting in concert with them, their voting rights at the time of the resolution and after Share Buybacks pursuant to the Share Buyback Mandate;
- (b) the submission to the SIC by each of the Directors of an executed form as prescribed by the SIC within seven (7) days of the passing of the resolution to authorise the Share Buyback Mandate; and
- (c) abstaining from voting and recommending the resolution authorising the Share Buyback Mandate.

As at the Latest Practicable Date, none of the Directors nor their concert parties have any intention of availing themselves of the exemption as aforementioned.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or, if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of six (6) months. Such a Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer under the Take-over Code would arise by reason of any Share Buyback by the Company.

LETTER TO SHAREHOLDERS

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares are as follows:

	Direct Interest Number of Shares	% ⁽¹⁾	Deemed Interest Number of Shares	% ⁽¹⁾
Directors				
Chan Tien Lok ⁽²⁾	120,000	0.02	248,820,000	51.32
Kelvin Lim Ching Song	58,014,400	11.97	–	–
Ong Beng Chye	300,000	0.06	–	–
Joseph Tan Peng Chin	600,000	0.12	–	–
Substantial Shareholders (other than Directors)				
IPS Technologies Pte. Ltd.	248,820,000	51.32	–	–
Tan Suan Yap ⁽³⁾	–	–	248,820,000	51.32
Goh Khoon Lim	27,900,000	5.75	–	–

Notes:

- (1) The percentages in shareholdings are calculated based on the Company's issued share capital of 484,844,100 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) Chan Tien Lok is deemed interested in the Shares held by IPS Technologies Pte. Ltd. ("IPST") by virtue of Section 4 of the Securities and Futures Act, as he holds 65.0% of the issued shares in IPST.
- (3) Tan Suan Yap is deemed interested in the Shares held by IPST by virtue of Section 4 of the Securities and Futures Act, as he owns 35.0% of the issued shares in IPST.

For illustrative purposes only, assuming that the Company undertakes Share Buybacks up to the full 10.0% limit mandated under the Share Buyback Mandate by purchasing or acquiring 48,484,410 Shares ("**Full Share Purchase**") and there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders, the increase in shareholdings of each of the Directors and Substantial Shareholders after the Full Share Purchase will be as follows:

	Voting Rights in the Company (%)			
	Before Share Buyback ⁽¹⁾		After Share Buyback ⁽²⁾	
Directors	Direct	Deemed	Direct	Deemed
Chan Tien Lok ⁽³⁾	0.02	51.32	0.03	57.02
Kelvin Lim Ching Song	11.97	–	13.30	–
Ong Beng Chye	0.06	–	0.07	–
Joseph Tan Peng Chin	0.12	–	0.14	–
Substantial Shareholders (other than Directors)				
IPS Technologies Pte. Ltd.	51.32	–	57.02	–
Tan Suan Yap ⁽⁴⁾	–	51.32	–	57.02
Goh Khoon Lim	5.75	–	6.39	–

LETTER TO SHAREHOLDERS

Notes:

- (1) The percentages in shareholdings are calculated based on the Company's issued share capital of 484,844,100 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) The percentages in shareholdings are calculated based on 436,359,690 Shares, assuming the Full Share Purchase has been exercised.
- (3) Chan Tien Lok is deemed interested in the Shares held by IPST by virtue of Section 4 of the Securities and Futures Act, as he holds 65.0% of the issued shares in IPST.
- (4) Tan Suan Yap is deemed interested in the Shares held by IPST by virtue of Section 4 of the Securities and Futures Act, as he owns 35.0% of the issued shares in IPST.

Based on the interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, purchases or acquisition of Shares by the Company pursuant to the Share Buyback Mandate will not result in any Director or Substantial Shareholder incurring an obligation to make a mandatory take-over offer under Rule 14 of the Take-over Code.

Save as disclosed above, the Directors confirm that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert with them such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase or acquisition of Shares by the Company pursuant to the Proposed Renewal.

None of the Directors or the Substantial Shareholders, has any other interest, direct or indirect, in the Proposed Renewal other than through their respective directorships in the Group and/or shareholdings in the Company.

None of the Directors or the Substantial Shareholders, has any other interest, direct or indirect, in the Proposed Change of Auditors other than through their respective directorships in the Group and/or shareholdings in the Company.

5. SHARES BOUGHT BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has not bought back any Shares by way of Market Purchase or Off-Market Purchase in the last twelve months preceding the Latest Practicable Date.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

The AGM, notice of which is set out on pages 122 to 128 of this annual report, will be held at Heron Room, Level 2, Seletar Country Club, 101 Seletar Club Rd, Singapore 798273, on Tuesday, 25 October 2022 at 8.30 a.m. for the purpose of considering and, if thought fit, passing, with or without modification the ordinary resolution authorising the Proposed Renewal as set out in the Notice of AGM.

Shareholders who are unable to attend the AGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the proxy form.

LETTER TO SHAREHOLDERS

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.

In the case of submission of the Proxy Form, a member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the AGM if he so wishes in place of the proxy if he finds that he is able to do so.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP pursuant to Part IIIAA of the Securities and Futures Act at least 72 hours before the AGM.

Please refer to the Notice of AGM and proxy form for further details.

7. DIRECTORS' RECOMMENDATION

The Board, having fully considered, inter alia, the rationale and benefit of the Proposed Change of Auditors and the recommendation of the Audit Committee, are of the opinion that the Proposed Change of Auditors is in the best interests of the Company. Accordingly, they recommend that the Shareholders vote in favour of Resolution 9 in respect of the Proposed Change of Auditors at the AGM.

The Directors, having carefully considered, amongst others, the terms and rationale of the Proposed Renewal, are of the opinion that the Proposed Renewal is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Resolution 13 in respect of the Proposed Renewal at the AGM.

Shareholders are advised to read this Appendix in its entirety, in particular the rationales for the Proposed Change of Auditors and Proposed Renewal. And for those who may require advice in the context of his specific investment, to consult his stockbroker, bank manager, solicitor or other professional adviser.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the Proposed Change of Auditors and Proposed Renewal, the Shares, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in the Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Letter in its proper form and context.

LETTER TO SHAREHOLDERS

9. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 213 Henderson Road, #04-09, Henderson Industrial Park, Singapore 159553, during normal business hours from the date of this Letter up to and including the date of the AGM:

- (a) the Constitution;
- (b) the annual report of the Company for FY2022;
- (c) the professional clearance letter issued by KPMG to RSM dated 3 October 2022;
- (d) the letter of consent from RSM dated 3 October 2022; and
- (e) the Notice of Nomination from a shareholder.

Yours faithfully,

For and on behalf of the Board of Directors of
IPS SECUREX HOLDINGS LIMITED

Kelvin Lim Ching Song
Executive Director and Group Chief Executive Officer

Annex A – Notice of Nomination

29 September 2022

THE BOARD OF DIRECTORS

IPS SECUREX HOLDINGS LIMITED

213 Henderson Road, #04-09
Singapore 159553

Attention: The Board of Directors

Dear Sirs

IPS SECUREX HOLDINGS LIMITED (THE “COMPANY”) – NOTICE OF NOMINATION

I, the undersigned, a shareholder of the Company hereby give notice of my intention to propose that Messrs RSM Chio Lim LLP of 8 Wilkie Rd, #03-08 Wilkie Edge, Singapore 228095, be appointed as Auditors of the Company in place of the retiring Auditor Messrs KPMG LLP of 16 Raffles Quay, #22-00 Hong Leong Building, Singapore 048581, at the forthcoming Annual General Meeting of the Company to be held on 25 October 2022 or at any adjournment thereof.

Yours faithfully



Wong See Lan

Member, IPS SECUREX HOLDINGS LIMITED