

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::FULL YEARLY RESULTS

Issuer & Securities

Issuer/ Manager

IPS SECUREX HOLDINGS LIMITED

Securities

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Additional Details

For Financial Period Ended

30/06/2024

Attachments

[IPS Securex FY2024 Results Announcement Final.pdf](#)

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**IPS Securex Holdings Limited
and its subsidiaries**

(Registration Number: 201327639H)

**Condensed interim financial statements
for the six months and full year ended
30 June 2024**

This announcement has been prepared by IPS Securex Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”) 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 (“SGX-ST”) Listing Manual Section B: Rules of Catalyst.

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

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

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A. Condensed interim consolidated statements of profit or loss and other comprehensive income

		The Group						
		Unaudited	Unaudited	Increase/ (Decrease)	Unaudited	Audited	Increase/ (Decrease)	
		2H-2024 ⁽¹⁾	2H-2023 ⁽²⁾	% change	FY2024 ⁽³⁾	FY2023 ⁽³⁾	% change	
Note		S\$	S\$	%	S\$	S\$	%	
	Revenue	3.2	7,751,513	7,645,219	1.4	13,687,667	11,543,086	18.6
	Cost of sales		(4,808,467)	(5,595,297)	(14.1)	(7,911,636)	(7,865,350)	0.6
	Gross profit		2,943,046	2,049,922	43.6	5,776,031	3,677,736	57.1
	Other income	5.1	265,494	35,754	642.6	297,397	90,104	230.1
	Administrative expenses		(3,162,451)	(2,757,632)	14.7	(5,772,933)	(5,563,499)	3.8
	Other operating expenses		(80,909)	(62,949)	28.5	(117,564)	(120,254)	(2.2)
	Other losses	5.1	-	-	N.M	(327)	-	N.M
	Finance income	5.1	824	330	149.7	1,513	576	162.7
	Finance costs	5.1	(39,828)	(47,051)	(15.4)	(68,674)	(104,509)	(34.3)
	(Loss)/profit before income tax		(73,824)	(781,626)	(90.6)	115,443	(2,019,846)	N.M
	Income tax (expense)/benefit	6	(5,700)	8,555	N.M	(11,802)	8,555	N.M
	(Loss)/profit for the period/year, representing total comprehensive (loss)/income		(79,524)	(773,071)	(89.7)	103,641	(2,011,291)	N.M
	<u>(Loss)/Earnings per share for (loss)/profit attributable to the owners of the Company</u>							
	Basic and diluted (cents) ⁽⁴⁾	7	(0.02)	(0.16)		0.02	(0.41)	

Notes:

⁽¹⁾ "2H-2024" refers to the second half year ended 30 June 2024

⁽²⁾ "2H-2023" refers to the second half year ended 30 June 2023

⁽³⁾ "FY" refers to the reporting year ended 30 June

⁽⁴⁾ The basic and diluted earnings per share were the same as there were no dilutive instruments as at 30 June 2023 and 30 June 2024

B. Condensed interim statements of financial position

	Note	The Group		The Company	
		Unaudited	Audited	Unaudited	Audited
		As at 30.06.2024	As at 30.06.2023	As at 30.06.2024	As at 30.06.2023
		S\$	S\$	S\$	S\$
ASSETS					
Current assets					
Restricted fixed deposits		453,133	452,452	-	-
Inventories	10	1,683,357	1,805,194	-	-
Contract assets		270,402	330,510	-	-
Contract costs		450	45,200	-	-
Trade and other receivables	9	5,568,955	2,511,548	2,404,488	2,503,241
Loans to subsidiaries		-	-	622,130	621,563
Cash and cash equivalents		3,141,339	7,113,363	199,054	146,638
Total current assets		11,117,636	12,258,267	3,225,672	3,271,442
Non-current assets					
Investment in subsidiaries	11	-	-	3,000,199	3,000,199
Plant and equipment	12	330,015	408,384	-	-
Other investments		7,605	7,605	-	-
Trade and other receivables	9	534,228	-	-	-
Total non-current assets		871,848	415,989	3,000,199	3,000,199
Total assets		11,989,484	12,674,256	6,225,871	6,271,641
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	13	3,193,151	2,362,512	203,247	205,669
Contract liabilities		337,008	787,126	-	-
Lease liabilities	14	11,006	10,496	-	-
Bank borrowings	14	1,228,980	1,265,278	-	-
Total current liabilities		4,770,145	4,425,412	203,247	205,669
Non-current liabilities					
Bank borrowings	14	174,403	1,296,543	-	-
Lease liabilities	14	8,604	19,610	-	-
Deferred tax liabilities		1,490	1,490	-	-
Total non-current liabilities		184,497	1,317,643	-	-
Capital and reserves					
Share capital	15	9,405,906	9,405,906	9,405,906	9,405,906
Treasury shares		(89,353)	(89,353)	(89,353)	(89,353)
Capital reserves		(589,999)	(589,999)	210,000	210,000
Accumulated losses		(1,691,712)	(1,795,353)	(3,503,929)	(3,460,581)
Total capital and reserves		7,034,842	6,931,201	6,022,624	6,065,972
Total liabilities and equity		11,989,484	12,674,256	6,225,871	6,271,641

C. Condensed interim statements of changes in equity

Group	Share capital S\$	Treasury shares S\$	Capital reserves S\$	Accumulated losses S\$	Total S\$
Balance at 1 July 2023	9,405,906	(89,353)	(589,999)	(1,795,353)	6,931,201
Profit for the year, representing total comprehensive income for the year	-	-	-	103,641	103,641
Balance at 30 June 2024	9,405,906	(89,353)	(589,999)	(1,691,712)	7,034,842
Balance at 1 July 2022	9,405,906	(89,353)	(589,999)	215,938	8,942,492
Loss for the year, representing total comprehensive loss for the year	-	-	-	(2,011,291)	(2,011,291)
Balance at 30 June 2023	9,405,906	(89,353)	(589,999)	(1,795,353)	6,931,201
Company					
Balance at 1 July 2023	9,405,906	(89,353)	210,000	(3,460,581)	6,065,972
Loss for the year, representing total comprehensive loss for the year	-	-	-	(43,348)	(43,348)
Balance at 30 June 2024	9,405,906	(89,353)	210,000	(3,503,929)	6,022,624
Balance at 1 July 2022	9,405,906	(89,353)	210,000	(2,419,682)	7,106,871
Loss for the year, representing total comprehensive loss for the year	-	-	-	(1,040,899)	(1,040,899)
Balance at 30 June 2023	9,405,906	(89,353)	210,000	(3,460,581)	6,065,972

D. Condensed interim consolidated statements of cash flows

	Note	Group	
		Unaudited FY2024 S\$	Audited FY2023 S\$
Operating activities			
Profit/(Loss) before tax		115,443	(2,019,846)
Adjustments for:			
Interest income	5.1	(1,513)	(576)
Interest expense	5.1	62,334	97,054
Depreciation of plant and equipment	5.1	134,874	105,484
Loss/(Gain) on disposal of plant and equipment	5.1	327	(240)
Inventories written-off	5.1	70,683	33,112
Allowance for inventories obsolescence	5.1	24,434	33,704
(Write-back of)/Allowance for impairment loss of trade receivables	5.1	(3,662)	31,572
Trade payables written-off	5.1	(208,442)	-
Net foreign exchange loss - unrealised		8,216	16,060
Operating cash flows before working capital changes		202,694	(1,703,676)
Inventories		22,105	845,778
Contract assets		60,108	(16,462)
Contract costs		44,750	11,783
Trade and other receivables		(3,587,295)	2,173,677
Trade and other payables		679,660	242,049
Contract liabilities		(450,118)	19,981
Cash (used in)/generated from operations		(3,028,096)	1,573,130
Taxes paid		(11,802)	(105,784)
Interest received		835	9
Net cash (used in)/from operating activities		(3,039,063)	1,467,355
Investing activities			
Purchase of plant and equipment		(55,336)	(346,998)
Proceeds from disposal of plant and equipment		3,119	5,611
Net cash used in investing activities		(52,217)	(341,387)
Financing activities			
Interest paid		(56,465)	(103,440)
Repayments of bank borrowings		(1,158,438)	(1,233,971)
Payments of lease liabilities		(10,496)	(10,011)
Utilisation of trade financing facilities		1,023,068	1,084,416
Repayment of trade financing facilities		(669,516)	(2,229,447)
Restricted cash and deposits pledged		-	18,159
Fixed deposit placed with a financial institution		(145)	(18,159)
Decrease/(Increase) in restricted cash and fixed deposits pledged		85,937	(41,681)
Net cash used in financing activities		(786,055)	(2,534,134)
Net decrease in cash and cash equivalents		(3,877,335)	(1,408,166)
Effect of exchange rate changes on the balance of cash held in foreign currencies		(8,216)	(19,817)
Cash and cash equivalents at beginning of the year		6,939,564	8,367,547
Cash and cash equivalents at end of the year		3,054,013	6,939,564
Cash and cash equivalents above comprise the following:			
Cash at bank and on hand		3,054,013	6,939,564
Fixed deposit with a financial institution		18,331	18,186
Fixed deposit pledged		453,133	452,452
Restricted cash		68,995	155,613
Cash and cash equivalents at end of the year		3,594,472	7,565,815

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

IPS Securex Holdings Limited (the “Company”) is incorporated in the Republic of Singapore. The Company’s shares are publicly traded on the Catalist Board of the Singapore Exchange Securities Trading Limited. These condensed interim financial statements for the six months and year ended 30 June 2024 cover the Company and its subsidiaries (collectively, the “Group”).

The principal activities of the Company are that of an investment holding company, business and management consultancy services, provision of services and trading of security products.

The principal activities of the subsidiaries are:

- a. distribution, installation and commissioning of security equipment;
- b. provision of maintenance support; and
- c. leasing services.

The latest audited annual financial statements of the Group for the reporting year ended 30 June 2023 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. Basis of Preparation

The condensed interim financial statements for the six months and year ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2023. The accounting policies adopted are consistent with those of the previous reporting year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1. Accordingly, these condensed interim financial statements are to be read in conjunction with the annual financial statements of the Group for the reporting year ended 30 June 2023. The condensed interim financial statements are presented in Singapore Dollar (“S\$”) which is the Company’s functional currency.

2.1 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 July 2023.

The following amendments of SFRS(I)s are not expected to have a significant impact on the financial statements of the Group and the Company.

- *Classification of Liabilities as Current or Non-current (Amendments to SFRS(I) 1-1)*
- *Lease Liability in a Sale and Leaseback (Amendments to SFRS(I) 16)*
- *Non-current Liabilities with Covenants (Amendments to SFRS(I) 1-1)*
- *Supplier Finance Arrangements (Amendments to SFRS(I) 1-7 and SFRS(I) 7)*
- *Lack of Exchangeability (Amendments to SFRS(I) 1-21)*

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the reporting year ended 30 June 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the reporting period.

3. Segment and revenue information

The Group is organised into the following main business segments:

- Security solutions; and
- Maintenance and leasing.

These operating segments are reported in a manner consistent with internal reporting provided to the Group's Chief Executive Officer, Kelvin Lim Ching Song, who is responsible for allocating resources and assessing performance of the operating segments.

3.1 Reportable Segments

Group	Security solutions		Maintenance and leasing		Total	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
	S\$	S\$	S\$	S\$	S\$	S\$
External revenue	9,484,423	7,654,059	4,203,244	3,889,027	13,687,667	11,543,086
Inter-segment revenue	-	-	-	261,000	-	261,000
Other income	206,978	-	-	-	206,978	-
Interest income	1,359	527	-	14	1,359	541
Interest expense	(8,908)	(13,891)	(51)	-	(8,959)	(13,891)
(Write-back of)/Allowance for impairment loss of trade receivables	3,662	(31,572)	-	-	3,662	(31,572)
Reportable segment profit before tax	<u>2,774,104</u>	<u>962,497</u>	<u>2,941,520</u>	<u>2,470,947</u>	<u>5,715,624</u>	<u>3,433,444</u>
Reportable segment assets	<u>6,659,754</u>	<u>3,385,251</u>	<u>1,805,528</u>	<u>1,762,553</u>	<u>8,465,282</u>	<u>5,147,804</u>
Reportable segment liabilities	<u>(1,847,965)</u>	<u>(2,210,920)</u>	<u>(676,443)</u>	<u>(352,936)</u>	<u>(2,524,408)</u>	<u>(2,563,856)</u>

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items		
	Group	
	FY2024	FY2023
	S\$	S\$
Revenue		
Total revenue for reportable segments	13,687,667	11,804,086
Elimination of inter-segment revenue	-	(261,000)
Consolidated revenue	<u>13,687,667</u>	<u>11,543,086</u>
Profit or loss		
Total profit for reportable segments	5,715,624	3,433,444
Unallocated amounts:		
- Other income	88,164	90,104
- Administrative expenses	(5,596,906)	(5,430,946)
- Other expenses	(31,878)	(21,866)
- Net finance costs	(59,561)	(90,582)
Consolidated profit/(loss) before tax	<u>115,443</u>	<u>(2,019,846)</u>
Assets		
Total assets for reportable segments	8,465,282	5,147,804
Unallocated amounts:		
- Plant and equipment	330,015	408,384
- Cash and cash equivalents	3,072,345	6,957,751
- Others	121,842	160,317
Consolidated total assets	<u>11,989,484</u>	<u>12,674,256</u>
Liabilities		
Total liabilities for reportable segments	(2,524,408)	(2,563,856)
Unallocated amounts:		
- Bank borrowings	(1,403,383)	(2,561,821)
- Lease liabilities	(19,610)	(30,106)
- Deferred tax liabilities	(1,490)	(1,490)
- Others	(1,005,751)	(585,782)
Consolidated total liabilities	<u>(4,954,642)</u>	<u>(5,743,055)</u>

Group	Security solutions		Maintenance and leasing		Total	
	2H-2024	2H-2023	2H-2024	2H-2023	2H-2024	2H-2023
	S\$	S\$	S\$	S\$	S\$	S\$
External revenue	5,820,453	5,557,196	1,931,060	2,088,023	7,751,513	7,645,219
Inter-segment revenue	-	-	-	87,000	-	87,000
Other income	206,978	-	-	-	206,978	-
Interest income	675	299	-	-	675	299
Interest expense	(5,684)	(4,332)	(51)	-	(5,735)	(4,332)
(Write-back of)/Allowance for impairment loss of trade receivables	3,662	(20,835)	-	-	3,662	(20,835)
Reportable segment profit before tax	<u>1,576,918</u>	<u>664,242</u>	<u>1,356,346</u>	<u>1,241,749</u>	<u>2,933,264</u>	<u>1,905,991</u>
Reportable segment assets	<u>6,659,754</u>	<u>3,385,251</u>	<u>1,805,528</u>	<u>1,762,553</u>	<u>8,465,282</u>	<u>5,147,804</u>
Reportable segment liabilities	<u>(1,847,965)</u>	<u>(2,210,920)</u>	<u>(676,443)</u>	<u>(352,936)</u>	<u>(2,524,408)</u>	<u>(2,563,856)</u>

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items		
	Group	
	2H-2024	2H-2023
	S\$	S\$
Revenue		
Total revenue for reportable segments	7,751,513	7,732,219
Elimination of inter-segment revenue	-	(87,000)
Consolidated revenue	<u>7,751,513</u>	<u>7,645,219</u>
Profit or loss		
Total profit for reportable segments	2,933,264	1,905,991
Unallocated amounts:		
- Other income	56,261	35,754
- Administrative expenses	(3,015,990)	(2,677,350)
- Other expenses	(13,415)	(3,334)
- Net finance costs	(33,944)	(42,687)
Consolidated loss before tax	<u>(73,824)</u>	<u>(781,626)</u>
Assets		
Total assets for reportable segments	8,465,282	5,147,804
Unallocated amounts:		
- Plant and equipment	330,015	408,384
- Cash and cash equivalents	3,072,345	6,957,751
- Others	121,842	160,317
Consolidated total assets	<u>11,989,484</u>	<u>12,674,256</u>
Liabilities		
Total liabilities for reportable segments	(2,524,408)	(2,563,856)
Unallocated amounts:		
- Bank borrowings	(1,403,383)	(2,561,821)
- Lease liabilities	(19,610)	(30,106)
- Deferred tax liabilities	(1,490)	(1,490)
- Others	(1,005,751)	(585,782)
Consolidated total liabilities	<u>(4,954,642)</u>	<u>(5,743,055)</u>

3.2 Disaggregation of Revenue

	Security solutions		Maintenance and leasing		Total	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
	S\$	S\$	S\$	S\$	S\$	S\$
Geographical markets						
Singapore	8,932,472	7,543,710	3,805,125	2,707,628	12,737,597	10,251,338
Indochina ⁽¹⁾	48,525	68,661	-	-	48,525	68,661
Rest of Southeast Asia ⁽²⁾	501,649	6,432	398,119	1,181,399	899,768	1,187,831
East Asia ⁽³⁾	1,777	26,802	-	-	1,777	26,802
Other Countries ⁽⁴⁾	-	8,454	-	-	-	8,454
	<u>9,484,423</u>	<u>7,654,059</u>	<u>4,203,244</u>	<u>3,889,027</u>	<u>13,687,667</u>	<u>11,543,086</u>
Major product/ service lines						
Sale of goods	1,313,418	781,799	-	-	1,313,418	781,799
Revenue from contracts	8,171,005	6,872,260	-	-	8,171,005	6,872,260
Maintenance and leasing services	-	-	4,203,244	3,889,027	4,203,244	3,889,027
	<u>9,484,423</u>	<u>7,654,059</u>	<u>4,203,244</u>	<u>3,889,027</u>	<u>13,687,667</u>	<u>11,543,086</u>
Timing of revenue recognition						
At a point in time	1,313,418	781,799	-	-	1,313,418	781,799
Over time	8,171,005	6,872,260	4,203,244	3,889,027	12,374,249	10,761,287
	<u>9,484,423</u>	<u>7,654,059</u>	<u>4,203,244</u>	<u>3,889,027</u>	<u>13,687,667</u>	<u>11,543,086</u>

	Security solutions		Maintenance and leasing		Total	
	2H-2024	2H-2023	2H-2024	2H-2023	2H-2024	2H-2023
	S\$	S\$	S\$	S\$	S\$	S\$
Geographical markets						
Singapore	5,771,928	5,553,098	1,931,060	1,566,640	7,702,988	7,119,738
Indochina ⁽¹⁾	48,525	-	-	-	48,525	-
Rest of Southeast Asia ⁽²⁾	-	-	-	521,383	-	521,383
East Asia ⁽³⁾	-	472	-	-	-	472
Other Countries ⁽⁴⁾	-	3,626	-	-	-	3,626
	<u>5,820,453</u>	<u>5,557,196</u>	<u>1,931,060</u>	<u>2,088,023</u>	<u>7,751,513</u>	<u>7,645,219</u>
Major product/ service lines						
Sale of goods	609,050	351,687	-	-	609,050	351,687
Revenue from contracts	5,211,403	5,205,509	-	-	5,211,403	5,205,509
Maintenance and leasing services	-	-	1,931,060	2,088,023	1,931,060	2,088,023
	<u>5,820,453</u>	<u>5,557,196</u>	<u>1,931,060</u>	<u>2,088,023</u>	<u>7,751,513</u>	<u>7,645,219</u>
Timing of revenue recognition						
At a point in time	609,050	351,687	-	-	609,050	351,687
Over time	5,211,403	5,205,509	1,931,060	2,088,023	7,142,463	7,293,532
	<u>5,820,453</u>	<u>5,557,196</u>	<u>1,931,060</u>	<u>2,088,023</u>	<u>7,751,513</u>	<u>7,645,219</u>

Notes:

(1) "Indochina" includes Myanmar, Thailand, Laos, Cambodia and Vietnam

(2) "Rest of Southeast Asia" includes Malaysia, Brunei, Indonesia, Philippines and Timor Leste

(3) "East Asia" includes China, South Korea and Japan

(4) "Other countries" include Australia, United States of America and India

A breakdown of sales:

	Group		
	FY2024	FY2023	% change
	S\$	S\$	
Revenue - First Half Year	5,936,154	3,897,867	52.3
Revenue - Second Half Year	<u>7,751,513</u>	<u>7,645,219</u>	1.4
Revenue - Total	<u><u>13,687,667</u></u>	<u><u>11,543,086</u></u>	18.6
Profit/(Loss) after tax - First Half Year	183,165	(1,238,220)	N.M
Loss after tax - Second Half year	<u>(79,524)</u>	<u>(773,071)</u>	(89.7)
Profit/(Loss) after tax - Total	<u><u>103,641</u></u>	<u><u>(2,011,291)</u></u>	N.M

4. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 30 June 2023:

	Carrying amount		
	Financial assets	Financial liabilities	Total carrying amount
Group	S\$	S\$	S\$
30 June 2024			
Financial assets measured at amortised cost			
Trade and other receivables ^	5,850,645	-	5,850,645
Cash and cash equivalents	3,141,339	-	3,141,339
Restricted fixed deposits	453,133	-	453,133
	<u>9,445,117</u>	-	<u>9,445,117</u>
Financial liabilities measured at amortised cost			
Trade and other payables	-	3,193,151	3,193,151
Loans and borrowings	-	1,422,993	1,422,993
	-	<u>4,616,144</u>	<u>4,616,144</u>
30 June 2023			
Financial assets measured at amortised cost			
Trade and other receivables ^	2,233,162	-	2,233,162
Cash and cash equivalents	7,113,363	-	7,113,363
Restricted fixed deposits	452,452	-	452,452
	<u>9,798,977</u>	-	<u>9,798,977</u>
Financial liabilities measured at amortised cost			
Trade and other payables	-	2,362,512	2,362,512
Loans and borrowings	-	2,591,927	2,591,927
	-	<u>4,954,439</u>	<u>4,954,439</u>

^ Excludes prepayments.

5. Profit/(loss) before taxation

5.1 Profit/(loss) before taxation included the following items:

	The Group			
	Unaudited 2H-2024 S\$	Unaudited 2H-2023 S\$	Unaudited FY2024 S\$	Audited FY2023 S\$
<u>Income</u>				
Miscellaneous income	8,567	6,986	10,382	7,180
Trade payables written-off	208,442	-	208,442	-
Write-back of allowance for impairment loss of trade receivables	1,274	-	3,662	-
Gain on disposal of plant and equipment	-	-	-	240
Government grant and subsidies	47,211	28,768	74,911	82,684
Other income	265,494	35,754	297,397	90,104
Interest income	824	330	1,513	576
Finance income	824	330	1,513	576
<u>Expenses</u>				
Depreciation of plant and equipment	(68,915)	(62,537)	(134,874)	(105,484)
Inventories written off	(70,683)	(32,873)	(70,683)	(33,112)
Rental expense	(109,992)	(112,289)	(225,742)	(222,089)
Allowance for impairment loss on trade receivables (net)	-	(20,835)	-	(31,572)
Allowance for inventories obsolescence	(5,915)	(5,907)	(24,434)	(33,704)
Over provision of income tax in respect of prior year	-	(18,055)	-	(18,055)
Loss on disposal of plant and equipment	-	-	(327)	-
Other losses	-	-	(327)	-
Interest expense	(29,304)	(41,969)	(62,334)	(97,054)
Foreign exchange loss (net)	(10,524)	(5,082)	(6,340)	(7,455)
Finance costs	(39,828)	(47,051)	(68,674)	(104,509)

5.2 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the Group entered into the following significant transactions with related parties:

	Group	
	Unaudited FY2024 S\$	Audited FY2023 S\$
Related parties which a director has controlling interest		
Sales	(5,020)	(13,766)
Accounting and administrative services	77,208	77,208
Rental expenses	216,000	216,000
Recharge of expenses	7,624	10,578

6. Taxation

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

	Unaudited 2H-2024 S\$	Unaudited 2H-2023 S\$	Unaudited FY2024 S\$	Audited FY2023 S\$
Current tax (expense)/benefit				
Changes in estimates in respect of prior years	-	18,055	(2,302)	18,055
Withholding tax	(5,700)	(9,500)	(9,500)	(9,500)
	<u>(5,700)</u>	<u>8,555</u>	<u>(11,802)</u>	<u>8,555</u>
Reconciliation of effective tax rate				
(Loss)/Profit before tax	<u>(73,824)</u>	<u>(781,626)</u>	115,443	<u>(2,019,846)</u>
Tax using the Singapore tax rate of 17%	(12,550)	(132,876)	19,625	(343,374)
Effect of tax rates in foreign jurisdiction	(795)	(233)	(1,141)	7
Non-deductible expenses	10,579	22,602	23,601	22,554
Non-taxable income	(118)	(42,375)	(6,436)	(24,297)
Tax exempt income	-	-	(8,892)	(84)
Tax incentives	-	-	-	-
Unrecognised deferred tax assets	2,884	152,882	(26,757)	345,194
Utilisation of previously unrecognised tax losses and capital allowances	-	-	-	-
Changes in estimates in respect of prior years	-	18,055	(2,302)	18,055
Withholding tax	(5,700)	(9,500)	(9,500)	(9,500)
	<u>(5,700)</u>	<u>8,555</u>	<u>(11,802)</u>	<u>8,555</u>

7. (Loss)/Earnings per share

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

	Unaudited 2H-2024	Unaudited 2H-2023	Group Unaudited FY2024	Audited FY2023
(Loss)/profit for the year attributable to equity holders of the Company (S\$)	<u>(79,524)</u>	<u>(773,071)</u>	103,641	<u>(2,011,291)</u>
Weighted average number of ordinary shares	<u>484,844,100</u>	<u>484,844,100</u>	484,844,100	<u>484,844,100</u>
(Loss)/Earnings per share (cents)	<u>(0.02)</u>	<u>(0.16)</u>	0.02	<u>(0.41)</u>

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

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

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

8. Net asset value

	Group		Company	
	Unaudited As at 30.06.2024	Audited As at 30.06.2023	Unaudited As at 30.06.2024	Audited As at 30.06.2023
Net asset value per ordinary share based on the number of shares in issue at end of year (cents)	1.5	1.4	1.2	1.3

9. Trade and other receivables

	Group		Company	
	Unaudited As at 30.06.2024 S\$	Audited As at 30.06.2023 S\$	Unaudited As at 30.06.2024 S\$	Audited As at 30.06.2023 S\$
Trade receivables	5,077,888	2,354,450	-	-
Impairment loss on trade receivables	(10,903)	(353,352)	-	-
	5,066,985	2,001,098	-	-
Other receivables	10,915	1,861	-	-
Amounts due from subsidiaries (non-trade)	-	-	2,359,291	2,453,604
Deposits	772,745	230,203	40,920	40,880
	5,850,645	2,233,162	2,400,211	2,494,484
Prepayments	252,538	278,386	4,277	8,757
	6,103,183	2,511,548	2,404,488	2,503,241
Presented in the statement of financial position as:				
Current	5,568,955	2,511,548	2,404,488	2,503,241
Non-current	534,228	-	-	-
	6,103,183	2,511,548	2,404,488	2,503,241

The non-trade amounts due from subsidiaries are unsecured, interest-free and are repayable on demand.

10. Inventories

	Group	
	Unaudited	Audited
	As at 30.06.2024	As at 30.06.2023
	S\$	S\$
Inventories, net of allowance for inventories obsolescence	1,683,357	1,805,194

The movements in the allowance for inventories obsolescence during the year was as follows:

	Unaudited	Audited
	FY2024	FY2023
	S\$	S\$
At 1 July	248,232	214,528
Write-down during the year	24,434	33,704
At 30 June	272,666	248,232

During the year, inventories of S\$5,881,654 (FY2023: S\$5,739,610) were recognised as an expense and included in “cost of sales”.

11. Investment in subsidiaries

	Company	
	Unaudited	Audited
	As at 30.06.24	As at 30.06.23
	S\$	S\$
Unquoted equity shares, at cost	5,344,199	5,344,199
Allowance for impairment	(2,344,000)	(2,344,000)
	3,000,199	3,000,199

Movements in the allowance for impairment of subsidiaries are as follows:

	Unaudited	Audited
	FY2024	FY2023
	S\$	S\$
At 1 July	2,344,000	1,344,160
Charged to profit and loss	-	999,840
At 30 June	2,344,000	2,344,000

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

The Company recognised an impairment loss of S\$999,840 in its investment in a subsidiary as of 30 June 2023 as the recoverable amount estimated based on cash flow projections was below the carrying amount of the investment. At the current reporting date, there is no indication that additional impairment or reversals of impairment of the investment in subsidiaries should be recognised.

12. Plant and equipment

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

During the year ended 30 June 2024, the Group acquired assets amounting to S\$55,336 (30 June 2023: S\$346,998) and disposed and wrote off assets with carrying amounts to S\$3,446 (30 June 2023: S\$5,371).

During the year ended 30 June 2024, the Group transferred inventories with carrying amount of \$4,615 (30 June 2023: \$6,550) to plant and equipment.

13. Trade and other payables

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	As at 30.06.2024	As at 30.06.2023	As at 30.06.2024	As at 30.06.2023
	S\$	S\$	S\$	S\$
Trade payables	1,765,947	1,027,366	-	-
Bills payable	353,552	-	-	-
Other payables	395,376	214,046	20,036	28,147
Amounts due to:				
– Subsidiary (non-trade)	-	-	169	20
– Related parties (non-trade)	53,266	26,950	53,266	26,389
Accruals	625,010	1,094,150	91,976	113,313
	3,193,151	2,362,512	165,447	167,869
Deposit received	-	-	37,800	37,800
	3,193,151	2,362,512	203,247	205,669

The non-trade amounts due to subsidiary and related parties are unsecured, interest-free and are repayable on demand.

Deposit received from subsidiaries are non-trade, unsecured, interest-free and are repayable on demand.

14. Loans and borrowings

	Group			
	As at 30.06.2024		As at 30.06.2023	
	Secured	Unsecured	Secured	Unsecured
	S\$	S\$	S\$	S\$
<u>Amount repayable in one year or less or on demand</u>				
Bank borrowings	1,228,980	-	1,265,278	-
Lease liabilities	11,006	-	10,496	-
	1,239,986	-	1,275,774	-
<u>Amount repayable after one year</u>				
Bank borrowings	174,403	-	1,296,543	-
Lease liabilities	8,604	-	19,610	-
	183,007	-	1,316,153	-
	1,422,993	-	2,591,927	-

The Group's bank borrowings have a final maturity date on 30 September 2025 and bear a fixed interest rate of 2.5% per annum.

Details of the collaterals:

The Group's borrowings are covered by corporate guarantees provided by IPS Securex Holdings Limited. The Group's lease liabilities are secured by the plant and equipment purchased under the leases.

15. Share capital

	Group and Company			
	Unaudited As at 30.06.2024	Audited As at 30.06.2023	Unaudited As at 30.06.2024	Audited As at 30.06.2023
	Number of ordinary shares		S\$	S\$
Issued and fully paid ordinary shares, with no par value:				
Total number of issued shares	486,000,000	486,000,000	9,405,906	9,405,906
Less: Treasury shares	(1,155,900)	(1,155,900)	(89,353)	(89,353)
Total number of issued shares excluding treasury shares	<u>484,844,100</u>	<u>484,844,100</u>	<u>9,316,553</u>	<u>9,316,553</u>

There was no change in the Company's issued share capital during 2H-2024. There were no outstanding convertibles and subsidiary holdings held by the Company as at 30 June 2024 and 30 June 2023. The number of shares held as treasury shares as at 30 June 2024 and 30 June 2023 is 1,155,900 treasury shares. The percentage of the aggregate number of treasury shares held against the total number of shares outstanding that is listed as at 30 June 2024 and 30 June 2023 is 0.24%.

F. Other information required by Listing Rule Appendix 7C

1. Review

The condensed interim consolidated statements of financial position of IPS Securex Holdings Limited and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

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

The Group's revenue increased by approximately S\$106,000 or 1.4% from S\$7.6 million in 2H-2023 to S\$7.8 million in 2H-2024; and increased by approximately S\$2.2 million or 18.6% from S\$11.5 million in FY2023 to S\$13.7 million in FY2024.

Security Solutions Business: 2H-2024

Revenue from the Security Solutions Business increased by approximately S\$263,000 or 4.7% from S\$5.6 million in 2H-2023 to S\$5.8 million in 2H-2024. This was mainly attributable to an increase in sales of security products to customers in Singapore of S\$212,000, an increase in Indochina⁽¹⁾ of S\$48,000, and an increase in revenue from providing integrated security solutions in Singapore of S\$7,000; partially offset by a decrease in the sales of security products to customers in Others⁽⁴⁾ of S\$4,000.

Security Solutions Business: FY2024

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

Maintenance and Leasing Business: 2H-2024

Revenue from the Maintenance and Leasing Business decreased by approximately S\$157,000 or 7.5% from \$2.1 million in 2H-2023 to \$1.9 million in 2H-2024. This was mainly due to a decrease in revenue from the provision of maintenance support services to Rest of Southeast Asia⁽²⁾ of S\$521,000 and partially offset by an increase in revenue from the provision of maintenance support services to customers in Singapore of S\$364,000.

Maintenance and Leasing Business: FY2024

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

Notes:

⁽¹⁾ "Indochina" includes Myanmar, Thailand, Laos, Cambodia and Vietnam.

⁽²⁾ "Rest of Southeast Asia" includes Malaysia, Brunei, Indonesia, Philippines and Timor Leste.

⁽³⁾ "East Asia" includes China, South Korea and Japan.

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

Cost of sales

Cost of sales decreased by approximately S\$787,000 or 14.1% from S\$5.6 million in 2H-2023 to S\$4.8 million in 2H-2024. This was mainly due to higher cost in direct material cost and sub-contracting costs incurred in one of the projects in Security Solutions Business in 2H-2023.

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

Gross profit

Gross profit increased by approximately S\$893,000 or 43.6% from S\$2.0 million in 2H-2023 to S\$2.9 million in 2H-2024 and increased by approximately S\$2.1 million or 57.1% from S\$3.7 million in FY2023 to S\$5.8 million in FY2024 as a result of the factors discussed above.

Gross margin increased from 26.8% in 2H-2023 to 38.0% in 2H-2024 and from 31.9% in FY2023 to 42.2% in FY2024 due to higher margins from the Security Solutions Business and the Maintenance and Leasing Business.

Other income

Other income increased by approximately S\$230,000 or 642.6% from S\$36,000 in 2H-2023 to S\$266,000 in 2H-2024. This was mainly due to a write back of long outstanding trade payables amounting to S\$208,000. The trade payable was written back as the creditor has been uncontactable for over 6 years. In addition, the increase in other income was also attributable to an increase in miscellaneous income of S\$2,000, a write back of provision of bad debts of S\$1,000 and an increase in government grants and subsidies of S\$19,000.

Other income increased by approximately S\$207,000 or 230.1% from S\$90,000 in FY2023 to S\$297,000 in FY2024. This was mainly due to the trade payables written off of S\$208,000 (as referred to above), write back of provision of bad debts of S\$4,000, increase in miscellaneous income of S\$3,000; and partially offset by a decrease in government grants and subsidies of S\$8,000.

Administrative expenses

Administrative expenses increased by approximately S\$405,000 or 14.7% from S\$2.8 million in 2H-2023 to S\$3.2 million in 2H-2024. This was mainly due to an increase in employees' remuneration and benefit expenses of S\$311,000 due to an increase in headcount, an increase in IT computer enhancement expenses of S\$20,000, an increase in depreciation of S\$6,000 in relation to motor vehicles, an increase in distribution and marketing expenses of S\$23,000, an increase in professional fees of S\$15,000 and office related expense of S\$29,000.

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

Other operating expenses

Other operating expenses increased by approximately S\$18,000 or 28.5% from S\$63,000 in 2H-2023 to S\$81,000 in 2H-2024. This was mainly due to an increase in inventories written off of S\$38,000, an increase in bank charges of S\$1,000; partially offset by a decrease in allowance for doubtful debts of S\$21,000.

Other operating expenses decreased by approximately S\$3,000 or 2.2% in FY2024. This was mainly due to a decrease in allowance for doubtful debts of S\$32,000, a decrease in allowance for inventories obsolescence of S\$9,000; and partially offset by an increase of inventory written off of S\$38,000.

Finance income

Finance income increased by approximately S\$500 or 149.7% from S\$300 in 2H-2023 to S\$800 in 2H-2024. This was mainly due to an increase in interest earned of S\$500.

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

Finance costs

Finance costs decreased by approximately S\$7,000 or 15.4% from S\$47,000 in 2H-2023 to S\$40,000 in 2H-2024. This was mainly due to a decrease in interest expense of S\$13,000 due to lower utilisation of credit facilities and partially offset by an increase in foreign exchange loss (net) of S\$6,000 arising from the increase in revaluation of trade payables held in United States Dollars of S\$15,000 against the increase in revaluation of bank balances held in United States Dollars of S\$9,000.

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

Tax (expense)/credit

Tax expense increased by approximately S\$14,000 from a tax credit of S\$8,000 in 2H-2023 to a tax expense of S\$6,000 in 2H-2024. This was due to overprovisions of S\$18,000 from prior years being reversed in 2H-2023 while there were no such adjustments in 2H-2024, offset by lower withholding tax expenses of S\$4,000.

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

Review of the Group's financial position

Current assets

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

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

- (iv) a decrease in contract assets of S\$60,000 mainly due to an increase in billing upon the completion of integrated security solutions projects;

partially offset by:

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

Non-current assets

Non-current assets increased by approximately S\$456,000 from S\$416,000 as at 30 June 2023 to S\$872,000 as at 30 June 2024. The increase in non-current assets was mainly due to an increase in trade and other receivables relating to trade contracts entered into during the year that required a deposit to be placed with the financial institution that provided financing equivalent to 10% of its contract sum in relation to integrated security projects. The total deposits paid amounted to S\$534,000 and is refundable upon completion of the projects.

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

Current liabilities

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

- (i) an increase in trade and other payables of S\$831,000 mainly attributable to an increase in trade financing facilities of S\$354,000, increase in amount payable to trade suppliers of S\$739,000, increase in accrual of operating expenses of S\$205,000, increase in amount payable to non-trade due to related parties of S\$26,000 in relation to rental fees to IPS Realty Pte Ltd and Group services fees to IPS Group Pte Ltd, an increase in other payables of S\$181,000 which comprised mainly GST payables and payables for staff reimbursements, partially offset by a decrease in accrual of project cost for integrated security solutions projects of S\$674,000;
- (ii) an increase in lease liabilities of S\$1,000.

partially offset by:

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

Non-current liabilities

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

Capital and reserves

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

Review of the Group's cashflows

Net cash from operating activities

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

The net working capital outflow arose mainly from the following:

- i) an increase in trade and other receivables of S\$3.6 million mainly due to higher sales made on credit terms from the integrated security solutions business towards the end of FY2024; and also contracts entered into during the year that required a deposit to be placed with the financial institution that provided financing equivalent to 10% of the contract sum relating to integrated security projects amounting to S\$534,000;
- ii) a decrease in contract liabilities of S\$450,000 mainly due to delivery of services for which consideration had been received in advance;
- iii) a decrease in inventories of S\$22,000 arising from higher utilization of parts and components for projects undertaken during the year for the Security Solutions Business;
- iv) a decrease in contract assets of S\$60,000 mainly attributable to an increase in billing upon the completion of integrated security solutions projects;
- v) an increase in trade and other payables of S\$680,000 mainly attributable to an increase in trade financing facilities of S\$354,000, increase in amount payable to trade suppliers of S\$739,000, increase in accrual of operating expenses of S\$54,000, increase in amount payable to non-trade due to related parties of S\$26,000 in relation to rental fees to IPS Realty Pte Ltd and Group services fees to IPS Group Pte Ltd, an increase in other payables of S\$181,000 which comprised mainly GST payables and payables for staff reimbursements, partially offset by a decrease in accrual of project cost for integrated security solutions projects of S\$674,000; and
- vi) a decrease in contract cost of S\$45,000 mainly due to the decrease in costs incurred to fulfil contracts where the goods and services had yet to be transferred to the customers.

Net cash used in investing activities

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

Net cash used in financing activities

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

3. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

4. **Commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group saw an increase in its revenue for 2H-2024 and FY2024 largely attributable to its continuing focus on its targeted market for business growth in Singapore and countries in the Rest of Asia*.

The Group is continuing to explore new partners for the distribution of the integrated security products and solutions to new customers to develop and pursue new business opportunities and monitor its ongoing potential tenders in the region.

On 19 August 2024, the Company announced that its wholly-owned subsidiary, IPS Securex Pte. Ltd. ("**IPS Securex**"), had been awarded a security contract for a total contract value of approximately S\$12.0 million to design, supply and install security systems which is expected to be completed by 28 February 2026.

Separately, the Company's wholly-owned subsidiary, Securex GS Pte. Ltd. ("**Securex GS**"), had received the SMRT Contractor Safety Award 2024 at the SMRT Contractors' Safety Forum held on 20 August 2024, an annual event to continually promote and further strengthen a culture of safety and enhance safety standards on SMRT premises and network and to foster closer industry collaboration to enhance Workplace Safety & Health.

Looking ahead, the Group anticipates continued demand for cost-effective security solutions but remains cautious about the impact of economic uncertainties and geopolitical risks on project timelines and customers' budget allocations.

Strategic initiatives focused on cost containment and continued marketing efforts focusing on markets including governmental infrastructure such as airports, air bases, ports and borders, as well as data centres and commercial buildings will be crucial for navigating the challenging landscape over the next reporting period and the next 12 months.

* Rest of Asia includes the following:

(1) "Indochina" includes Myanmar, Thailand, Laos, Cambodia and Vietnam.

(2) "Rest of Southeast Asia" includes Malaysia, Brunei, Indonesia, Philippines, and Timor Leste.

(3) "East Asia" includes China, South Korea and Japan.

5. Dividend Information

(a) Whether any interim (final) ordinary dividend has been declared (recommended)

No.

(b) Any dividend declared (recommended) for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

6. If no dividend has been declared (recommended), a statement to that effect and provide the reasons for the decision not to declare/recommend any dividend.

No dividend has been declared or recommended for FY2024 as the Group continues to operate prudently and seeks to retain cash in the current economic environment.

7. Interested person transactions

The Group does not have a general mandate from shareholders for interested person transactions ("IPT") pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("Catalist Rules"). However, pursuant to Rule 905 of the Catalist Rules, the following is disclosed.

	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules)			
	2H-2024 S\$	2H-2023 S\$	FY2024 S\$	FY2023 S\$
<u>Provision of group services (such as finance, corporate secretarial, human resources, warehouse operation cost and rental expense)</u> <u>by:-</u>				
IPS Realty Pte Ltd	(108,000)	(108,000)	(216,000)	(216,000)
IPS Group Pte. Ltd.	(38,604)	(38,604)	(77,208)	(77,208)

8. Confirmation by the Issuer pursuant to Rule 720(1)

The Company confirms that it has procured undertakings from all of its directors ("Directors") and executive officers as required under Rule 720(1) of the Catalist Rules.

9. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer

Pursuant to Rule 704(10) of the Catalist Rules, IPS Securex Holdings Limited confirms that there are no persons occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company.

By Order of the Board

Ong Beng Chye
Independent Non-Executive Chairman
23 August 2024