



# PROJECTION TO SUCCESS

ANNUAL REPORT 2023



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## Get more information online

A pdf of the full Annual Report and further information about the Group and our businesses can be found online at our website: [www.ips-securex.com](http://www.ips-securex.com)

This Annual Report has been prepared by IPS Securex Holdings Limited ("Company") and has 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 Catalyst.

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

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.





## CORPORATE PROFILE

# A LEADING ONE-STOP SECURITY SOLUTIONS PROVIDER WITH A SIGNIFICANT AND ESTABLISHED REGIONAL MARKET



IPS Securex Holdings Limited (“IPS Securex” or the “Company” and, together with its subsidiaries, the “Group”) has established itself as one of Singapore’s leading providers of security products and integrated security solutions to commercial entities and government bodies and agencies in the Asia-Pacific.

The Company was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) in 2014. Since 2000, the Group has been providing a diverse base of customers with security products and integrated security solutions which are deployed to address various security requirements, including checkpoint security, law enforcement and the protection and surveillance of buildings and critical infrastructure.

Carrying over 100 types of security products, the Group has distribution rights for certain products spanning across 16 countries in the Asia-Pacific including Singapore, Cambodia, Brunei, Vietnam, Indonesia, Malaysia, Thailand, Philippines, Laos, China (Hong Kong and Macau), Australia, India, Sri Lanka, Japan, South Korea and Taiwan.

As a one-stop service provider that designs, supplies, installs, tests, commissions, maintains and leases security products and integrated security solutions, the Group has built an accomplished and thriving reputation in the security products and solutions industry.



## CHAIRMAN'S STATEMENT



**ONG BENG CHYE**

INDEPENDENT NON-EXECUTIVE CHAIRMAN

### DEAR SHAREHOLDERS,

On behalf of the Board of Directors (the "Board" or the "Directors") of IPS Securex Holdings Limited ("IPS Securex" or the "Company" and, together with its subsidiaries, the "Group"), I am pleased to present the Annual Report of the Company for the financial year ended 30 June 2023 ("FY2023") ("Annual Report").

### REVIEW OF FY2023

As the world is gradually recovering in the midst of post-pandemic events and ongoing global geopolitical situations, the Company has yet again faced a challenging year with the recovery of regional businesses due to the slow progress of overseas potential opportunities relating to its business. The Company is continuing to keep close track of these opportunities through its network of partners in the region and working closely with its pool of customers for both new and existing projects.

To ensure wider marketing efforts for its regional businesses, the Company will also be ramping up its overseas business development and steering towards setting up of overseas representative and branch offices to realign and increase its regional business in various vertical markets. The Company is also engaging in partnership discussions with local companies to tap onto their overseas offices, for the expansion of both business segments.

While pushing ahead with the recovery of its regional businesses, the Company has concurrently taken a targeted approach to expand its local market share, by focusing on certain key targeted customers, including Government sites, data centres and commercial buildings, which have driven the revenue for our local businesses, with the support from local Government efforts to ensure its economic recovery. The Company has also reviewed its operational costs for restructuring measures to realign and boost its financial position to prepare for the years ahead.

### SUSTAINABILITY CORE

The Group continues to hold sustainability in our core, allowing us to maintain our long-term value as a security solutions provider. Our commitment to sustainable practices encompasses various economic, environmental, social and governance factors ("EESG"). With the urgency of climate change, the Group acknowledges that attaining a net zero emission is challenging. Nevertheless, the Board is committed to accelerate its EESG scope and integrate its sustainability goals on climate change within our core business in the coming years.



## CHAIRMAN'S STATEMENT

### ACKNOWLEDGEMENT

On behalf of my fellow Board members and management team, I would like to thank all our employees, customers and business partners for your continued support as we continue to traverse the challenges ahead. We would like to express our appreciation to our shareholders for their continued trust and unwavering support to IPS Securex through these challenging years as we continue to work towards achieving a sustainable growth path.

### ONG BENG CHYE

INDEPENDENT NON-EXECUTIVE CHAIRMAN



# GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

## KELVIN LIM CHING SONG

EXECUTIVE DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER



### DEAR SHAREHOLDERS,

On behalf of the management of the Group, I am pleased to present the business review for FY2023.

The Group saw a decrease in revenue in the first six months of FY2023, which was attributable to procurement disruptions due to customers budget prioritisation towards defence and pandemic requirements, increasing material costs, delays in the calling of prospective tenders by potential and existing customers in the region and delays in ongoing projects due to supply chain disruptions (i.e. shortage of materials) during the still present COVID-19 pandemic and amidst geo political uncertainties.

### BUSINESS HIGHLIGHTS

Revenue from the Security Solutions Business decreased by approximately S\$3.8 million or 33.3% from S\$11.5 million in FY2022 to S\$7.7 million in FY2023. This was mainly attributable to a decrease in revenue in FY2023 from the sale of security products to customers in Singapore of S\$464,000, in Rest of Southeast Asia<sup>(2)</sup> of S\$550,000; and a decrease in revenue from providing integrated security solutions in Singapore of S\$2.9 million, partially offset by an increase in sales of security products to customers in Indochina<sup>(1)</sup> of S\$30,000, in East Asia<sup>(3)</sup> of S\$25,000 and in Others<sup>(4)</sup> of S\$8,000.

Revenue from the Maintenance and Leasing Business decreased by approximately S\$403,000 or 9.4% from S\$4.3 million in FY2022 to S\$3.9 million in FY2023. This was mainly attributable to the expiry of a long-term 7-year lease-and-maintenance contract entered into with the Housing Development Board in October 2014 for the Alert Alarm System in several blocks of residential housing for senior citizens of S\$658,000, a decrease in revenue from the provision of maintenance support services to customers in Rest of Southeast Asia<sup>(2)</sup> of S\$129,000; and partially offset by an increase in revenue from the provision of maintenance support services to a customer in Singapore of S\$384,000.

### CONTINUOUS ENHANCEMENT OF PRODUCT PORTFOLIO

To keep abreast of our customers' needs and to provide them with cutting edge technologies and solutions and ensure that it is well positioned to meet evolving and anticipated customer needs, the Group continues to assess and acquire new products for its product portfolio so that it can provide comprehensive security solutions to customers. The Group is also marketing new innovative products with advanced technologies and solutions to boost its product portfolio.

More information on these latest product additions, can be found on pages 15 to 20.

#### Notes:

<sup>(1)</sup> "Indochina" includes Myanmar, Thailand, Laos, Cambodia and Vietnam.

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

<sup>(3)</sup> "East Asia" includes China, South Korea and Japan.

<sup>(4)</sup> "Others" includes Australia, United States of America and India.

# GROUP CHIEF EXECUTIVE OFFICER'S STATEMENT

## LOOKING AHEAD

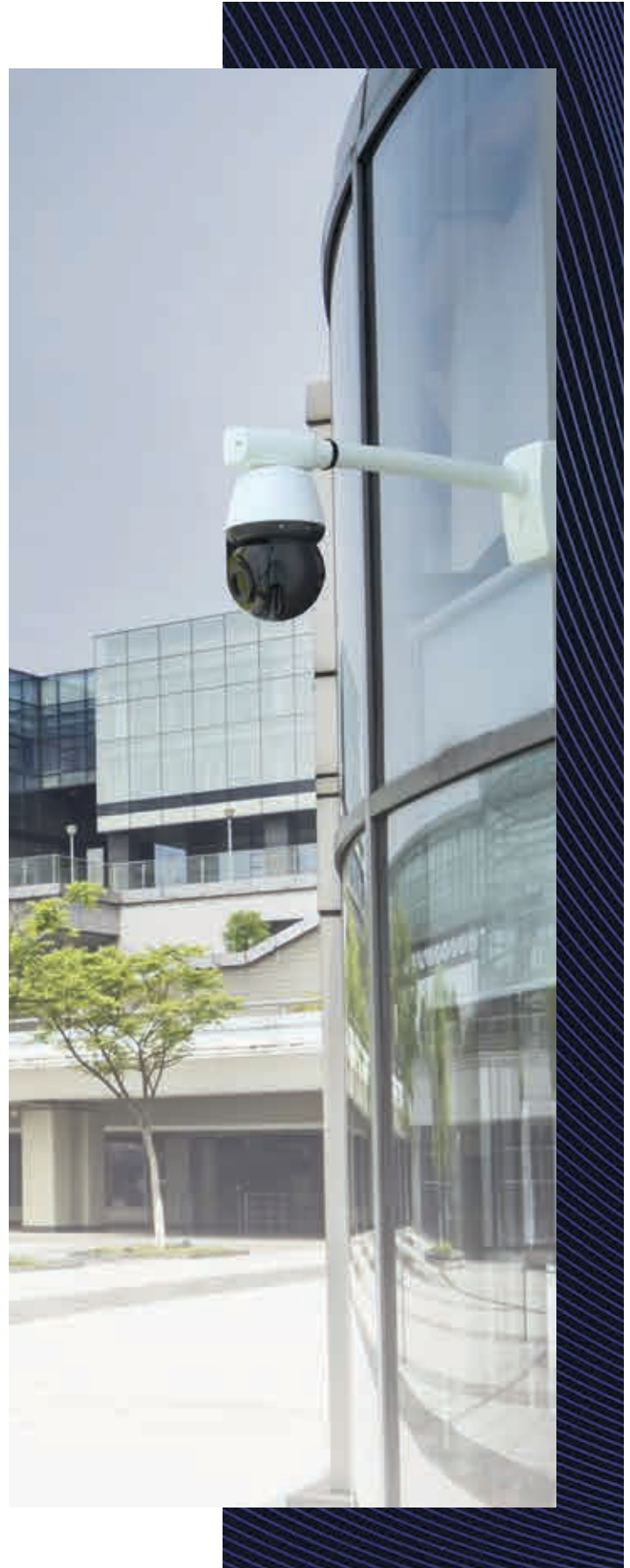
The Group is carefully monitoring and taking all necessary measures to improve the situation. The Group has taken measures to work with both customers and suppliers to manage increasing material costs, by sourcing for alternative solutions and/or negotiating better pricings for material costs and to manage supply chain disruptions by extending delivery lead times and/or delivering goods in phases and the Group is monitoring to improve the situation. Nevertheless, with its announcement on 24 May 2023 of a single security contract for a total contract value of approximately S\$4.92 million, the Group continues to focus on its targeted market for business growth in Singapore and Rest of Asia market, relating to general security at buildings and facilities including Government sites, data centres and commercial buildings.

## THANKS & APPRECIATION

On behalf of our management team, I would like to thank our Board for the continued guidance and counsel which has helped the Group deal with the challenges of the COVID-19 pandemic and recent market volatility. I would also like to thank our staff for their resilience and commitment towards providing high-quality services in this difficult operating environment. Finally, I would like to thank our customers, suppliers, shareholders and business associates for their continued support and trust, as we strive to weather this storm and work hard to improve our business performance and grow market share.

## KELVIN LIM CHING SONG

EXECUTIVE DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER



## BOARD OF DIRECTORS



**MR ONG BENG CHYE** ●  
INDEPENDENT NON-EXECUTIVE CHAIRMAN

**Mr Ong Beng Chye** was re-designated as the Independent Non-Executive Chairman on 1 August 2023 and was previously the Lead Independent Director of the Company. He was re-appointed to the Board on 25 October 2022.

Mr Ong has more than 27 years of experience in areas such as accounting, auditing, public listings, due diligence, mergers and acquisitions, and business advisory. He is currently a director of Appleton Global Private Limited, a business management and consultancy services firm. He is also serving as an independent director of other public listed companies in Singapore.

Mr Ong is a Fellow of The Institute of Chartered Accountants in England and Wales, a Chartered Financial Analyst conferred by the CFA Institute and a non-practising member of the Institute of Singapore Chartered Accountants. He holds a Bachelor of Science (Honours) from City, University of London.

**MR KELVIN LIM CHING SONG** ●  
EXECUTIVE DIRECTOR AND GROUP CHIEF EXECUTIVE OFFICER

**Mr Kelvin Lim Ching Song** is the Executive Director and Chief Executive Officer of the Group. He was re-appointed to the Board on 25 October 2022.

Mr Lim has more than 28 years of experience in the security products and solutions industry, and is responsible for the overall business development, strategic planning and operations of the Group. He joined the Group in 2008 as division manager of the General Security division in IPS Securex, and was promoted to senior vice president in 2012. He was later appointed as the Chief Executive Officer of IPS Technologies Pte. Ltd. ("IPST") in January 2013. He subsequently stepped down as Chief Executive Officer of IPST and was appointed as Chief Executive Officer of IPS Securex in July 2013.

Mr Lim is instrumental in formulating and implementing the business strategies and spearheading the growth of the business. He has designed and completed numerous security projects, ranging from the developing and implementation of integrated security solutions for small residential properties, luxury condominiums, industrial buildings to large factories. In 2008, Mr Lim started a new division in IPS Securex to provide integrated security solutions to customers from various industries such as educational institutions, government bodies and agencies, and financial institutions. Over the years, he has not only established new relationships with new suppliers and customers, but also reaffirmed established relationships with the Group's existing suppliers and customers, which has helped the Group expand the business further into several regional markets, including Malaysia, Indonesia, Hong Kong, China and Thailand.



## BOARD OF DIRECTORS



**MR CHAN TIEN LOK** ●  
NON-EXECUTIVE DIRECTOR

**Mr Chan Tien Lok** is the Founder and was the Non-Executive Chairman of the Group. He was re-designated to Non-Executive director on 1 August 2023. He was re-appointed to the Board on 28 October 2021.

Mr Chan has over 18 years of experience in the security products and solutions industry. He founded IPS Group Pte. Ltd. ("IPSG") in 1986 and is currently the Chairman of IPSG. He is responsible for the overall business development and strategic planning within IPSG.

Prior to the founding of IPSG, he was the managing director of United Machinery Services Pte Ltd (now known as Denyo United Machinery Pte. Ltd.) where he was responsible for managing the company's overall operations from 1979 to 1986. He was the sole proprietor of Danill Machinery Services from 1976 to 1979, and had served as the service manager of Auto and Plant Services Pte Ltd from 1973 to 1976.

**MR JOSEPH TAN PENG CHIN** ●  
INDEPENDENT DIRECTOR

**Mr Joseph Tan Peng Chin** is an Independent Director of the Company. He was re-appointed to the Board on 28 October 2021.

Mr Tan has over 30 years of experience in legal practice. He was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1982 and thereafter practiced as a legal associate at Freshfields before founding Wong Yoong Tan & Molly Lim in 1987 and subsequently becoming its managing partner. He founded Tan Peng Chin LLC in 1994 and oversaw the company's practice as managing partner/senior director till his retirement from the firm in 2014. In addition, Mr Tan was also an Independent Director of Armstrong Industrial Corporation from 1995 to 2014 and has been an Independent Director of OM Holdings Limited, a company listed on both the Australian Securities Exchange and Bursa Malaysia.

Mr Tan graduated with a Bachelor of Laws (Hons) from the National University of Singapore. His expertise is in the areas of corporate finance, banking, corporate and commercial laws.



## MANAGEMENT TEAM

### **MR LEE YEOW KOON** ● CHIEF OPERATING OFFICER

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**Mr Lee Yeow Koon** is the Chief Operating Officer of the Group.

He has more than 12 years of managerial experience in the security products and solutions industry and is responsible for overseeing and managing the day-to-day operations of the Group's business operations. He joined the Group in 2005 as a service engineer for IPS Securex and was involved in the provision of maintenance support services to existing customers on the security products and integrated security solutions supplied by the Company. He subsequently assumed the role of sales engineer in the Company's sales department, where he was responsible for the sales development and account management, and had also assisted the division manager in securing several key projects for the Company.

Mr Lee was promoted to contract manager in 2011 and was responsible for managing and reviewing the business contracts and agreements of IPS Securex, and the handling of key customer accounts. He then served as the General Manager – Operations of the Group from 2013 to September 2015, and was subsequently promoted to Chief Operating Officer of the Group. Prior to joining the Group, Mr Lee was a project executive with Premier Exhibition Services Pte. Ltd. from 2003 to 2005, where he assisted in the management and execution of consumer exhibitions. He was previously also an air defence systems specialist for the Republic of Singapore Air Force from 1997 to 2003 and had gained technical experience in the operation and maintenance of air defence systems. Mr Lee holds a Diploma in Electronics, Computer and Communications Engineering from Singapore Polytechnic.

### **MS LEE SIEW HAN** ● FINANCE AND ADMINISTRATION DIRECTOR

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Ms Lee Siew Han is the Finance and Administration Director of the Group.

She joined the Group in 2013 and is in charge of the Group's financial, administrative, and accounting operations. Ms Lee has more than 27 years of experience in accounting and finance related matters. Ms Lee has worked in the finance and administration department of IPSPG as deputy general manager and financial controller with the responsibility of the management of the accounts and finance, sales administration support, purchasing, stock control and compliance functions of IPSPG and its subsidiaries.

Before joining IPSPG, Ms Lee gained experience in the management of accounting and finance matters from managerial positions held in KS Distribution Pte. Ltd., Aqua-Terra Supply Co., Ltd., and National University Hospital between 2004 and 2010. Prior to this, she had also held accounting positions at Sunshine Welfare Action Mission, NTUC Club, VICOM Ltd., AGRA Baymont Pte. Ltd. and Trident Travels Ltd. from 1984 to 2009.

Ms Lee is a member of the Institute of Singapore Chartered Accountants.

### **MR LEE CHEA SIANG** ● GENERAL MANAGER (HOMELAND)

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**Mr Lee Chea Siang** is the General Manager (Homeland) of the Group.

He joined the Group in 2005 and is responsible for the management of the project team and service team of IPS Securex. Mr Lee also oversees the project management of the Group's Homeland Security Products division, which includes the initial planning of the project, supervision of the works, setup and system integration, programme management, and planning and monitoring of the project progress.

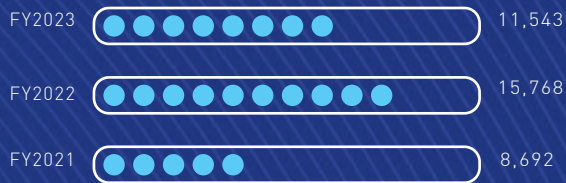
Prior to joining the Group, Mr Lee gained project management experience as a project engineer for Wilson Parking (Singapore) Pte. Ltd. where he worked on systems integration and specialised in carpark systems from 2003 to 2005. He was also involved in research and development as a software engineer for Omron Asia-Pacific Technical Centre from 2001 to 2003.

Mr Lee holds a Bachelor of Science with Honours in Computing and Management from the University of Bradford in 2000.

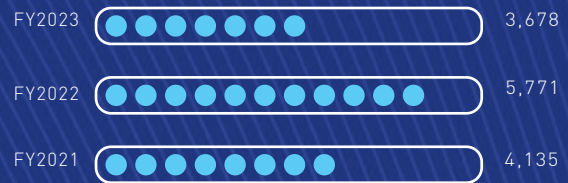


# FINANCIAL HIGHLIGHTS

## REVENUE (S\$'000)



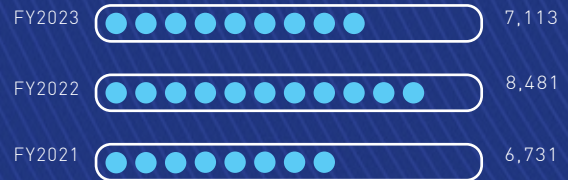
## GROSS PROFIT (S\$'000)



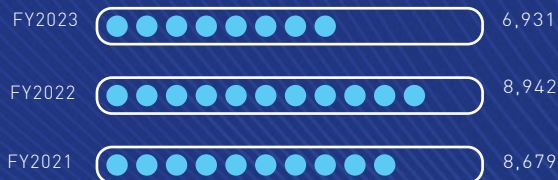
## (LOSS)/PROFIT (S\$'000)



## CASH AND CASH EQUIVALENTS (S\$'000)



## NET ASSETS (S\$'000)







# FINANCIAL AND OPERATIONS REVIEW

## REVENUE

The Group has two major business segments, namely (i) Security Solutions Business; and (ii) Maintenance and Leasing Business. The Group's revenue decreased by approximately S\$4.2 million or 26.8% from S\$15.8 million in FY2022 to S\$11.5 million in FY2023.

## SECURITY SOLUTIONS BUSINESS

Revenue from the Security Solutions Business decreased by approximately S\$3.8 million or 33.3% from S\$11.5 million in FY2022 to S\$7.7 million in FY2023. This was mainly attributable to decrease in revenue in FY2023 from the sale of security products to customers in Singapore of S\$464,000, in Rest of Southeast Asia<sup>(2)</sup> of S\$550,000; and a decrease in revenue from providing integrated security solutions in Singapore of S\$2.9 million, partially offset by an increase in sales of security products to customers in Indochina<sup>(1)</sup> of S\$30,000, in East Asia<sup>(3)</sup> of S\$25,000 and in Others<sup>(4)</sup> of S\$8,000.

## MAINTENANCE AND LEASING BUSINESS

Revenue from the Maintenance and Leasing Business decreased by approximately S\$403,000 or 9.4% from S\$4.3 million in FY2022 to S\$3.9 million in FY2023. This was mainly attributable to the expiry of a long-term 7-year lease-and-maintenance contract entered into with the Housing Development Board in October 2014 for the Alert Alarm System in several blocks of residential housing for senior citizens of S\$658,000, a decrease in revenue from the provision of maintenance support services to customers in Rest of Southeast Asia<sup>(2)</sup> of S\$129,000; and partially offset by an increase in revenue from the provision of maintenance support services to a customer in Singapore of S\$384,000.

## COST OF SALES

Cost of sales decreased by approximately S\$2.1 million or 21.3% from S\$10.0 million in FY2022 to S\$7.9 million in FY2023. This was mainly due to the decrease in direct material costs incurred due to the decline in the Group's revenue.

## GROSS PROFIT

Gross profit decreased by approximately S\$2.1 million or 36.3% from S\$5.8 million in FY2022 to S\$3.7 million in FY2023 as a result of the factors discussed above.

Gross margin decreased from 36.6% in FY2022 to 31.9% in FY2023 due to lower margins from the Security Solutions Business and the Maintenance and Leasing Business.

## OTHER INCOME

Other income decreased by approximately S\$219,000 or 70.9% from S\$309,000 in FY2022 to S\$90,000 in FY2023. This was mainly due to the decrease in government grants and subsidies of S\$185,000, a decrease in gain on disposal of plant and equipment of \$8,000, decrease in the sales of scrap metal

of S\$7,000 and an absence in FY2023 of proceeds receivable from insurance claims in FY2022 of S\$16,000 relating to i) damage of equipment under a maintenance and leasing contract of S\$12,000 and ii) workman compensation due to a minor staff injury of S\$4,000.

## ADMINISTRATIVE EXPENSES

Administrative expenses increased by approximately S\$176,000 or 3.3% from S\$5.4 million in FY2022 to S\$5.6 million in FY2023. This was mainly due to an increase in employees' remuneration and benefit expenses of S\$112,000, an increase in entertainment expenses of S\$15,000, an increase in exhibition expenses of S\$17,000, an increase in travelling expenses of S\$23,000, and an increase in distribution and marketing expenses of S\$13,000 due to the lifting of COVID-19 travel restrictions, and partially offset by a decrease in office related expenses of S\$4,000.

## OTHER OPERATING EXPENSES

Other operating expenses decreased by approximately S\$164,000 or 57.6% from S\$284,000 in FY2022 to S\$120,000 in FY2023. This was mainly due to a decrease in inventory written-off of S\$27,000, a decrease in allowance for doubtful debts of S\$143,000, a decrease in bank charges of S\$5,000; and partially offset by an increase in allowance for inventories obsolescence of S\$11,000.

## FINANCE INCOME

Finance income decreased by approximately S\$14,000 or 96.2% from S\$15,000 in FY2022 to S\$600 in FY2023. This was mainly due to an absence in FY2023 of a net foreign exchange gain of S\$14,000 which arose from the settlement of trade payables denominated in United States Dollars due to the depreciation of the United States Dollar against the Singapore Dollar in FY2022.

## FINANCE COST

Finance costs decreased by approximately S\$25,000 or 19.2% from S\$129,000 in FY2022 to S\$104,000 in FY2023. This was mainly due to the net decrease in interest expense of S\$32,000 due to lower utilisation of credit facilities and partially offset by an increase in foreign exchange loss (net) arising from the revaluation of bank balances held in United States Dollars due to the depreciation of the United States Dollar against the Singapore Dollar of S\$7,000.

## TAX EXPENSE

Tax expense decreased by approximately \$40,000 from a tax expense of \$32,000 in FY2022 to a tax credit of \$9,000 in FY2023. The decrease in tax expense was attributable to the loss before tax that the Group incurred in FY2023 whereas a profit before tax was recorded in FY2022.

## 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.



## FINANCIAL AND OPERATIONS REVIEW

### FINANCIAL POSITON

#### CURRENT ASSETS

Current assets decreased by approximately S\$4.5 million from S\$16.8 million as at 30 June 2022 to S\$12.3 million as at 30 June 2023. The decrease in current assets was mainly due to:

- (i) a decrease in restricted fixed deposits of S\$18,000 mainly due to a decrease in fixed deposits held as security for a bank guarantee for the performance of a maintenance contract in Brunei which has now been lifted with the completion of the contract;
- (ii) a decrease in inventories of S\$919,000 arising from utilisation of parts and components for the Security Solutions Business during the year;
- (iii) a decrease in contract costs of \$12,000 mainly due to the decrease in costs incurred to fulfil contracts where the goods and services had yet to be transferred to the customers as at 30 June 2023;
- (iv) a decrease in trade and other receivables of S\$2.2 million mainly due to receipt of payment from customers of S\$1.5 million and a decrease in deposits placed with suppliers for purchase of security products of S\$846,000; and partially offset by an increase in prepayment for travelling expenses of S\$31,000 and an increase in prepayment for the purchase of parts for maintenance support service of S\$165,000; and
- (v) a decrease in cash and cash equivalents of S\$1.4 million,

partially offset by:

- (vi) an increase in contract assets of S\$16,000 mainly attributable to revenue recognised for work completed but where billings had yet to be raised as at 30 June 2023.

#### NON-CURRENT ASSETS

Non-current assets increased by approximately S\$243,000 from S\$173,000 as at 30 June 2022 to S\$416,000 as at 30 June 2023. The increase in non-current assets was due to the purchase of plant and equipment of S\$354,000 and partially offset by depreciation charges on plant and equipment of \$105,000 and disposal of plant and equipment of S\$6,000.

#### CURRENT LIABILITIES

Current liabilities decreased by approximately S\$976,000 from S\$5.4 million as at 30 June 2022 to S\$4.4 million as at 30 June 2023. The decrease in current liabilities was mainly due to:

- (i) a decrease in trade and other payables of S\$913,000 mainly attributable to a decrease in trade financing facilities of S\$1.1 million, decrease in amount payable to trade suppliers

of S\$73,000, decrease in accrual of operating expenses of S\$98,000, decrease 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, partially offset by an increase in accrual of project cost for integrated security solutions projects of S\$384,000 and increase in other payables of S\$45,000 which comprised mainly GST payables and payables for staff reimbursements.

- (ii) a decrease in income tax payable of S\$114,000 mainly attributable to the payment of taxes for FY2022 of S\$106,000 and no income tax was payable as at 30 June 2023 due to the net loss incurred for FY2023,

partially offset by:

- (iii) an increase in contract liabilities of S\$20,000 mainly due to advance consideration received from customers in Singapore in relation to the provision of integrated security solutions; and
- (iv) an increase in bank borrowings of S\$31,000 mainly due to reclassification of long-term bank borrowings to current liabilities as these would become due in the next 12 months from 30 June 2023.





## FINANCIAL AND OPERATIONS REVIEW

### NON-CURRENT LIABILITIES

Non-current liabilities decreased by approximately S\$1.3 million from S\$2.6 million as at 30 June 2022 to S\$1.3 million as at 30 June 2023. This was due to repayment of bank borrowings of S\$1.3 million in respect of the loan secured by the Group for general corporate purposes, reclassification of long-term bank borrowings of S\$31,000 to current liabilities as these would become due in the next 12 months from 30 June 2023 and payment of lease liabilities of S\$10,000.

### CAPITAL AND RESERVES

Capital and reserves decreased by approximately S\$2.0 million from S\$8.9 million as at 30 June 2022 to S\$6.9 million as at 30 June 2023. This was due to net loss recognised in FY2023 of S\$2.0 million.

### CASH FLOW

#### NET CASH FROM OPERATING ACTIVITIES

In FY2023, the net cash from operating activities was approximately S\$1.5 million, which consisted of operating cash outflow before working capital changes of S\$1.7 million, net working capital inflow of S\$3.3 million and income tax paid of S\$106,000.

The net working capital inflow arose mainly from the following:

- (i) a decrease in trade and other receivables of S\$2.2 million mainly due to receipt of payment from customers of S\$1.5 million and a decrease in deposits placed with suppliers for purchase of security products of S\$846,000; and partially offset by an increase in prepayment for travelling expenses of S\$31,000, and an increase in prepayment for the purchase of parts for maintenance support service of S\$165,000;
- (ii) a decrease in inventories of S\$846,000 arising from utilisation of parts and components for Security Solutions Business during the year;
- (iii) a decrease in contract costs of \$12,000 mainly due to the decrease in costs incurred to fulfil contracts where the goods and services had yet to be transferred to the customers as at 30 June 2023;
- (iv) an increase in contract assets of S\$16,000 mainly attributable to revenue recognised for work completed but where billings had yet to be raised as at 30 June 2023;
- (v) an increase in trade and other payables of S\$242,000 mainly attributable to an increase in accrual of project cost for integrated security solutions projects of S\$384,000, and increase in other payables of S\$45,000 which comprised mainly GST payables and payables for staff reimbursements, partially offset by a decrease in amount payable to trade suppliers of S\$73,000, decrease in accrual of operating expenses of S\$88,000, decrease 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 service fees to IPS Group Pte Ltd; and

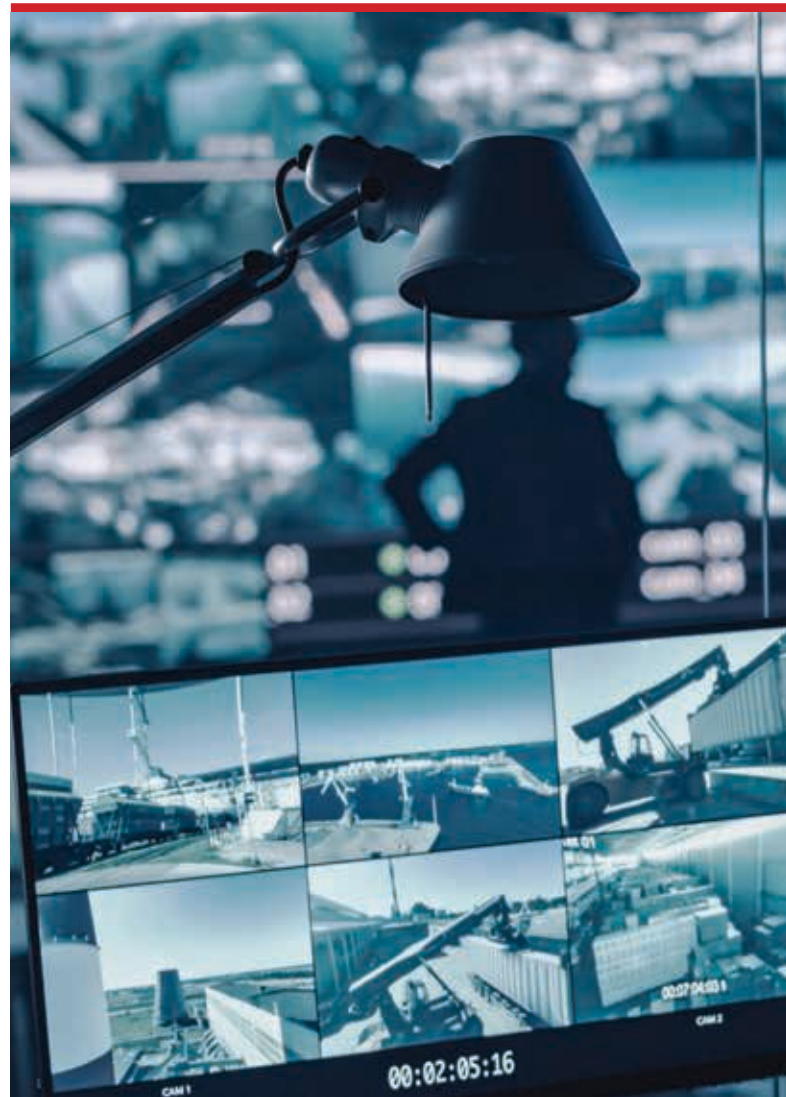
- (vi) an increase in contract liabilities of S\$20,000 mainly due to advance consideration received from customers in Singapore in relation to the provision of integrated security solutions.

#### NET CASH USED IN INVESTING ACTIVITIES

Net cash used in investing activities amounted to approximately S\$341,000 in FY2023 mainly arising from the purchase of plant and equipment of S\$347,000 and partially offset by proceeds from disposal of plant and equipment of S\$6,000.

#### NET CASH USED IN FINANCING ACTIVITIES

Net cash used in financing activities amounted to approximately S\$2.5 million in FY2023. This was mainly due to the decrease in net trade financing facilities utilised of S\$1.1 million, the repayment of bank borrowings of S\$1.2 million, payment of lease liabilities of S\$10,000, interest paid of S\$103,000 and restricted cash pledged of S\$41,000.





## OUR BUSINESSES

### SECURITY SOLUTIONS

The Group distributes and sells a wide range of security products from suppliers who are well recognised for their product quality and innovation. These products can be generally classified as Homeland Security Products and General Security Products.

Homeland Security Products are supplied to government bodies and agencies such as police, customs and other law enforcement agencies. Such products may be deployed offsite or at seaports, airports, navy, police, army and air bases, and customs border checkpoints. General Security Products are supplied to commercial entities, private consumers and government bodies and agencies, and are installed in buildings such as schools, residential, industrial and commercial buildings, at critical infrastructure facilities in townships such as train stations and roads, and in vehicles.

The Group also offers integrated security solutions that meet customers' security system requirements. In designing such solutions, the Group would typically integrate various security products from suppliers to create customised integrated security solutions that meet a customer's specific needs.

For integrated security systems, the Group will normally design, supply and install the systems, including developing the proprietary software to operate the systems if necessary. Alternatively, the Group is also able to design and supply the integrated security systems for customers that prefer to engage their appointed contractors to install the systems. In both instances, the Group would conduct a comprehensive testing and commissioning of the integrated security systems before handing them over to customers. Customers who procure such integrated security solutions include commercial entities, government bodies and agencies.

For the supply of security products or the design, supply, installation, testing and commissioning of integrated security solutions, the Group typically takes between 2 to 12 months from the date of entering into an agreement with a customer to fulfil the order. The Group has distribution agreements and maintains close business relationships with reputable and reliable suppliers for the distribution of a carefully selected range of their security products in the Asia-Pacific.

### MAINTENANCE AND LEASING

The Maintenance and Leasing Business focuses on providing regular, extended and/or ad-hoc maintenance support services and leasing services for the security products and integrated security solutions provided to the customers.

Extended maintenance support services are provided to the customers under a separate maintenance contract ranging from one year to five years upon the expiry of the warranty period. In addition, the Group provides ad-hoc maintenance support services at the request of customers who do not have maintenance support service contracts with the Group.

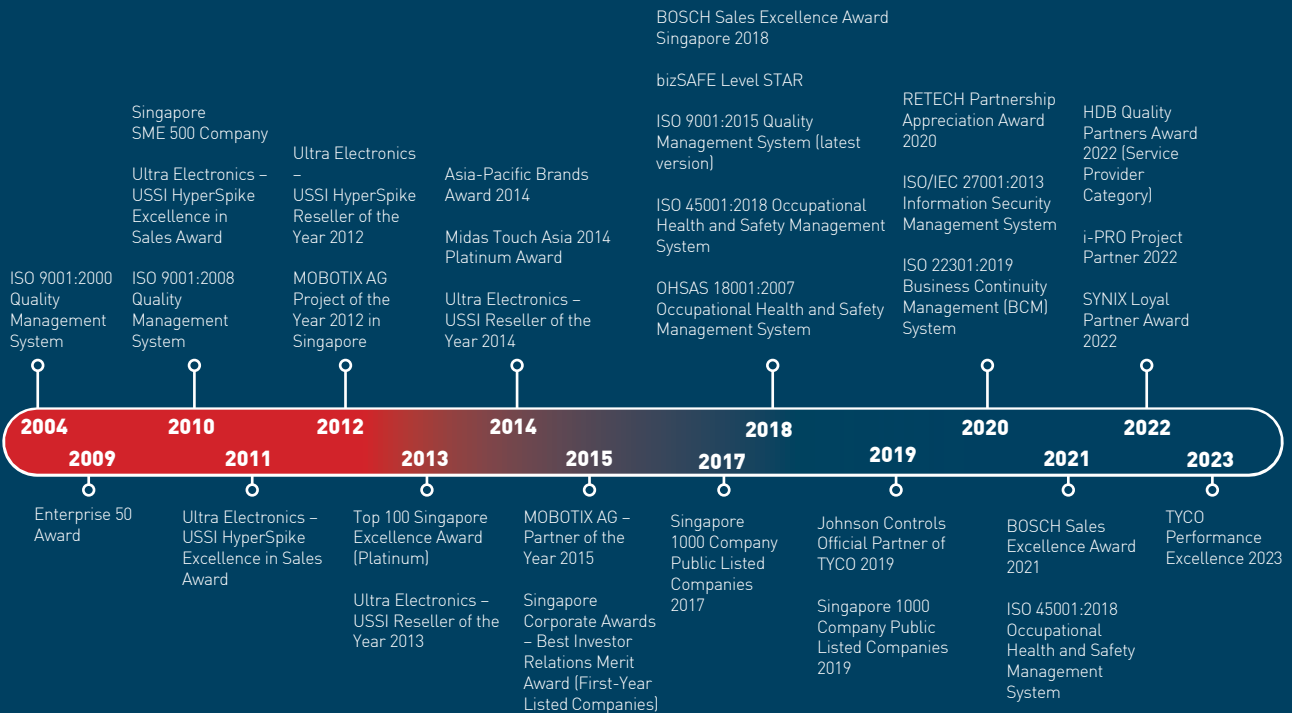
The Group is also able to provide long-term lease-and-maintenance services to customers on a case-by-case basis for the integrated security solutions that it designs and supplies. Under a lease-and-maintenance arrangement, the Group will design, supply, install, test, commission and maintain the security systems for customers but would retain ownership of the systems, as well as the proprietary software that it develops. Customers would typically pay the Group an agreed monthly fee for the lease-and-maintenance of such systems, and such lease-and-maintenance contracts typically are for a period of at least seven years.



# OUR DISTRIBUTION RIGHTS



# AWARDS AND CERTIFICATION





## HOMELAND SECURITY PRODUCTS

### ACCIPITER

Accipiter is a global leader in providing affordable, smart surveillance systems and wide-area radar networks and services to safety and security practitioners, who require user-friendly, tactical, and strategic decision support to protect the public and reduce risk associated with a variety of uncooperative target threats.

Accipiter's sensor agnostic, Radar Intelligence Network (RIN) Platform Technology is engineered to monitor the environment and characterise the behavior of targets such as small vessels, low flying aircraft, drones, birds, people and vehicles. The result is enhanced wide-area safety and security through unprecedented domain awareness for 21st century applications in homeland security, aviation safety and security, public safety and environmental protection.

For more information, please visit [www.accipiterradar.com](http://www.accipiterradar.com).



### THE INTEGRATED AIRPORT

Understanding the movement and behaviour of birds and small aircraft such as drones in the airspace, animals and persons on the airfield and airside vehicles, is critical to risk mitigation and airport safety management systems. Accipiter® Integrated Airport provides a number of Accipiter® airport radar systems that are specially designed to deliver affordable 2D and 3D Total Coverage® situational awareness through a comprehensive suite of software applications (S2I tools) for live monitoring, automatic alerting, target activity analysis, and standardised reporting.

Accipiter is considered a world leader in aviation safety surveillance systems, having deployed systems for commercial airports, and military air bases globally. Their Integrated Airport is designed for a multi-sensor, multi-mission, multi-user approach, bringing in state of the art bird detection radar systems, drone detection systems including, radar, electro-optical sensors, radio frequency (RF) directional finders as well as drone mitigation systems (where permitted).

Accipiter® PT Positioner stands alone or plugs and plays into the Accipiter® Integrated Airport, enabling both verification and mitigation of bird and intruders over and around the airfield with high powered acoustic hailing speakers and camera payloads.

Accipiter's platform will soon include integration with the Moog TARSIER® Automatic Runway FOD Detection System, enabling integration with FOD related IPS's cameras for additional runway intrusion, drone and bird visual verification, and further solidifying the IPS's strategy of regional representation for both of these world class product suites, and bringing added strategic value to airport operators.



## HOMELAND SECURITY PRODUCTS



### AUXILIA

Auxilia is a start-up founded in 2020 incubated at the HEC incubator at Station F, world's biggest incubator campus and headquartered in Villefranche sur Mer (06), France. Auxilia has established strong partnerships with the technical service of the French Civil Aviation, which is one of the European testing centres delivering certifications for all security materials and equipments that are used at the airports (e.g.: X-ray machines) and with the VINCI group, which owns a wide range of airports all over the world (e.g.: Kansai International, Lyon Saint Exupéry, Lisbon airport, Aeroporti di Roma). For more information, please visit <https://www.auxilia-tech.com/>.

Auxilia has developed **AIRIS**, an Artificial Intelligence software that automatically detects threats on X-ray images. Our objective is to accelerate and improve threat detection. AIRIS can be used as a decision-making tool to help security agents or used to automatise the detection process. The result appears as bounding boxes identifying and qualifying the threat on X-ray images projected on the security operator's screen. This can be accompanied by a sound alert if required by the client.

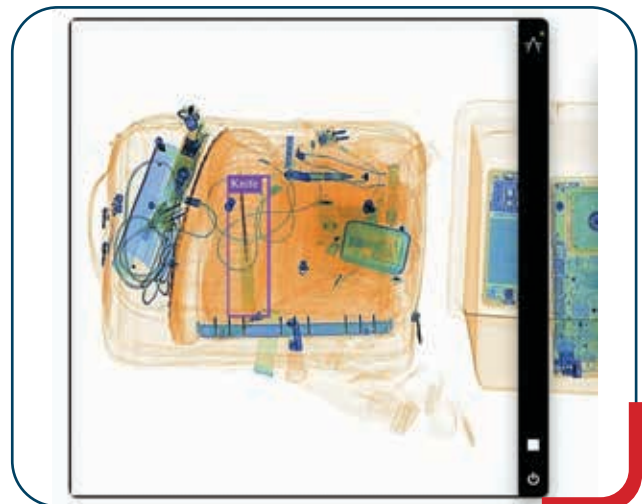
Auxilia's goal is to apply its solution both for detection on handbags and personal items at the entrance of sensible structures, such as airports and state buildings, embassies; and for cargo, trucks and parcels used in international trade.

#### What AIRIS does:

- Analyzes the video stream of your X-ray machines in real time
- Produces audible and/or visual alerts to security operators when a dangerous object is detected
- Gives you a clear overview and metrics on the operation of your safety control through a customized dashboard

#### Benefits

- Improved threat detection
- Reduced image analysis time
- Elimination of unnecessary searches
- Possibility of not moving complex objects from the luggage so that a single human can analyse the X-ray image easily



- Plug and Play – No technical requirements. AIRIS just needs power supply to operate. AIRIS has been designed to be introduced into a complex security system in all transparency.

#### What AIRIS does not do:

- Auxilia refuses the right to access customer data without their authorization
- Communicates with the web: AIRIS can operate in isolation, or in a secure local network
- Disrupts your installations: no interface changes or degradation are introduced to the original installation



## HOMELAND SECURITY PRODUCTS

### ENVOSTAR

Envostar is a Thailand based defense composite manufacturer with more than 15 years of experiences and produces ballistic armour vests, ballistic helmets, ballistic torso plates and panels for armoured vehicle platforms, ballistic shields, fragmentation suits, tactical gear, defining suits and bomb suppression blankets. Envostar offers wide range of protection solutions to enforcement sections or private sectors who demand top quality and trust worthy products on international standards. *With a manufacturing floor 2,000 sq.m., the capacity of its manufacturing plant allows Envostar to satisfy their customers' safety needs with quick turnaround, on-time delivery, and high standards of manufacturing using the best quality materials.* For more information, please visit [www.envomilitary.com](http://www.envomilitary.com).

#### BALLISTIC HELMETS

Ballistic helmets are generally designed for different operational requirements (i.e. purpose, environmental conditions, ergonomics, weight etc) and threat protections accompanied by many different types of optional accessories etc.

Envostar Helmets adhere to MIL – STD 662F and NIJ 0106.01 – the standard of body armour which is applied in the US military. In addition, Envostar helmets are also compliant to stringent specifications stipulated in CO-PD 05-04 / AR-PD 10-02. Envostar has four types of helmets which are suitable for a wide variety of operational requirements and protection performances.



#### BALLISTIC SHIELDS

Ballistic shields are protection equipment deployed by law enforcement agencies and emergency response teams designed to stop or deflect bullets fired at the shield carrier. The weight, size, shape and need for other peripheral devices or features to be attached on the ballistic shields, depends highly on the purpose and protection level required.

The ballistic shields are rated in accordance with NIJ threat levels, which are used to define different bullet or rifle resistance levels. Each level is defined for different types of attacks, and users have to take into consideration between protection (higher protection, heavier shield) and mobility in order to determine their ballistic protection and operational requirements. The materials used to construct the ballistic shields allow for a significant weight reduction while maintaining a good multi-hit capability, giving the user optimal mobility and protective performance in the field.

The ballistic shields can also come with lighting systems and viewports to allow the carrier to see through the shield. They can also be fitted with periscope-like devices or mini-cameras connected to active data processing devices to allow for enhanced team coordination, visual communication and planning. The ballistic shields also come with different handle systems and in different sizes, shapes and colours, which can be specially designed and customised for tactical and operational purposes.



# HOMELAND SECURITY PRODUCTS

## OBSERVATION WITHOUT LIMITS

Observation Without Limits (OWL) is a business formed by Dynetics, a Leidos company with 3,000+ staff members and state-of-the-art R&D and manufacturing facilities in Huntsville, Alabama, and other U.S. sites. OWL leverages 49 years of radar expertise to develop, manufacture, and support the OWL GroundAware® family of 2D and 3D digital beamforming radar solutions. Critical infrastructure and government sectors around the world use OWL solutions for perimeter security and our 3D radars for CUAS. For more information, please visit [www.owlknows.com](http://www.owlknows.com).



Today's critical infrastructure and government organizations are evolving their physical security operations from continuous human monitoring to a more automated, event-based approach that leverages all layers of security. At O.W.L., we're dedicated to helping customers implement this new approach with our GroundAware® family of 2D and 3D digital radar systems that provide real-time situational awareness and longest lead-time responsiveness versus threats on ground and in low-altitude airspace.

## 2D RADAR SYSTEMS – FOR GROUND/WATER SURFACE APPLICATIONS



## 3D RADAR SYSTEMS – FOR DRONE AWARENESS, COUNTER-UAS, BVLOS, DAA, BIRD, AND DUAL GROUND/AIR APPLICATIONS



### PRECISION TRACKER MICRO-DOPPLER RADAR

In real time and at long ranges, O.W.L.'s Precision Tracker detects and collects data on suspected drones when cued and slewed by O.W.L.'s long-range 3D radars, then provides real-time tracking and classification for discerning birds from drones, maintaining tracks on drones in hover mode, triggering integrated counter-measures, and otherwise supporting drone security operations.



# GENERAL SECURITY PRODUCTS

## AVIGILON, A MOTOROLA SOLUTIONS COMPANY

The Avigilon portfolio of fixed video, advanced analytics and smart access control systems are part of Motorola Solutions’ mission-critical ecosystem designed for public safety and enterprise security. Avigilon solutions help you find and share critical intelligence faster, so you can respond to events with the speed and decisiveness that keeps people, operations and assets safe. Motorola Solutions’ suite of technologies — land mobile radio mission-critical communications, video security & access control and command center software, bolstered by managed & support services — create the most integrated technology ecosystem to make communities safer and help businesses stay productive and secure. To learn more, visit [www.motorolasolutions.com](http://www.motorolasolutions.com).

The Avigilon security suite provides secure, scalable and flexible video security & access control to organizations of all sizes around the world. Avigilon Alta is our cloud-native security suite that empowers you to control your security from anywhere. Deploy a fully cloud-native security system or connect Avigilon Alta with your existing cameras and readers to modernize with intelligent cloud capabilities and analytics. Secured with end-to-end encryption, the 100% serverless solution supports any number of sites and the ability to integrate your current IT stack or custom apps for total operational flexibility. For more information, please visit <https://www.avigilon.com/alta>.



### ALTA END-TO-END CLOUD SECURITY

A complete, end-to-end cloud-based security solution that future-proofs your video security and access control with innovative capabilities and intelligent analytics.

#### Unified video and access control

Verify every access event, when and where it occurs with powerful, interoperable readers, cameras and cloud-native software.

#### Manage the entire system together

Associate Alta video hardware with entries and view real-time access activity alongside live footage, with integrated and customizable management dashboards accessible from any device

#### Enhance situational awareness

Empower security teams and gain valuable operational insights with real-time reporting, custom AI-powered alerts and visual verification on any device, from anywhere in the world

#### Improve visibility with interoperable hardware

Import live and recorded video from Avigilon Pro Series Smart Readers directly into Alta Aware, so you can see what’s happening at the door and throughout your entire facility — without being on-site

# GENERAL SECURITY PRODUCTS

## A smarter way to solve security challenges

Avigilon Alta simplifies security at every level with intelligent technology designed to increase flexibility, efficiency and visibility across any number of sites and locations.

### Streamline Access

#### Reliable mobile access control

The Alta cloud access control system is built with scalable technologies that can secure anywhere from a single office to a multisite enterprise with ease.

- Experience fast, touchless entry  
Avigilon Alta features a native mobile experience with remote unlock, digital badges, visitor credentials and automatic entry detection.
- Implement everywhere  
Choose from a complete range of readers and controllers with live video, two-way intercom and intelligent cloud capabilities in sleek, easy-to-install designs.
- Manage from anywhere  
Adjust credentials, schedules and permissions on any device, at any time in the cloud-native Alta Control Center software.

### Heighten Visibility

#### Alta Aware AI video analytics

Extend real-time visibility and proactive security management in the cloud across your entire deployment, all while lowering operational costs and increasing flexibility.

- Detect threats and anomalies  
Intelligent algorithms and self-learning technology detect abnormal behavior in specific scenarios and alert operators in real-time.
- Leverage directional audio analytics  
Cameras provide 360-degree audio coverage by identifying specific sound patterns, type and direction, and send instant alerts to Alta Aware.
- Make existing cameras smart  
Transition to cost-effective cloud video management by connecting existing third-party cameras and sensors to the Alta Aware Cloud.



### Scale Operations

#### Create your cloud security ecosystem

Avigilon Alta is built on open API standards to support limitless integration with all the tools needed to run your business. Scale and automate your operations by integrating our solution with your existing hardware, business software and security applications, and seamlessly transition to cloud security.

Easily find and configure cloud-to-cloud integrations from leading technology providers with the Alta App Marketplace to build out your security ecosystem, all managed from a single intuitive, open platform.

### Increase ROI

#### Protect your investment

Stay one step ahead with future-proof IoT hardware and end-to-end cloud management software that never compromises on security.

- Backward and forward compatibility  
Easily integrate Alta cameras and access solutions with physical on-premise systems and logical software systems.
- Instant and real-time updates  
All devices stay up to date with the latest security patches and features, which means less work for your teams and lower management costs.
- End-to-end cloud scalability  
Add locations, onboard users and configure devices in a matter of minutes with flexible cloud software that scales effortlessly with your business.



# SUSTAINABILITY REPORT

## MESSAGE FROM OUR BOARD OF DIRECTORS

We are pleased to present the annual Sustainability Report of IPS Securex Holdings Limited (“IPS Securex”, the “Company” and, together with its subsidiaries, the “Group”) for our financial year ended 30 June 2023 (“FY2023”).

This report is set out on a “comply or explain” basis in accordance with Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist. This Report has been prepared with reference to Global Reporting Initiative (“GRI”) Standards 2021. IPS Securex has chosen the GRI framework as it is a well-known and globally recognised sustainability reporting standard that wholistically sets a benchmark across multiple facets of a company’s responsibilities and performance. This report highlights the key economic, environmental, social and governance (“EESG”) related initiatives undertaken over a 12-month period from 1 July 2022 to 30 June 2023 for all entities within our organisation.

In defining our reporting content, we have applied GRI Standard 2021’s principles by considering the Group’s activities, impacts and substantive expectations and interests of its stakeholders. We observed a total of four principles including materiality, stakeholder inclusiveness, sustainability index and completeness. For reporting quality, we observed principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The Group aims to align with the Task Force on Climate-related Financial Disclosures (“TCFD”) in the coming years. Due to resource constraints, we decided to focus on the material EESG factors in the current reporting. We will be working on the necessary resources to assess climate-related risks and opportunities and manage the risks within our existing processes.

Our senior management team, led by the Chief Operating Officer, ensure that our business objectives align with our commitments to sustainable development. We note that good sustainability practices contribute to the long term success of the Group. The EESG data and information provided for the purpose of this report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy. We will consider seeking external independent assurance for its sustainability report in the future.

The Board of Directors of the Company (the “Board”) oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group’s strategic direction and policies and the key management is responsible for the implementation of sustainability initiatives and reports to the Board on an annual basis. The Board of Directors oversees the preparation of sustainability report and approve the sustainability report as part of the reporting process. Directors are required to attend a comprehensive sustainability course recommended by SGX-ST.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to [investorrelations@ips-securex.com](mailto:investorrelations@ips-securex.com).

15 September 2023

## OUR APPROACH TO SUSTAINABILITY

### IPS SECUREX’S SUSTAINABILITY METHODOLOGY



## SUSTAINABILITY GOVERNANCE

Strong governance is the key to a sustainable business. It is a continual challenge to successfully manage environmental and social issues. IPS Securex has incorporated this into our business model and implemented sustainable and responsible policies, practices and performance monitoring and measurement throughout the Group. We are committed to provide high quality services to meet the relevant safety, health and environmental requirements set out by our customers and the regulatory bodies.



# SUSTAINABILITY REPORT

We believe that every life counts and is important. Hence, our Homeland Security business segment prides itself in providing non-lethal countermeasures that are more relevant, effective and expansive in their application as compared to lethal solutions. IPS Securex pays strict attention to enforcing good labour practices in all our operations, including our suppliers. The Group provides various training opportunities for continued employee development and this has been reflected in the quality and delivery of our services. We value our relationships with our customers, suppliers, other stakeholders and the wider community in which we operate, and these relationships forged have helped us through challenging times in the past. The Group strongly believes that in the long run, these efforts will be reciprocated through positive impacts on the Group's economic performance.

For FY2023, we are proud to report that we have met the targets of zero workplace incidence, zero breaches of policies, etc, set out in the previous year. We also strive to maintain our compliance in environmental rules and regulations, anti-competitive practices and the Workplace Safety and Health Act in the long run.

## ENTERPRISE RISK MANAGEMENT

The Board is committed to ensuring that the Group has an effective and practical enterprise risk management ("ERM") framework in place to safeguard Shareholders' interests, and the sustainability of the Group as well as provide a basis to make informed decisions having regard to the risk exposure and risk appetite of the Group. For detailed disclosure on our ERM, please refer to pages 44 to 45 of our Annual Report 2023.

We target to perform a risk assessment exercise on an annual basis.

## WHISTLEBLOWING POLICY

The Group has implemented a whistleblowing policy whereby accessible channels are provided for employees and external parties to raise concerns about possible improprieties on matters of financial reporting or other matters which they become aware and to ensure that:

- i. independent investigations are carried out in an appropriate and timely manner;
- ii. appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- iii. administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, fair and reasonable, while providing reassurance that employees will be protected from reprisals or victimisation for whistleblowing in good faith and without malice.

As of the date of this Annual Report, no reports were received through the whistleblowing mechanism.

## BUSINESS ETHICS, ANTI-CORRUPTION AND COMPLIANCE

We do not tolerate corruption in any form and this has been made clear to all of the Group's employees, customers, suppliers and business partners. Dedicated whistleblowing hotlines using both email and electronic platforms are set up so that anyone who wishes to report any ethical issue can do so confidentially. While all complaints will be reported to the CEO, complaints alleging fraud and breaches of corporate governance will be escalated to the Audit Committee and the Chairman of the Board of the Company.

When it comes to hiring, we take serious considerations of any conflict of interests. Our code of conduct clearly lays the Group's expectations for our staff and spells out the consequences of violating rules or not meeting expectations.

All of our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. The Group regularly updates relevant staff with development in international and local regulations. We prohibit corruption in all forms, including but not limited to extortion and bribery. The Group communicates the anti-corruption policy and procedures to both governance body members and employees and conduct anti-corruption training for awareness. We also communicate with our business partners on the anti-corruption standards required.

For FY2023, there were no significant fines or non-monetary sanctions for non-compliance with laws and regulations (FY2022: Nil), achieving the target set for the year. There have also been no reported incidents of corruption during the reporting period (FY2022: Nil), achieving the target set for the year. We endeavour to maintain this compliance and zero incident record for the upcoming year. We will also ensure that regular communication and training about anti-corruption will be conducted for the upcoming year.



# SUSTAINABILITY REPORT

## CORPORATE GOVERNANCE

The Board and the Management of IPS Securex are committed to the best practices in corporate governance to ensure sustainability of the Group’s operations. We believe that our constant drive for corporate excellence will allow us to establish a more transparent, accountable and equitable system, thereby increasing the value of the Company and its value to our Shareholders. Please refer to the Annual Report 2023 pages 33 to 59 for details of the Group’s Corporate Governance Report. We will continue to adhere to the Code of Corporate Governance.





## MEMBERSHIP OF ASSOCIATIONS

	<p>The Singapore Business Federation (SBF) is the apex business chamber championing the interests of the Singapore business community in the areas of trade, investment and industrial relations. It represents more than 29,000 companies, as well as key local and foreign business chambers.</p>
	<p>The Security Systems Association of Singapore (SSAS) founded in 1995, aims to lead and support the Singapore electronic security industry in the provision of security products and services. SSAS encourages excellence and integrity among its members.</p>

## STAKEHOLDERS AND MATERIALITY

### STAKEHOLDERS ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material EESG factors relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies on sustainability. These key stakeholders include, but are not limited to, customers, suppliers, business partners, shareholders, employees, and regulators. We adopt both formal and informal channels of communication to understand the needs of key stakeholders and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

Stakeholders	Engagement Platforms	Frequency	Key Concerns Raised
 Suppliers	Vendor assessment	Annually	- Fair and transparent procurement
	Face-to-face meetings	Ongoing	
 Shareholders	Annual General Meeting/ Extraordinary General Meeting	Annually	- Financial and operational performance - Corporate Governance
	Annual Report	Annually	
	Results Announcement	Semi-Annually	
 Customers	Face-to-face meetings and virtual meetings	Ongoing	- Customer Privacy - Quality of services
	Email feedback	Ongoing	
	Customer cold calls	Ongoing	
 Employees	Staff appraisal	Annually	- Equal employment opportunity - Workplace safety and health
	Townhall sessions	Annually	
	Staff bonding sessions	As required	

# SUSTAINABILITY REPORT

**Stakeholders**



**Engagement Platforms**

**Frequency**

**Key Concerns Raised**

Stakeholders	Engagement Platforms	Frequency	Key Concerns Raised
Board	Board meetings	Semi-Annually	<ul style="list-style-type: none"> <li>- Financial sustainability</li> <li>- Regular updates on operational activities</li> </ul>
	Board circulation via e-mails	Semi-Annually	
	Board papers	Semi-Annually	
	Board lunches and meetings	Semi-Annually	

- 1 IDENTIFICATION**  
 Identification of the material factors that are of relevance to the Group's activities
- 2 PRIORITISATION**  
 Prioritisation of the material factors and identifies key sustainability factors to be reported upon
- 3 VALIDATION**  
 Validation of the completeness of key sustainability factors identified to finalise the sustainability report content
- 4 REVIEW**  
 Review focuses on the material factors in previous reporting period and also considers stakeholder's feedback, changing business landscape and emerging trends

**MATERIAL ASPECTS ASSESSMENT**

Our sustainability process begins with the identification of the GRI relevant aspects. The GRI relevant aspects are then prioritised to identify material factors which are subject to validation. The end result of this process is a list of material factors disclosed in the sustainability report.

The Group adopts a matrix-based approach based on the likelihood of occurrence and impact on the Group to address its sustainability risk profile and priority issues. We shall use this method to monitor our risk profile on a regular basis. A materiality review is conducted on an annual basis, incorporating inputs through stakeholder engagements of selected groups.

In order to determine if an aspect is material, we assessed its likelihood of occurrence and the potential impact on the economy, environment and society and its influence on stakeholders. Applying the guidance from GRI Standards, we have identified the following material EESG aspects:

**ECONOMIC**  
Economic Performance



**ENVIRONMENTAL**  
Supplier Environmental Assessment



**SOCIAL**  
Customer Privacy  
Occupational Health and Safety  
Training and Education  
Diversity and Equal Opportunity



**GOVERNANCE**  
Corporate Governance  
Business Ethics, Anti-corruption and Compliance  
Enterprise Risk Management  
Environmental Compliance





# SUSTAINABILITY REPORT

## SOCIAL

We believe that the nature of the security industry which our businesses participate in, especially so for the range of security products and services we provide, greatly contribute to society in the form of personal security, law enforcement and value creation for businesses through the use of technology. We hold a diverse range of products that can be segregated into Homeland and General (Infrastructure) security.

We believe that every life counts and is important. Hence, our Homeland Security business segment prides itself in providing non-lethal countermeasures as not just alternate solutions, but systems that are more relevant, effective and expansive to law enforcement end users as compared to lethal solutions. This would minimise or prevent unnecessary loss of life, collateral damage, and enhance the ability of law enforcers.

An example of the societal contributions of our General Security business segment is seen in our Alert Alarm systems installed in accommodations designed for the elderly. The system installed allows for much quicker alert to any incidents and, hence, response. It also improves the efficiency of the organisation as compared to existing traditional monitoring systems by reducing manpower requirements and overhead costs.

## CUSTOMER PRIVACY

The Board is of the view that cyber security and data privacy are important in safeguarding both the Group's data and that of our customers, suppliers, business partners and employees. IPS Securex takes measures to guard against cyber risks, protecting confidential information for both our internal and external stakeholders. This also applies to our employment process where the privacy of all applicants is safeguarded and access to personal data is restricted to authorised personnel on a need-to-know basis. There were no reports or complaints of breaches of customer privacy and loss of customer data for FY2023 (FY2022: Nil), as targeted and we aim to maintain our record of zero complaints of breaches of customer privacy and losses of customer data for the upcoming year.

## OCCUPATIONAL HEALTH AND SAFETY

As human resource is a major contributing factor to our organisation, our employees' safety and health at the workplace is one of our top priorities, and our ultimate goal is to have a zero-accident workplace. We are committed to managing and reducing safety and health risks through effective risk management.

We have established a strict set of workplace health, safety and security policies and a risk management manual. This covers a standard procedure to identify hazards relating to occupational health and safety, evaluate risks associated with these hazards and to ensure that appropriate actions are taken to manage the risks involved. In addition, all environmental aspects and occupational health safety hazards which are within our control or under our management, as well as those that we cannot control or directly manage but are expected to affect health and safety, are covered in the policies.

We have an Incident Investigation process to identify, establish, and maintain procedures for defining responsibility and authority for:

- The handling and investigation of:
  - o Accidents
  - o Incidents
  - o Non-conformances
- Taking appropriate actions to rectify or mitigate any consequences arising from accidents, incidents, or non-conformances

The purpose of the procedures is to prevent further occurrence of the situation, by identifying and dealing with the root causes. Furthermore, the procedures must enable the early detection, analysis, and elimination of potential causes of accidents, incidents, and non-conformances.

Staff who encounter accidents/incidents/non-conformity during their course of work shall identify and raise the necessary documentation such as the Accident Report, the Incident Report, the Non-conformity Report, etc. The Operations Manager is responsible to ensure that the accidents/incidents/non-conformities are investigated, and appropriate actions are carried out.

We also have group level insurance policies for our staff that is above the standard Workman Compensation required by regulations. This includes hospitalisation and personal accident insurance for all staff, travel insurance for all business-related travels, and term life, as a form of key man insurance.



# SUSTAINABILITY REPORT

We are ISO 45001:2018 certified, by Guardian Independent Certification (GIC), Certificate No. 736611. The certificate was renewed on 7 July 2021 and will expire on 24 September 2024. ISO 45001:2018 specifies requirements for an occupational health and safety (OH&S) management system, and gives guidance for its use, to enable organisations to provide safe and healthy workplaces by preventing work-related injury and ill health, as well as by proactively improving its OH&S performance.

We are bizSAFE Level Star certified by the Workplace Safety and Health Council, Certificate No. E10555 & E12044. The certificate was issued on 5 August 2021 and will expire on 24 September 2024. bizSAFE is a nationally recognised capability building programme designed to help companies build workplace safety and health capabilities. bizSAFE Level STAR recognizes that our company's Workplace Safety and Health Management System (WSHMS) identifies, manages and controls workplace risks or hazards in compliance with the Workplace Safety and Health (WSH) Act and international standards such as ISO 45001:2018.

Given that we value our employees' health and safety as a priority within our organization, achieving these certifications and implementing the framework of systems required are vital to our organization. The implementation of these frameworks has enabled us to systematically identify, reduce and mitigate risks involved in the operations of our organisation.

We aim to maintain a zero-incident workplace environment for the coming year.

## TRAINING AND EDUCATION

It is in the interest of the Company that career development programmes are set for individual employees on an on-going basis based on their individual needs and goals. Managers assess and formulate training programmes needed to improve the employee's performance to keep up with the job demand as well as to meet his or her career objectives. Performance appraisals are held at appropriate intervals annually. The objective is to establish a two-way communication channel for both employee and his or her manager to evaluate and assess past performance, review areas for improvements, plan for future career development and to fulfill the career potential within the Group.

Average training hours per employee	FY2023	FY2022
<b>Gender</b>		
Female	6	41
Male	24	27
<b>Employee Category</b>		
Management	18	54
Non-Management	21	16

The number of total training hours clocked in FY2023 was 1,067 hours, compared to 1,500 hours recorded in FY2022. Average training per employee was 20 hours in FY2023 (FY2022: 27) and achieved our target set for the year. In FY2024, The Company aims to continue investing and developing its workforce by organising further courses, trainings and seminars for everyone.

## DIVERSITY AND EQUAL OPPORTUNITY

IPS Securex operates an Equal Opportunities Policy and this means that no employees should be discriminated against on grounds of sex, sexual orientation, marital status, nationality, ethnic origin, race, religion or disability. This policy extends to all areas of employment including recruitment, training, career progression, performance review, promotion and dismissal. Employment by the Group and career progression within it depends entirely on personal merit and ability.

Employees have a responsibility in helping to achieve this objective and the Company will not tolerate any behaviour by any of its employees that may violate the principles of its Equal Opportunities Policy. In any event, legislation prohibits discrimination against any employee on the grounds of sex, race or disability and any individual employee who discriminates in this way or encourages others to discriminate will be subject to disciplinary action for misconduct or gross misconduct.

## SUSTAINABILITY REPORT

We endeavor to maintain and encourage a culture of inclusiveness and zero tolerance in any form of discrimination in the workplace.

### - BOARD DIVERSITY

We value a diverse workforce. We firmly believe that a Board comprising members that with different backgrounds, experiences, and perspectives is essential for the growth and success of IPS Securex. We maintain a board diversity policy that addresses gender, skills and experience, and any other relevant aspects of diversity.

All Board appointments are made based on different aspects of diversity, which includes the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

Board Diversity	FY2023	FY2022
<i>By Gender</i>		
Male	<b>100%</b>	100%
Female	<b>0</b>	0
<i>By Age Group</i>		
← 30 Years Old	<b>0</b>	0
30 – 50 Years Old	<b>25%</b>	25%
→ 50 Years Old	<b>75%</b>	75%
<i>By Nationality</i>		
Singaporean	<b>100%</b>	100%

### - EMPLOYEE DIVERSITY

As of 30 June 2023, our headcount was distributed as follows:

Employee Diversity	FY2023		FY2022	
	Managerial	Non-managerial	Managerial	Non-managerial
<i>By Gender</i>				
Male	<b>24%</b>	<b>48%</b>	29%	49%
Female	<b>9%</b>	<b>20%</b>	8%	14%
<i>By Age Group</i>				
← 30 Years Old	<b>0%</b>	<b>9%</b>	0%	8%
30 - 50 Years Old	<b>26%</b>	<b>48%</b>	31%	47%
→ 50 Years Old	<b>7%</b>	<b>11%</b>	6%	8%
<i>By Nationality</i>				
Singaporean	<b>25%</b>	<b>48%</b>	31%	49%
Malaysian	<b>7%</b>	<b>2%</b>	4%	2%
Indian	<b>0%</b>	<b>9%</b>	0%	6%
Filipino	<b>2%</b>	<b>0%</b>	2%	2%
Others	<b>0%</b>	<b>9%</b>	0%	4%

As of 30 June 2023, we had a workforce of 46 full-time, permanent employees for our operations across the Group (FY2022: 51 full-time employees). Going forward, we strive to have a more diverse workplace in terms of gender, nationality and age group and provide an equal opportunity for all employees.





# SUSTAINABILITY REPORT

## ECONOMIC

### ECONOMIC PERFORMANCE

IPS Securex firmly believes that focus on financial sustainability is critical. We are fully committed to the highest standards of corporate governance. The Group's basic principle is that long-term profitability and shareholders' value is sustained by taking into account the interests of all stakeholders, such as shareholders, employees, customers, suppliers, business partners and society as a whole.

For details of our financial results for FY2023, please refer to the following sections in our FY2023 Annual Report:

- Financial Highlights, page 9
- Financial and Operations Review, pages 10 to 12
- Financial Statements, pages 70 to 106

## ENVIRONMENTAL

Even though the environmental impact of our office activities is relatively immaterial, we believe it is important to instill values of environmental stewardship in our people. Promoting a paperless environment culture, whereby documents should only be printed if necessary and required. We also stress the importance of ensuring that all devices are turned off or in sleep mode before the last person leaves the office. By regularly engaging our staff on environmental issues, we hope to be environmentally conscious in everything that we do.

### ENVIRONMENTAL COMPLIANCE

In FY2023, there was no incidence of non-compliance with laws and regulations resulting in significant fines or sanctions, and we endeavor to maintain this track record (FY2022: Nil), as targeted. Going forward, we strive to continue being in full compliance with all environmental rules and regulations.

### SUPPLIER ENVIRONMENTAL ASSESSMENT

Formal supplier environmental assessments were incorporated previously as part of the Group's annual supplier evaluation exercise. In FY2023, 100% of the screening new major suppliers were performed (FY2022: 100%). 89% of the screenings had passed the assessment. Going forward, we aim to ascertain that all new major suppliers will be screened.

# SUSTAINABILITY REPORT

## GRI CONTENT INDEX

Statement of Use      IPS Securex Holdings Limited has reported the information cited in this GRI content index for the period of 1 July 2022 to 30 June 2023 with reference to the GRI Standards 2021.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	1
	2-2 Entities included in the organization's sustainability reporting	21
	2-3 Reporting period, frequency and contact point	21
	2-4 Restatements of information	None
	2-5 External assurance	21
	2-6 Activities, value chain and other business relationships	13
	2-7 Employees	27-28
	2-8 Workers who are not employees	Not applicable
	2-9 Governance structure and composition	35-37
	2-10 Nomination and selection of the highest governance body	38-39
	2-11 Chair of the highest governance body	35
	2-12 Role of the highest governance body in overseeing the management of impacts	21
	2-13 Delegation of responsibility for managing impacts	21
	2-14 Role of the highest governance body in sustainability reporting	21
	2-15 Conflicts of interest	33
	2-16 Communication of critical concerns	23-24
	2-17 Collective knowledge of the highest governance body	21
	2-18 Evaluation of the performance of the highest governance body	40
	2-19 Remuneration policies	40-41
	2-20 Process to determine remuneration	41-43
	2-21 Annual total compensation ratio	42-43
	2-22 Statement on sustainable development strategy	21
	2-23 Policy commitments	25-26
	2-24 Embedding policy commitments	25-26
	2-25 Processes to remediate negative impacts	22
	2-26 Mechanisms for seeking advice and raising concerns	22
	2-27 Compliance with laws and regulations	22
	2-28 Membership associations	23
	2-29 Approach to stakeholder engagement	23-24
	2-30 Collective bargaining agreements	None
GRI 3: Material Topics 2021	3-1 Process to determine material topics	24
	3-2 List of material topics	24
	3-3 Management of material topics	24
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	28
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	22
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	28



# SUSTAINABILITY REPORT

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>LOCATION</b>
GRI 403: Occupational health and safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	25-26
GRI 404: Training and Education	404-1 Average hours of training per year per employee	26
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	26-27
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	25



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### ONG BENG CHYE

(Independent Non-Executive Chairman)

#### KELVIN LIM CHING SONG

(Executive Director and Group Chief Executive Officer)

#### CHAN TIEN LOK

(Non-Executive Director)

#### JOSEPH TAN PENG CHIN

(Independent Director)

### COMPANY SECRETARY

#### SHIRLEY TAN SEY LIY

(MSc Mgmt (Hons) (UCD), FCS, FCG)

### REGISTERED OFFICE

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

### COMPANY REGISTRATION NUMBER

201327639H

### AUDITORS

#### RSM CHIO LIM LLP

Public Accountants and Chartered Accountants

8 Wilkie Road  
#03-08 Wilkie Edge  
Singapore 228095

Partner-in-charge:

ADRIAN TAN KHAI-CHUNG

(A practising member of the Institute of Singapore  
Chartered Accountants)

Date of Appointment: 25 October 2022

### SHARE REGISTRAR AND SHARE TRANSFER OFFICE

#### BOARDROOM CORPORATE & ADVISORY SERVICES PTE. LTD.

50 Raffles Place  
Singapore Land Tower #32-01  
Singapore 048623

### PRINCIPAL BANKERS

#### UNITED OVERSEAS BANK LIMITED

80 Raffles Place  
UOB Plaza  
Singapore 048624

#### OVERSEA-CHINESE BANKING CORPORATION LIMITED

65 Chulia Street  
OCBC Centre #09-00  
Singapore 049513

#### MALAYAN BANKING BERHAD

2 Battery Road  
Maybank Tower  
Singapore 049907

#### DBS BANK LTD

12 Marina Boulevard, Level 46  
DBS Asia Central @ MBFC Tower 3  
Singapore 018982

### INVESTOR RELATIONS

COGENT MEDIA PTE LTD

203B Henderson Road, #12-08  
Singapore 159546

Tel: (65) 6704-9288

Email: cogentstaff@cogentcomms.com



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# CORPORATE GOVERNANCE REPORT

IPS Securex Holdings Limited ("**Company**" and, together with its subsidiaries, "**Group**") is committed to set corporate governance practices in place which are in line with the recommendations of the Code of Corporate Governance 2018 ("**Code**") to provide the structure through which the objectives of protection of the interests of the Company's shareholders ("**Shareholders**") and enhancement of long-term Shareholders' value are met.

This report describes the corporate governance practices adopted by the Company for the financial year ended 30 June 2023 ("**FY2023**") with specific reference made to each of the principles of the Code. The Company has complied substantially with the requirements of the Code and will continue to review its practices on an ongoing basis. It has provided an explanation for any deviation from the Code, where applicable.

## (A) BOARD MATTERS

### THE BOARD'S CONDUCT OF ITS AFFAIRS

**Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.**

The Board of Directors ("**Board**" or "**Directors**") oversees the business and corporate affairs of the Group. The principal duties of the Board include the following:

- Protecting and enhancing long-term value and returns to Shareholders;
- Reviewing and approving, inter alia, the release of the periodic and full year results announcements, the annual report and financial statements, material acquisitions and disposals of assets, and interested person transactions of the Group;
- Providing leadership and guidance on corporate strategy, business directions, risk management policies and implementation of corporate objectives;
- Establishing, reviewing and approving the annual budget;
- Ensuring the effectiveness and integrity of management ("**Management**");
- Monitoring Management's achievement of goals and overseeing succession planning for Management;
- Conducting periodic reviews of the Group's financial performance against the budget, internal controls and compliance with the relevant statutory and regulatory requirements;
- Approving nominations to the Board and appointment of Key Management Personnel;
- Ensuring the Group's compliance with all relevant and applicable laws and regulations; and
- Assuming responsibility for the corporate governance of the Group.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in dealing with the business affairs of the Group and take objective decisions in the interests of the Company. The Board holds the Management accountable for performance. The Group's code of conduct, business ethics and organisational culture are discussed in the Company's Sustainability Report. Directors facing conflicts of interest will recuse themselves from discussions and decisions involving the issues of conflict. The Directors would abstain from voting and decisions involving the issues of conflict.

To assist in the execution of its responsibilities, the Board has established the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, "**Board Committees**"). The Board Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis to ensure their continued relevance. The effectiveness of each Board Committee is also constantly reviewed by the Board.





# CORPORATE GOVERNANCE REPORT

The Company's constitution ("**Constitution**") provides for meetings for the Directors to be held by means of telephonic conference or other methods of simultaneous communication be it electronic or telegraphic means when necessary. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information to the proposed transaction.

The frequency of meetings and the attendance of each Director at each Board and Board Committees meeting for FY2023 are disclosed in the table reflected below:

Name	Board		Nominating Committee		Remuneration Committee		Audit Committee		Annual General Meeting	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Chan Tien Lok	2	2	1	1	1	1	2	2	1	1
Kelvin Lim Ching Song	2	2	1	1*	1	1*	2	2*	1	1
Ong Beng Chye	2	2	1	1	1	1	2	2	1	1
Joseph Tan Peng Chin	2	2	1	1	1	1	2	2	1	1

**Note:**

\* By invitation

The Board has adopted a set of internal guidelines setting forth matters that require the Board's approval. Matters which are specifically reserved for the Board's decision are those involving significant acquisitions, disposals and funding proposals, reviewing and approving the Group's corporate policies, monitoring the performance of the Group and transactions relating to investment, funding, legal and corporate secretarial matters.

The Board will review these internal guidelines on a periodic basis to ensure their relevance to the operations of the Group. Directors are required to act in good faith and discharge their fiduciary duties and responsibilities in the interest of the Company at all times.

The Directors are also updated regularly on any changes to the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Rules**"), risk management, corporate governance, insider trading and the key changes in the relevant regulatory requirements and financial reporting standards and the relevant laws and regulations to facilitate effective discharge of their fiduciary duties as Board and/or Board Committees members.

News releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority ("**ACRA**") and others which are relevant to the Directors are circulated to the Board. The Company Secretary would inform the Directors of upcoming conferences and seminars relevant to their roles as Directors of the Company. The external auditors, RSM Chio Lim LLP ("**EA**") updated the AC and the Board on the new and revised financial reporting standards that may affect the Company and/or the Group.

In line with the requirement of the Task Force for Climate-related Financial Disclosures ("**TCFD**") and climate-related disclosures, the Company has arranged for all the Directors to undergo training in this regard as prescribed under Rule 720(6) of the Catalist Rules.

Appropriate briefing and orientation will be arranged for newly appointed Directors to familiarise them with the Group's business operations, strategic directions, Directors' duties and responsibilities and corporate governance practices. They will also be given opportunities to visit the Group's operational facilities and meet with Management so as to gain a better understanding of the Group's business.

Directors are encouraged to attend seminars and receive training to improve themselves in the discharge of Directors' duties, responsibilities and obligations. Changes to regulations and accounting standards are monitored closely by Management. To keep pace with such regulatory changes, the Company provides opportunities for on-going education and training on Board processes and best practices as well as updates on changes in legislation and financial reporting standards, regulations and guidelines from the Catalist Rules that affect the Company and/or the Directors in discharging their duties.

## CORPORATE GOVERNANCE REPORT

Newly appointed Directors receive appropriate training, if required. The Group provides background information about its history, mission and values to its Directors. In addition, Management regularly updates and familiarises the Directors on the business activities of the Group during Board meetings. Upon appointment, a new Director receives a brief on the Director's duties, responsibilities and disclosure obligations as a Director. He is also briefed on key disclosure duties and statutory obligations.

To enable the Board to fulfil its responsibility, Management strives to provide Board members with complete, adequate and timely information for Board and Board Committees meetings on an on-going basis. The Board and Board Committees papers are prepared for each meeting and are disseminated to the members before the meetings. The Board and Board Committees papers include financial, business and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board Committees meetings.

The Company Secretary or her representative attends all Board and Board Committees meetings and prepares minutes of the Board and Board Committees meetings and assists the Chairman in ensuring good information flows within the Board and its Board Committees and between Management and the Non-Executive Director and Independent Directors. The Company Secretary also assists the Board so that Board procedures are followed and reviewed in accordance with the Company's Constitution, relevant rules and regulations, including requirements of the Securities and Futures Act 2001 of Singapore, Companies Act 1967 of Singapore and the Catalist Rules, so that the Board functions effectively and the relevant rules and regulations applicable to the Company are complied with. The Company Secretary's role is to advise the Board on all governance matters, ensuring that legal and regulatory requirements as well as Board policies and procedures are complied with. The appointment and removal of the Company Secretary is a decision of the Board as a whole.

Directors are given separate and independent access to Management and the Company Secretary to address any enquiries. The Directors either individually or as a group have the right to seek independent legal and/or other professional advice in the furtherance of their duties. The costs of such services will be borne by the Company.

### BOARD COMPOSITION AND GUIDANCE

**Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.**

As at the date of this Annual Report, the Board comprises one Executive Director, one Non-Executive Director and two Independent Directors (including the Chairman):

Name of Director	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
Ong Beng Chye	Independent Non-Executive Chairman	Chairman	Member	Member
Kelvin Lim Ching Song	Executive Director and Group Chief Executive Officer ("CEO")	-	-	-
Chan Tien Lok	Non-Executive Director	Member	Member	Member
Joseph Tan Peng Chin	Independent Director	Member	Chairman	Chairman

On 1 August 2023, Ong Beng Chye was re-designated as Independent Non-Executive Chairman and Chan Tien Lok was redesignated as Non-Executive Director. The independence of each Independent Director is reviewed by the NC. Currently, majority of the Board is made up of Independent Directors, comprising Ong Beng Chye, Independent Non-Executive Chairman, Joseph Tan Peng Chin, Independent Director and Non-Executive Director, Chan Tien Lok, which is in compliance with the Code.

The criteria for independence are determined based on the definition as provided in the Code. The independence of each Director is assessed and reviewed at least annually by the NC. In its deliberation as to the independence of a Director, the NC takes into account examples of relationships as set out in the Code. The Board considers an Independent Director as one who has no relationship with the Company, its related companies, its substantial shareholders or officers that could interfere or be reasonably perceived to interfere with the exercise of the Directors' independent judgement of the Group's affairs according to the Code. The NC has reviewed, determined and confirmed the independence of each Independent Director.



## **CORPORATE GOVERNANCE REPORT**

The Non-Executive Director and Independent Directors participate actively during Board and Board Committees meetings. The Company has benefited from the Management's access to its Directors for guidance and exchange of views both within and outside of the meetings of the Board and Board Committees. The Non-Executive Director and Independent Directors communicate amongst themselves and with the Company's internal and external auditors and Management. When necessary, the Company co-ordinates informal meetings for the Non-Executive Director and Independent Directors to meet without the presence of the Executive Director and Group CEO and/or Management.

Pursuant to Rule 406(3)(d)(iii) of the Catalist Rules, Ong Beng Chye and Tan Peng Chin were re-elected on 25 October 2022 as Independent Directors under the Two-Tier Voting process which resolutions were to have remained in force for 3 years from the conclusion of the Annual General Meeting ("**AGM**") following the passing of the resolutions. On 11 January 2023, pursuant to a SGX-ST pronouncement, Rule 406(3)(d)(iii) was rescinded and Rule 406(3)(d)(iv) was introduced wherein independent directors who have been a director of the issuer for an aggregate period of more than nine years (whether before or after listing) will not be independent and such director may continue to be considered independent until the conclusion of the next AGM. In particular, as transition, the SGX-ST provides that Independent Directors whose tenure exceeds the nine-year limit can continue to serve as Independent Directors until the listed companies' AGM held for the financial year ending on or after 31 December 2023. Therefore, as Ong Beng Chye and Tan Peng Chin have served on the Board for more than nine (9) years from the date of their first appointment, they will be deemed independent until the conclusion of the next AGM of the Company in 2024, pursuant to Rule 406(3)(d)(iv) of the Catalist Rules.

The NC has conducted a rigorous review on the independence of the Independent Directors, Ong Beng Chye and Joseph Tan Peng Chin and has concluded that Ong Beng Chye and Joseph Tan Peng Chin are independent even though they would have served on the Board beyond nine (9) years from 6 June 2014. The relevant factors that were taken into consideration in determining the independence of Ong Beng Chye and Joseph Tan Peng Chin are set out in Principle 4 of this report. Having considered the relevant factors, the NC has determined that Ong Beng Chye and Joseph Tan Peng Chin have demonstrated strong independence in character and judgement over the years in discharging their duties and responsibilities as Independent Directors. Their continued presence as Independent Directors will ensure best practices being followed and provide effective oversight and compliance to good corporate governance.

Accordingly, the NC has recommended to the Board that Ong Beng Chye and Joseph Tan Peng Chin continue to be considered independent, notwithstanding they would have served on the Board beyond nine (9) years from the date of their first appointment. Ong Beng Chye and Joseph Tan Peng Chin, being NC members, have abstained from any discussion and voting on their independence.

Based on the considerations in determining the independence of Ong Beng Chye and Joseph Tan Peng Chin in Principle 4 of this report, the NC and the Board are of the view that Ong Beng Chye and Joseph Tan Peng Chin have been and have the ability to continue exercising independent judgement in the best interests of the Company in discharging their duties as Independent Directors of the Company.

The Board and the NC are presently considering appropriate changes to be made to the Board composition, in order to continue to comply with the Catalist Rules, including searching for new suitable candidate(s) as Independent Director. The Board will make the necessary announcement of any such changes or appointments in due course.

The NC and the Board reviews the resumes and assesses the capabilities and competencies of new candidate(s) for the appointment of new Directors. The Company would conduct a background check on the new candidate(s) and the new candidate(s) would provide the relevant declarations to the NC and the Board. The Company's sponsor is also kept abreast of any new applicants and the new candidate(s)' resume is provided to the Company's sponsor for review. The Company's sponsor would interview the new candidate(s) separately.

The NC has reviewed the size and composition of the Board. It is satisfied that after taking into account the nature and scope of the Group's operations, the current Board size is appropriate and effective.

The Board comprises Directors who as a group provides core competencies and diversity of experience to enable them to lead and control the Group effectively. Such competencies and experiences include industry knowledge, strategic planning, business and general management, legal and finance.



# CORPORATE GOVERNANCE REPORT

The Company recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of its performance and is accordingly committed to promoting diversity of the Board, in line with its diversity policy that has been adopted pursuant to Rule 710A of the Catalist Rules. If required, the NC may consider appointing new director(s) in the future to enhance the core competencies and governance review of the Board. In reviewing the Board composition and succession planning, the NC will consider the benefits of all aspects of diversity, including functional and domain skills, knowledge, experience, cultural and educational background, gender, age, tenure and other relevant aspects of diversity and perspectives appropriate to the Group's business. The NC has reviewed the size and composition of the Board and is of the view that the Board consists of persons who, as a group, provides core competencies such as business and management experience, industry knowledge, legal expertise, financial and strategic planning experience and knowledge that are necessary to meet the Company's objectives. In addition, it is of the view that the current Board size of four (4) Directors is appropriate for effective decision making, taking into account the size, scope and nature of the operations of the Company. Furthermore, the NC is of the view that no individual or small group of individuals dominates the Board's decision-making processes and will review the appropriateness of the current Board size, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment.

Although all the Directors have equal responsibility for the performance of the Group, the role of the Non-Executive Director and Independent Directors is particularly important in ensuring that the strategies proposed by Management are fully discussed and rigorously examined and take into account the long-term interests of not only the Shareholders, but also of the employees and reviewing the performance of Management in meeting agreed goals and objectives. The NC considers its Non-Executive Director and Independent Directors to be of sufficient calibre and size and their views to be of sufficient weight such that no individual or small group of individuals dominates the Board's decision-making process. The NC continually reviews the composition of the Board, taking into account the balance and diversity of skills, experience and gender, among other factors.

The Company co-ordinates informal meeting sessions for the Non-Executive Director and Independent Directors to meet on a need-to basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, Board processes, succession planning as well as leadership development and the remuneration of the Executive Director.

## CHAIRMAN AND GROUP CHIEF EXECUTIVE OFFICER

**Principle 3: There is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making.**

The Company practices a clear division of responsibilities between the Chairman and the Group CEO. This ensures that an appropriate balance of power between the Chairman and the Group CEO and thereby allows for increased accountability and greater capacity of the Board for independent decision making. The Group keeps the posts of the Chairman and Group CEO separate. Ong Beng Chye is the Independent Non-Executive Chairman since 1 August 2023 while Kelvin Lim Ching Song is the Executive Director and Group CEO. The Independent Non-Executive Chairman is responsible for leading the Board in a strategic, effective and decisive way and ensuring that the Board is properly organised, functioning effectively and meeting its obligations and responsibilities while the Executive Director and Group CEO is responsible for the conduct of the Group's daily business operations. The Independent Non-Executive Chairman and the Executive Director and Group CEO are not related.

The Independent Non-Executive Chairman ensures that Board members are provided with complete, adequate and timely information. The Independent Non-Executive Chairman ensures that procedures are introduced to comply with the Code and ensures effective communication within the Board and with the Shareholders.

Given the Chairman's independence, separation of roles between the Chairman and Executive Director and Group CEO, the Board is of the view that there are adequate safeguards and checks in place to ensure the objective assessment of the Group's ongoing affairs. The current structure also facilitates a decision-making process by the Board that is based on the collective decision of all Directors, without any concentration of power or influence residing in any one individual. In view of this, the appointment of a Lead Independent Director is not considered by the Board to be necessary.



# CORPORATE GOVERNANCE REPORT

## BOARD MEMBERSHIP

### **Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.**

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills to enable the Board to make effective decisions.

The NC comprises one (1) Non-Executive Director and two (2) Independent Directors, where the majority of whom, including the NC Chairman is independent as follows:

#### **Nominating Committee**

Joseph Tan Peng Chin (Chairman)  
Ong Beng Chye  
Chan Tien Lok

Based on the written terms of reference approved by the Board, the principal functions of the NC are:

- Reviewing and making recommendations to the Board on all candidates nominated for appointment to the Board of the Company and of its subsidiaries;
- Reviewing and recommending to the Board on an annual basis, the Board structure, size and composition, taking into account, the balance between Executive Directors, Non-Executive Directors and Independent Directors to ensure that the Board as a whole possesses the right blend of relevant experiences and core competencies to effectively manage the Group;
- Procuring that at least one-third of the Board shall comprise Independent Directors;
- Reviewing Board succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the Group CEO and key management personnel;
- Determining whether or not a Director is able to and has been adequately carrying out his/her duties as a Director of the Company, particularly when he/she has multiple board representations;
- Identifying and making recommendations to the Board as to which Directors are to retire by rotation and to be put forward for re-election at each AGM of the Company, having regard to each Director's contribution and performance, including the Independent Directors;
- Review of training and professional development programmes for the Board;
- Determining whether a Director is independent as guided by the Code and any other salient factors; and
- Proposing a set of objective performance criteria to the Board for approval and implementation, to evaluate the effectiveness and performance of the Board as a whole, the Board Committees and the contribution of each Director to the effectiveness and performance of the Board.

The NC is responsible for identifying and recommending new Directors to the Board, after considering the necessary and desirable competencies. In selecting potential new Directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. In identifying suitable candidates for the appointment of new Directors, the NC will consider all relevant channels to recruit any new candidates including referrals from business partners, use of the service of external advisors to facilitate a search and also consider candidates with the appropriate qualifications and working experience from internal or external sources. After shortlisting the candidates, the NC shall consider and interview candidates on merit against objective criteria, taking into consideration whether the candidate can devote sufficient time and attention to the affairs of the Group. The NC will evaluate the suitability of the nominee or candidate based on his/her qualifications, business and related experience, commitment, ability to contribute to the Board process and such other qualities and attributes that may be required by the Board. In recommending a candidate for re-appointment to the Board, the NC considers, amongst other things, his/her contributions to the Board (including attendance and participation at meetings, time and effort accorded to the Group's business and affairs), his/her independence, his/her other board appointments and principal occupation and commitments outside of the Group, and any other factors as may be deemed relevant by the NC.

## CORPORATE GOVERNANCE REPORT

The employment of persons who are related to the Directors or controlling Shareholders is also subject to the approval of the NC.

The Company's Constitution requires that all Directors retire at the first AGM of the Company and one-third of the Board retires from office at every subsequent AGM. Accordingly, the NC has recommended that Chan Tien Lok and Joseph Tan Peng Chin be nominated for re-election at the forthcoming AGM. The Board has accepted the NC's recommendations.

Each member of the NC shall abstain from voting on any resolutions in respect to his re-nomination as a Director. There is no alternate Director being appointed to the Board.

For the financial year under review, the NC, having considered Provision 2.1 of the Code, is of the view that the Independent Directors of the Company are independent and are able to exercise judgment on the corporate affairs of the Group independent of Management.

In considering whether an Independent Director who has served on the Board beyond nine (9) years is still independent, the Board has taken into consideration the following factors:

- the attendance, active participation and ability to express his views independently and present constructive challenges on issues, in the proceedings and decision-making process of the Board and Board Committee meetings;
- has demonstrated strong independence and judgement over the years in discharging their duties and responsibilities as an Independent Director; and
- has expressed individual viewpoints, debated issues and objectively scrutinised and challenged the management where necessary.

In this regard, the NC has conducted a rigorous review of the suitability of Ong Beng Chye and Joseph Tan Peng Chin being Independent Directors who have served on the Board beyond nine (9) years and has determined that Ong Beng Chye and Joseph Tan Peng Chin remains independent. Ong Beng Chye and Joseph Tan Peng Chin had abstained from voting on any resolution in respect of their own appointment. In addition, the NC is of the view that Ong Beng Chye and Joseph Tan Peng Chin are independent (as defined in the Code) and are able to exercise judgement on the corporate affairs of the Group and independence of the Management and will continue to be deemed independent until the conclusion of the Company's next AGM to be held in 2024 pursuant to Rule 406(3)(d)(iv) of the Catalist Rule and the transitional provisions of the SGX-ST.

Newly appointed Directors receive appropriate training, if required. The Group provides background information about its history, mission and values to its Directors. In addition, Management regularly updates and familiarises the Directors on the business activities of the Group during Board meetings. Upon appointment, a new Director receives a brief on the Director's duties, responsibilities and disclosure obligations as a Director. He is also briefed on key disclosure duties and statutory obligations. Despite some of the Directors having other Board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. Currently, the Board has not determined the maximum number of listed Board representations which any Director may hold. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deems necessary.

The Company does not have any alternate Directors as the Board does not encourage the appointment of alternate Directors unless it is in exceptional cases.

The key information regarding Directors such as academic and professional qualifications, Board Committees served, directorships or chairmanships both present and past held over the preceding three years in other listed companies and other major appointments, whether the appointment is executive or non-executive are set out on page 53 of this Annual Report.





# CORPORATE GOVERNANCE REPORT

## BOARD PERFORMANCE

**Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.**

In line with the principles of good corporate governance, the NC has adopted a process to evaluate the effectiveness and performance of the Board as a whole, the Board Committees and individual self-assessment to assess each Director's contribution to the Board's effectiveness and performance. The performance criteria for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, accountability, Board processes, Board performance in relation to discharging its principal responsibilities, communication with Management and standards of conduct of the Directors. This encourages constructive feedback from the Board and leads to an enhancement of its performance over time.

The effectiveness and performance of the Board, Board Committees and contribution by each Director is assessed annually, the results of the evaluations will be collated by the Company Secretary and the findings analysed and discussed with the Board and Board Committees. Recommendations to further enhance the effectiveness and performance of the Board and Board Committees will be implemented, as appropriate.

The Board is of the view that it has satisfactorily met its performance objectives for FY2023. No external facilitator was engaged in the evaluation process.

## (B) REMUNERATION MATTERS

### PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

**Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.**

The RC comprises two (2) Independent Directors and one (1) Non-Executive Director, where the majority of whom, including the RC Chairman is independent, as follows:

#### **Remuneration Committee**

Joseph Tan Peng Chin (Chairman)  
Ong Beng Chye  
Chan Tien Lok

Based on the terms of reference approved by the Board, the principal functions of the RC are:

- Reviewing and recommending to the Board for endorsement, the service contracts and remuneration packages of the Executive Director and Key Management Personnel;
- Reviewing the appropriateness of compensation for the Non-Executive Director and Independent Directors, taking into account factors such as his effort, time spent and responsibilities including but not limited to, his Director's fees, allowances, share options and performance shares;
- Overseeing the general compensation of employees of the Group with a goal to motivate, recruit and retain employees through competitive compensation and progressive policies;
- Reviewing and administering the award of performance shares and/or share options to Directors and employees under the employee performance share plan and/or employee share option scheme adopted by the Company; and
- Carrying out other duties as may be agreed by the RC and the Board, subject always to any conditions that may be imposed upon the RC by the Board from time to time.

The RC is established for the purpose of ensuring that there is a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. The overriding principle is that no Director should be involved in deciding his or her own remuneration. It has adopted written terms of reference that defines its membership, roles and functions and administration.

# CORPORATE GOVERNANCE REPORT

No Director is involved in deciding his own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company. There were no remuneration consultants engaged by the Company in FY2023.

In reviewing the service contracts of the Executive Director and key management personnel, the RC will review the Company's obligations arising in the event of termination of these service contracts, to ensure that such service contracts contain fair and reasonable termination clauses which commensurate with industry norms and their past contributions. The RC aims to be fair and avoid rewarding poor performance.

## LEVEL AND MIX OF REMUNERATION

**Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.**

The RC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director when determining remuneration packages.

The Executive Director does not receive Director's fees. The remuneration for the Executive Director and key management personnel comprises a fixed and variable component. The variable component is performance related and is linked to the Group's performance as well as the performance of each individual Executive Director and key management personnel, with a view to align the interests of the Executive Director and the key management personnel with those of Shareholders.

In structuring and reviewing the remuneration packages, the RC seeks to align the interests of Directors and key management personnel with those of Shareholders by linking rewards to corporate and individual performance, as well as to commensurate with the roles and responsibilities of each of them. The RC reviews the remuneration received by the Executive Director and Group CEO against the financial performance of the Group. The Executive Director and Group CEO reviews the remuneration of key management personnel against the staff remuneration guidelines to ensure that their remuneration packages are in line and commensurate with their respective job scope and responsibilities. The RC is satisfied that the performance conditions for the Executive Director and Group CEO and key management personnel for FY2023 were met.

On 27 May 2014, the Company entered into a service agreement with the Executive Director and Group CEO, Kelvin Lim Ching Song for an initial period of three years ("**Initial Term**") with effect from the date of admission of the Company to Catalist and thereafter for such period as the Board may decide. Since the last renewal on 28 May 2020, the service agreement with Kelvin Lim Ching Song has been further renewed for 3 years commencing from 28 May 2023 and continue to have effect and binding on the parties unless and until it is terminated according to the terms of the service agreement. Kelvin Lim Ching Song would be paid a monthly basic salary and shall be entitled to an annual performance bonus based on the terms and conditions stipulated in his service agreement and the Group's audited consolidated profit before tax (after deducting profit before tax attributable to minority interests) and before deducting the Performance Bonus of the Group ("**NPBT**") as follows:

<b>NPBT</b>	<b>Performance Bonus</b>
NPBT above S\$400,000 and up to S\$800,000	5.0% of the NPBT
NPBT more than S\$800,000	10.0% of the NPBT

The remuneration package, including the Performance Bonus of the Executive Director and Group CEO, Kelvin Lim Ching Song, shall be subject to review by the RC.

Performance conditions such as the financial performance and operations of the Group, as well as any other business objectives such as adherence to corporate values which may from time to time be determined by the Board are used to determine the short-term incentive schemes employed on the remuneration of the Executive Director and Group CEO and key Management personnel. In addition, the Company has adopted the IPS Securex Employee Share Option Scheme ("**IPS Securex ESOS**") and IPS Securex Performance Share Plan ("**IPS Securex PSP**").



## CORPORATE GOVERNANCE REPORT

The Executive Director and Group CEO, Non-Executive Director, Independent Directors and key management personnel are eligible to participate in the IPS Securex ESOS and IPS Securex PSP.

The Non-Executive Director and Independent Directors receive Directors' fees in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate them. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. The Directors' fees are endorsed by the RC and recommended by the Board for Shareholders' approval at the AGM of the Company. The IPS Securex ESOS and the IPS Securex PSP are employed as long-term incentive schemes in the remuneration of the Executive Director and Group CEO and key Management personnel, and is designed to reward, retain and motivate employees to achieve superior performance and to align the interests of employees with Shareholders. The performance conditions used to determine entitlements under the IPS Securex ESOS and the IPS Securex PSP include specific performance including but not limited to, sustained profit growth, market share, tenure of employment, as well as, the prevailing economic conditions. As at the date of this Annual Report, no share options or awards have been granted under the IPS Securex ESOS and the IPS Securex PSP, respectively.

The remuneration of employees related to the Directors and controlling Shareholders (if any), will also be reviewed annually by the RC to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their job scopes and responsibilities. Any bonuses, increments and/or promotions for these related employees will also be subject to the review and approval of the RC. In the event that a member of the RC is related to the employee under review, he will abstain from participating in the review.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and Group CEO and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in reputational damage and/or financial loss to the Group. The Executive Director and Group CEO and key management personnel owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director and Group CEO and key management personnel in the event of such breach of their fiduciary duties. The Company has in place other oversights described herein such as Whistle Blowing Policy and outsourced internal audit function as checks and balances to prevent the occurrence of such instances.

### DISCLOSURE ON REMUNERATION

**Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

A breakdown showing the level and mix of remuneration of Directors for FY2023 is set out below:

Name of Director	Salary	Bonus	Director's Fees	Allowances and Other Benefits	Total
	%	%	%	%	%
<b><u>Above S\$250,000 and below S\$500,000</u></b>					
Kelvin Lim Ching Song	94	-	-	6	100
<b><u>Below S\$250,000</u></b>					
Chan Tien Lok	-	-	100	-	100
Ong Beng Chye	-	-	100	-	100
Joseph Tan Peng Chin	-	-	100	-	100



## CORPORATE GOVERNANCE REPORT

The Group has only four (4) key management personnel (as defined in the Code) and who are not Directors or the Group CEO. The details of the remuneration of these four (4) key management personnel (as defined in the Code) of the Group (who are not Directors or the Group CEO) identified by the Group for FY2023 is set out below:

<b>Key Management Personnel</b>	<b>Salary</b>	<b>Bonus</b>	<b>Director's fees</b>	<b>Allowances and Other Benefits</b>	<b>Total</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Below S\$250,000</b>					
Lee Yeow Koon	81	3	–	16	100
Lee Siew Han <sup>(1)</sup>	72	3	12	13	100
Lee Chea Siang	56	–	–	44	100
Boey Teik Heng	69	–	–	31	100

**Note:**

(1) Lee Siew Han's director's fees were received from the Company's subsidiaries.

For FY2023, the aggregate total remuneration paid to these four (4) key management personnel (who are not Directors or the Group CEO) amounted to S\$797,660.

There were no termination, retirement or post-employment benefits granted to Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service for FY2023.

There is an employee of the Group who is an immediate family member of the Company's Non-Executive Chairman, Chan Tien Lok. Peter Isaac Chan Khoon Lau is the son of Chan Tien Lok and whose remuneration did not exceed S\$100,000 in FY2023. The basis for determining the compensation of our related employees is the same as determining the compensation of other unrelated employees.

<b>Name of Immediate Family Member</b>	<b>Salary</b>	<b>Bonus</b>	<b>Director's fees</b>	<b>Allowances and Other Benefits</b>	<b>Total</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Below S\$100,000</b>					
Peter Isaac Chan Khoon Lau <sup>(1)</sup>	–	–	100	–	100

**Note:**

(1) Peter Isaac Chan Khoon Lau was appointed as a Director of the Company's subsidiary, Securex GS Pte. Ltd. ("Securex GS") on 1 September 2018. He has since resigned as Director of Securex GS on 19 July 2023.

The Company does not have any employee who is an immediate family member of a Director or the Group CEO whose remuneration in FY2023 exceeded S\$100,000.

In view of confidentiality of the remuneration policies of the Company, the Board is of the opinion that it is in the best interests of the Group to disclose the remuneration of its Directors and key management personnel in salary bands.

The IPS Securex ESOS and the IPS Securex PSP will also provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty.



# CORPORATE GOVERNANCE REPORT

## (C) ACCOUNTABILITY AND AUDIT

### RISK MANAGEMENT AND INTERNAL CONTROLS

**Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.**

The Board is responsible for the overall internal controls framework, and acknowledges that the system of internal controls is designed to manage, rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The internal controls in place will address the financial, operational, compliance and information technology risks, and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss and that Shareholders' investments and the Group's assets are safeguarded. As the Group continues to grow its business, the Board will continue to review and take appropriate steps to strengthen the Group's overall system of internal controls.

The Board and Management assume the responsibility of the risk management function. Management is responsible for designing, implementing and monitoring the risk management and internal control systems. Management reviews regularly the Group's business and operational activities to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. Management reviews significant policies and procedures and highlight significant matters to the Board on a half-yearly basis.

#### **Enterprise Risk Management**

The Board is committed to ensuring that the Group has an effective and practical enterprise risk management ("**ERM**") framework in place to safeguard Shareholders' interests and the sustainability of the Company as well as provide a basis to make informed decisions having regard to the risk exposure and risk appetite of the Group. As such, the Board has commissioned BDO Advisory Pte Ltd ("**IA**") to facilitate the implementation of the ERM framework for the Group. The purpose of this exercise is to make recommendations on the processes to monitor key risks to the Group and to propose a reporting process by which the Audit Committee is kept updated on how on-going and new risks are being addressed by Management.

The Board relies on Management to monitor the day-to-day operations of the Group while subjecting key corporate decisions to Board approval. The Group's performance is monitored closely by the Board and any significant matters that may have an impact on its operating results are required to be brought to the immediate attention of the Board.

The Board and Management have also taken a strict stance towards avoiding any risks that might result in the Company and/or the Group breaching any relevant laws and/or regulations and risks that could adversely affect the reputation of the Company and/or the Group. Active efforts are also in place to manage risks, such as engaging third party insurers or having internal control procedures to better mitigate the likelihood of their occurrence. Internal audits will be conducted regularly to assess the on-going compliance with the established controls to address key risk areas, where applicable.

The Company is continually reviewing and improving the business and operational activities of the Group to take into account the risk management perspective. This includes reviewing Management and manpower resources, updating work flows, processes and procedures to meet the current and future market conditions.

#### **Risk assessment and monitoring**

Based on the ERM framework, the nature and extent of the risks to the Group will be assessed regularly by Key Management Personnel. A set of risk registers to document risks arising from this ERM exercise has also been established to document all key risks and the corresponding countermeasures and will be updated whenever new risks emerge or when there are applicable changes in the business environment.

During FY2023, the IA had conducted a risk workshop with the Group's key management personnel to obtain their assessment of the key risks to the Company. The various responses were consolidated and ranked according to the average rating for each risk identified.



# CORPORATE GOVERNANCE REPORT

## **Risk Reporting**

### Periodic Risk Reports

Periodic risk reports will be prepared by the Finance and Administration Director, to highlight any emerging risks or high risk issues to the AC on a timely basis. In addition, any new risks of significance will be assessed using prescribed risk templates and reported to the AC.

### Annual Risk Reports

On an annual basis, a risk refresher will be performed within the Group to understand if there are any changes to the existing top risks identified and if there are any risks that require more detailed assessment. An annual risk report with the updated top risks of the Group will be compiled by the Finance and Administration Director and submitted to the AC.

Relying on the above risk reports and other reports from the IA and EA, the AC carried out assessments of the effectiveness of key internal controls during the year. Weaknesses in the internal controls or recommendations from the IA and EA to further improve the internal controls of the Group were reported to the AC. The AC will also follow up on the actions taken by Management and on the recommendations made by both the IA and EA.

Based on the work performed by both the IA and EA, the risk reports and assurance from the Executive Director and Group CEO and the Finance and Administration Director and the on-going review as well as the continuing efforts in enhancing controls and processes which are currently in place, the Board, with the concurrence of the AC, is of the opinion that there were no material weaknesses being identified and the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems are adequate and effective as at the date of this Annual Report.

The Executive Director and Group CEO, the Chief Operating Officer and the Finance and Administration Director have assured the Board that:

- (a) The financial records have been properly maintained and the financial statements for FY2023 give a true and fair view in all material aspects, of the Group's operations and finances; and
- (b) The Group's internal control and risk management systems are adequate and operating effectively in all material aspects given its current business environment.

## **AUDIT COMMITTEE**

### **Principle 10: The Board has an Audit Committee which discharges its duties objectively.**

The AC comprises two (2) Independent Directors and one (1) Non-Executive Director, where the majority of whom, including the AC Chairman is independent, as follows:

#### **Audit Committee**

Ong Beng Chye (Chairman)  
Joseph Tan Peng Chin  
Chan Tien Lok

The AC is established to assist the Board with discharging its responsibility of safeguarding the Group's assets, maintaining adequate accounting records, and developing and maintaining effective systems of risk management and internal controls. The Board is of the opinion that at least 2 members of the AC possess the necessary accounting or related financial management qualifications, expertise and experience in discharging their duties.



# CORPORATE GOVERNANCE REPORT

The AC has written terms of reference, setting out their duties and responsibilities, which include the following:

- Reviewing the semi-annually consolidated financial statements of the Group and results announcements before submission to the Board for approval, focusing on, in particular, the relevance and consistency of accounting policies, significant financial reporting issues, recommendations and judgements made by the EA, and compliance with financial reporting standards, the Catalist Rules and any other statutory and regulatory requirements so as to ensure the integrity of the periodic consolidated financial statements of the Group and results announcements;
- Reviewing, with the EA and IA, the adequacy, effectiveness, independence, scope and results of the EA and IA function including their audit plans, scope of work, evaluation of the adequacy of internal controls and risk management systems, management letters on internal controls and Management's response, where applicable;
- At least annually, reviewing and reporting to the Board, the adequacy and effectiveness of the Group's internal controls addressing financial, operational, compliance and information technology risks and risk management systems prior to the incorporation of such results in the annual report;
- Reviewing the independence and objectivity of the EA and IA;
- Reviewing and discussing with the EA, and commissioning and reviewing the findings of internal investigations, if any, relating to any suspected fraud or irregularity, or failure of internal controls, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and soliciting for Management's response;
- Monitoring and reviewing the implementation of the EA's and IA's recommendations concurred with Management in relation to the adequacy and effectiveness of the Group's internal controls addressing financial, operational, compliance and information technology risks;
- Reviewing the co-operation given by Management to the EA and IA, where applicable;
- Making recommendations to the Board on proposals to Shareholders for the appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the EA;
- Making recommendations to the Board on proposals for the appointment, re-appointment, removal, remuneration and terms of engagement of the IA;
- Reviewing any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules (if any);
- Reviewing potential conflicts of interests (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;
- Reviewing and recommending foreign exchange hedging policies, if any, to the Board for approval;
- Reviewing the policy and arrangements by which staff or any other person may, in confidence, raise concerns about possible improprieties on matters of business operations, financial reporting or any other matters and to ensure that arrangements are in place for the independent investigation of such matter and for appropriate follow-up;
- Reviewing the assurance from the Group CEO and the Finance and Administration Director on the financial records and financial statements;
- Investigating any matters within its terms of reference; and
- Undertaking generally such other functions and duties as may be requested by the Board or required by statute or the Catalist Rules and by such amendments made thereto from time to time.





# CORPORATE GOVERNANCE REPORT

Each member of the AC shall abstain from voting on any resolutions in respect of matters in which he is interested.

The AC has full access to and co-operation of the Management and has full discretion to invite any Director or Key Management Personnel to attend the meetings and has reasonable resources to enable it to discharge its functions. The EA has unrestricted access to the AC.

In October 2015, the ACRA introduced the Audit Quality Indicators (“**AQIs**”) Disclosure Framework (“**Framework**”), which aims to equip AC with information that allows AC to exercise their professional judgements on elements that contribute to or are indicative of audit quality. The AQIs were further enhanced in August 2016 to provide AC with certain common yardsticks to facilitate comparison for audit quality. As part of ongoing efforts to raise audit quality, the AQIs Disclosure Framework was revised in January 2020 (“**Revised AQIs Framework**”) which comprises audit quality indicators such as audit hours, quality control, training, inspections and attrition rate to provide relevant and useful information to help AC in their evaluation of statutory auditors. Based on the AQIs set out in the Revised AQIs Framework, the AC has evaluated and is satisfied with the performance of the external auditors as well as the resolution for re-appointment of the external auditors.

The AC recommends to the Board on the proposals to Shareholders on the appointment, re-appointment and removal of the EA and approval of the remuneration of the EA. The AC has recommended to the Board the nomination of RSM Chio Lim LLP for re-appointment as EA at the forthcoming AGM of the Company. The Company confirms that Rule 712 and Rule 715(1) of the Catalist Rules have been complied with.

The AC has met with the EA and the IA without the presence of Management at least annually and as and when necessary, to review the adequacy of audit arrangement with emphasis on the scope and quality of their audit, the independence, objectivity and observations of the EA and IA for FY2023.

For FY2023, the fees that were charged to the Group by the EA for audit services were approximately S\$134,000 while the non-audit fees payable to the EA for FY2023 was Nil.

The AC considered the report from the EA, including their findings on the significant risks and audit focus areas. Significant matters that were discussed with Management and the EA have been included as Key Audit Matters (“**KAM**”) in the Independent Auditors’ Report for FY2023 from pages 64 to 69 of this Annual Report. In assessing the KAM, the AC took into consideration the approach and methodology applied as well as the reasonableness of estimates and key assumptions used. The AC concluded that Management’s accounting treatment and estimates in the KAM were appropriate.

The AC is kept updated on new changes to the accounting and financial reporting standards by the EA during the year. The AC does not comprise former partners or directors of the Company’s existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

## WHISTLE BLOWING POLICY

The Group has implemented a whistle blowing policy whereby accessible channels are provided for employees and external parties to raise concerns about possible improprieties on matters of financial reporting or other matters which they become aware and to ensure that:

- Independent investigations are carried out in an appropriate and timely manner;
- Appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- Administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced, fair and made in good faith, while providing reassurance that employees will be protected from reprisals or victimisation for whistle blowing in good faith and without malice.



# CORPORATE GOVERNANCE REPORT

The Group also ensures that the identity of the whistleblower is kept private and strictly confidential and the Group is committed to ensure protection of the whistleblower against detrimental or unfair treatment. The AC is responsible for oversight and monitoring of whistleblowing.

As of the date of this Annual Report, there were no reports received through the whistle blowing mechanism.

## INTERNAL AUDIT FUNCTION

The Board recognises that it is responsible for maintaining a system of internal controls to safeguard Shareholders' investments and the Group's businesses and assets while the Management is responsible for establishing and implementing the internal control procedures in a timely and appropriate manner. The role of the IA is to assist the AC in ensuring that the controls are effective and functioning as intended, to undertake investigations as directed by the AC and to conduct regular in-depth audits of high risk areas.

The size of the operations of the Group does not warrant the Group having an in-house internal audit function at this juncture. The Company has therefore appointed BDO Advisory Pte Ltd, an external risk advisory consultancy firm to undertake the functions of an IA for the Group. The AC approves the appointment, re-appointment, termination, evaluation and remuneration of its outsourced IA. The IA has unfettered access to all the Group's documents, records, properties and personnel including access to the AC. The IA reports directly to the AC on all internal audit matters.

BDO Advisory Pte Ltd is an international auditing firm and they perform their work based on the BDO Internal Audit Methodology which references the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors.

The AC reviews and approves the internal audit plan submitted by the IA. The IA reports to the AC any significant weaknesses and risks identified in the course of internal audits conducted on an on-going basis. Recommendations to address control weaknesses are further reviewed by the IA based on implementation dates agreed with Management.

The AC has reviewed the effectiveness of the IA and is satisfied that the IA is independent and adequately resourced to perform its function effectively and has the appropriate standing within the industry. The AC is also satisfied that the internal audit function is effective and staffed by suitably qualified and experienced professionals with the relevant experience.

As part of the terms of reference of the AC as set out above, the AC also reviews, at least annually, the adequacy and effectiveness of the internal audit function.

## (D) SHAREHOLDER RIGHTS AND ENGAGEMENT

### SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

**Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

The Company does not practice selective disclosure. In line with continuous obligations of the Company under the Catalist Rules and the Companies Act 1967 of Singapore, the Board's policy is that all Shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet.

Accountability to Shareholders is demonstrated through the presentation of the Group's periodic and annual financial statements, results announcements and all announcements on the Group's business and operations. In this respect, the AC reviews all periodic and annual financial statements, results announcements and all announcements on the Group's business and operations, and recommends them to the Board for approval.



# CORPORATE GOVERNANCE REPORT

The Management provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a periodic basis and when deemed appropriate by particular circumstances. In line with the Catalist Rules, the Board provides a negative assurance statement to Shareholders in respect of the periodic financial statements. For the financial year under review, the Executive Director and Group CEO, Chief Operating Officer and the Finance and Administration Director have provided assurance to the Board on the integrity of the Group's financial statements.

Management maintains regular contact and communication with the Board by various means including the preparation and circulation to all Board members of periodic and full year financial statements of the Group. This allows the Board to monitor the Group's performance and position as well as the Management's achievements of the goals and objectives determined and set by the Board.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's business activities, financial performance and other business-related matters. Notice of the general meetings are dispatched to Shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. Shareholders are informed of general meetings through the announcements released to the SGXNet and notices contained in the annual report or circulars sent to all Shareholders. These notices are also advertised in a national newspaper as may be required in accordance with the Company's Constitution. Shareholders are also informed on the procedures for the poll voting at general meetings.

The Board welcomes questions from Shareholders who wish to raise issues, either informally or formally before or during the general meetings.

Each item of special business included in the notice of the general meetings will be accompanied by an explanation of the proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against each resolution together with the respective percentages. The poll voting procedures are clearly explained by the scrutineers at such general meeting.

All Directors, including the Chairman of the Board and the respective Chairman of the AC, NC and RC, as well as the EA are intended to be present at the forthcoming AGM to address any relevant queries by Shareholders.

All Shareholders are entitled to attend and participate in the general meetings. If any Shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the general meeting through proxy forms sent in advance. The Company's Constitution does not include the nominee or custodial services to appoint more than two proxies. On 3 January 2016, the legislation was amended, among other things to allow certain members, who are "relevant intermediaries" as defined under Section 181(6) of the Companies Act 1967 of Singapore, are allowed to appoint more than two proxies to attend and vote on their behalf at general meetings.

Voting by absentia by mail, facsimile or email is currently not provided in the Company's Constitution as such voting methods would need to be cautiously studied for its feasibility to ensure that the integrity of the information and the authenticity of the Shareholder's identity is not compromised.

The Company will publish the minutes of general meetings of Shareholders on the SGX website via SGXNet within one month from the date of AGM. The minutes record substantial and relevant comments or queries from Shareholders relating to the agenda of the general meetings and responses from the Board and Management.

For FY2023, the forthcoming AGM to be held in respect of FY2023 will be convened and held physically, and Shareholders will be able to raise questions and vote in person at the AGM. Please refer to the Notice of AGM for further details.

The Company does not have a formal dividend policy. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, cash flow generated from operations, projected capital requirements for the business growth and other factors as the Board may deem appropriate.



# CORPORATE GOVERNANCE REPORT

For FY2023, the Board did not recommend any payment of dividends in view that the Group recorded a net loss for the reporting year.

## ENGAGEMENT WITH SHAREHOLDERS

**Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.**

The Company believes in high standards of transparent corporate disclosure and is committed to disclose information to Shareholders in a timely and fair manner via SGXNet. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

The information is disseminated to Shareholders on a timely basis through:

- Annual report prepared and issued to all Shareholders. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required including those under the Companies Act 1967 of Singapore, Catalist Rules and Singapore Financial Reporting Standards (International);
- Periodic announcements containing a summary of the financial information and affairs of the Group for the relevant period;
- Press releases on major developments of the Group;
- Notices of explanatory memoranda for AGMs and extraordinary general meetings ("**EGMs**"). Notices of AGMs and EGMs are also advertised in a national newspaper; and
- The Company's website at <http://www.ips-securex.com/> to at which Shareholders can access financial information, corporate announcements, press releases, annual reports and profile of the Group.

By supplying Shareholders with reliable and timely information, the Company is able to strengthen the relationship with its Shareholders based on trust and accessibility. The Company has engaged Cogent Media Pte Ltd as the Group's investor relations firm ("**IR**") who will focus on facilitating communications with Shareholders, analysts and media on a regular basis, to attend to their queries or concerns as well as to keep the investing public apprised of the Group's corporate developments and financial performance.

To enable Shareholders to contact the Company easily, the contact details of the IR personnel are set out in the corporate information page of the annual report as well as on the Company's website. The IR personnel have procedures in place for responding to investors' queries as soon as applicable. We provide financial performance and business development updates to the investment community through one-to-one meetings, analysts briefings, conference calls, corporate day events and media interviews.

The Company does not practice selective disclosure. Price-sensitive information is publicly released on an immediate basis where required under the Catalist Rules through SGXNet.

## (E) MANAGING STAKEHOLDERS RELATIONSHIPS

### ENGAGEMENT WITH STAKEHOLDERS

**Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.**

The Company acknowledges the importance of establishing effective communication among its stakeholders through regular engagement and various communication platforms to achieve mutually beneficial goals. Ongoing communication with stakeholders is an integral part of the Company's day-to-day operations.



# CORPORATE GOVERNANCE REPORT

The Company has identified several stakeholders' groups, namely, suppliers, customers, employees, business partners, the Board and Shareholders, who could impact the Group's business and operations. The Company's approach to the engagement with key stakeholders and material aspects assessment are disclosed in the Company's Sustainability Report on page 24 of the Annual Report, where the Company could address its sustainability risk profile and priority issues and monitor the risk profile on a regular basis to ensure the best interest of the Company.

The Company maintains a corporate website at <http://www.ips-securex.com/> to communicate and engage with stakeholders. The Company's financial information, corporate announcements, press releases, annual reports and profile of the Group can be accessed through the Company's website.

## (F) CORPORATE SOCIAL RESPONSIBILITY

For FY2023, the Board has reviewed and considered the primary components of sustainability reporting which include:

- (i) Identifying material Economic, Environmental, Social and Governance ("**EESG**") factors;
- (ii) Setting out the Group's policies, practices and performance in relation to each identified material ESG factor;
- (iii) Setting out targets for the forthcoming year in relation to each ESG factor identified; and
- (iv) Selecting a suitable sustainability reporting framework for reporting and disclosure guidance that is appropriate for the Group's industry and business model.

Please refer to our Sustainability Report on pages 21 to 30 of this Annual Report.

## (G) DEALING IN COMPANY'S SECURITIES

### Rule 1204(19) of the Catalist Rules

The Company has complied with Rule 1204(19) of the Catalist Rules in relation to dealings in the Company's securities by the Company, its Directors and its officers.

The Company has adopted a Code of Best Practices to provide guidance to its Directors and all staff of the Group with regards to dealings in the Company's securities.

The Company, its Directors and its officers are not allowed to deal in the Company's securities during the period commencing one month before the announcement of the Company's periodic and annual financial statements and ending on the date of the announcement of the relevant results.

Directors and staff are also required to adhere to the provisions of the Securities and Futures Act 2001 of Singapore, Companies Act 1967 of Singapore, the Catalist Rules and any other relevant regulations with regards to their securities transactions. They are expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period or when they are in possession of unpublished price-sensitive information and they are not to deal in the Company's securities on short-term considerations.

## (H) INTERESTED PERSON TRANSACTIONS

### Rule 907 of the Catalist Rules

The Company has established internal control policies in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted in a timely manner to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms that will not be prejudicial to the Company and its minority Shareholders.



# CORPORATE GOVERNANCE REPORT

The AC has reviewed the following significant transactions entered into by the Company with its interested persons for FY2023 in accordance with its existing procedures:-

	<b>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders'</b>
Provision of group services (such as finance, corporate secretarial, human resources, warehouse operation cost and rental expense) by:-	<b>FY2023 S\$</b>
IPS Realty Pte Ltd	216,000
IPS Group Pte. Ltd.	77,634

The Board is of the view that the services above were not conducted on arm's length basis and were not based on normal commercial terms but were beneficial to the Group and were not prejudicial to the interests of the Group or the Company's minority Shareholders as they allowed the Group to leverage off the expertise of IPSR and IPSG for the group services under a cost-effective arrangement. Please refer to the section entitled "Interested Person Transactions – Present and On-going Interested Person Transactions" of the Company's offer document dated 20 June 2014 in relation to its initial public offering on the Catalist of the SGX-ST on 30 June 2014 for further details on the provision of group services by IPSG to the Group.

The Company does not have any Shareholders' mandate for interested person transactions pursuant to Rule 920 of the Catalist Rules.

## **(I) MATERIAL CONTRACTS AND LOANS**

### **Rule 1204(8) of the Catalist Rules**

The Company confirms that save for the service agreement between the Company and the Executive Director and Group CEO, Kelvin Lim Ching Song, and as disclosed in the Report of Directors and the Financial Statements in this Annual Report, there were no other material contracts of the Company and its subsidiaries involving the interests of the Group CEO or any Director or controlling Shareholder of the Company, either subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

## **(J) NON-SPONSOR FEES**

### **Rule 1204(21) of the Catalist Rules**

Pursuant to Rule 1204(21) of the Catalist Rules, there were no non-sponsor fees payable to the Company's sponsor, United Overseas Bank Limited, for FY2023.

# CORPORATE GOVERNANCE REPORT

## PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Academic/ Professional Qualifications	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Date of Last Re-election	Directorships in other listed companies and other major appointments	Past directorships in other listed companies and other major appointments over the preceding 3 years
Ong Beng Chye	<ul style="list-style-type: none"> <li>Bachelor of Science with Honours from The City, University of London</li> <li>Fellow of the Institute of Chartered Accountants in England and Wales</li> <li>Chartered Financial Analyst</li> <li>Non-practising member of the Institute of Singapore Chartered Accountants</li> </ul>	Independent Non-Executive Chairman	Chairman of the Board, Chairman of the Audit Committee, Member of Remuneration Committee and Nominating Committee	6 June 2014	25 October 2022	<ul style="list-style-type: none"> <li>Geo Energy Resources Limited</li> <li>Hafary Holdings Limited</li> <li>ES Group (Holdings) Limited</li> <li>Alpina Holdings Limited</li> <li>LMS Compliance Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>CapAllianz Holdings Limited (f.k.a. CWX Global Limited)</li> </ul>
Kelvin Lim Ching Song	<ul style="list-style-type: none"> <li>Diploma in Marketing and Public Relations from Thames Business School</li> </ul>	Executive Director and Group Chief Executive Officer	Board Member	10 October 2013	25 October 2022	Nil	Nil
Chan Tien Lok	<ul style="list-style-type: none"> <li>Cambridge General Certificate of Education Ordinary Level certificate</li> </ul>	Non-Executive Director	Board Member and Member of the Audit Committee, Nominating Committee and Remuneration Committee	10 October 2013	28 October 2021	Nil	Nil
Joseph Tan Peng Chin	<ul style="list-style-type: none"> <li>Bachelor of Laws (Hons) from the National University of Singapore</li> </ul>	Independent Director	Board Member, Chairman of the Nominating Committee, Remuneration Committee and Member of the Audit Committee	6 June 2014	28 October 2021	<ul style="list-style-type: none"> <li>OM Holdings Limited</li> </ul>	Nil

# CORPORATE GOVERNANCE REPORT

## ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION

Pursuant to Rule 720(5) of the Catalist Rules, the information as set out in Appendix 7F to the Catalist Rules relating to Chan Tien Lok and Joseph Tan Peng Chin, being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

Details	Name of Director	
	Chan Tien Lok	Joseph Tan Peng Chin
Date of Appointment	10 October 2013	6 June 2014
Date of last re-appointment (if applicable)	28 October 2021	28 October 2021
Age	70	66
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	<p>Mr. Chan Tien Lok was nominated for re-election as Director at the forthcoming AGM pursuant to the Company's Constitution.</p> <p>The NC's process in recommending the nomination for re-election of Director and the assessment of the contribution of the Director has been disclosed under Principle 4 and Principle 5 of the Corporate Governance Report.</p> <p>Having regard to the above, the Board of the Company has accepted the NC's recommendation, who has reviewed and considered Mr. Chan Tien Lok is able to exercise judgement as the Non-Executive Director on the corporate affairs of the Group.</p>	<p>Mr. Joseph Tan Peng Chin was nominated for re-election as Director at the forthcoming AGM pursuant to the Company's Constitution.</p> <p>The NC's process in recommending the nomination for re-election of Director, review of the independence of the Independent Director and the assessment of the contribution of the Director has been disclosed under Principle 4 and Principle 5 of the Corporate Governance Report.</p> <p>The Board of the Company has accepted the NC's recommendation, who has reviewed and considered Mr. Joseph Tan Peng Chin is able to exercise judgement as the Independent Director on the corporate affairs of the Group and independent of the Management.</p> <p>Having regard to the above, the Board considers Mr. Joseph Tan Peng Chin to be independent for the purpose of Rule 704(7) of the Catalist Rules.</p>
Whether appointment is executive, and if so, the area of responsibility	Non-Executive.	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Director and member of the Audit Committee, Nominating Committee and Remuneration Committee	Independent Director, Chairman of the Nominating Committee and Remuneration Committee and member of the Audit Committee
Professional qualifications	Cambridge General Certificate of Education Ordinary Level certificate	<ul style="list-style-type: none"> <li>Bachelor of Laws (Hons) from the National University of Singapore</li> </ul>



## CORPORATE GOVERNANCE REPORT

Details	Name of Director	
	Chan Tien Lok	Joseph Tan Peng Chin
Working experience and occupation(s) during the past 10 years	Mr. Chan Tien Lok has over 18 years of experience in the security products and solutions industry. He founded IPS Group Pte. Ltd. ("IPSG") in 1986 and is currently the Chairman of IPSG. He is responsible for the overall business development and strategic planning within IPSG. Mr. Chan also founded IPS Technologies Pte Ltd ("IPST") and IPS Perfex Holdings Pte Ltd ("IPSP") in 2005 and 2006 respectively and is currently the Chairman of IPST and IPSP. Prior to 1986, he was the Managing Director of United Machinery Services Pte Ltd (now known as Denyo United Machinery Pte. Ltd.) where he was responsible for managing the company's overall operations from 1979 to 1986. He was the sole proprietor of Danill Machinery Services from 1976 to 1979, and had served as the service manager of Auto and Plant Services Pte Ltd from 1973 to 1976.	Mr. Tan has over 30 years of experience in legal practice. He was admitted as an advocate and solicitor of the Supreme Court of Singapore in 1982 and thereafter practiced as a legal associate at Freshfields before founding Wong Yoong Tan & Molly Lim in 1987 and subsequently becoming its Managing Partner. He founded Tan Peng Chin LLC in 1994 and oversaw the company's practice as Managing Partner/Senior Director till his retirement from the firm in 2014. In addition, Mr. Tan was also an Independent Director of Armstrong Industrial Corporation from 1995 to 2014 and has been an Independent Director of OM Holdings Limited, a company listed on the Australia Stock Exchange, since 2007.
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 120,000 shares Deemed interest in 248,820,000 shares held by IPS Technologies Pte. Ltd. ("IPST") held by virtue of Section 4 of the Securities and Futures Act (Chapter 289) of Singapore as he owns 65% of the shareholding in IPST.	600,000 shares
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes



# CORPORATE GOVERNANCE REPORT

Details	Name of Director		
	Chan Tien Lok	Joseph Tan Peng Chin	
Other Principal Commitments Including Directorships	<p><b><u>Past (for the last 5 years)</u></b></p> <p>Director of:</p> <ul style="list-style-type: none"> <li>• Europower Technology Pte Ltd</li> <li>• Linnhoff India Pvt Ltd</li> <li>• IPS Leasing Pte Ltd</li> </ul> <p><b><u>Present</u></b></p> <p>Director of:</p> <ul style="list-style-type: none"> <li>• IPS Technologies Pte. Ltd.</li> <li>• IPS Realty Pte Ltd</li> <li>• IPS Foo Ngan Sdn Bhd</li> <li>• IPS Group Pte Ltd</li> <li>• Lintec &amp; Linnhoff International Pte. Ltd.</li> <li>• Lintec Technologies Pte Ltd</li> <li>• Fibrtech (HK) Ltd</li> <li>• Lintec &amp; Linnhoff Holdings Pte Ltd</li> <li>• Lintec &amp; Linnhoff Asphalt Pte Ltd (formerly known as Linnhoff Technologies Pte Ltd)</li> <li>• Lintec &amp; Linnhoff Concrete Pte Ltd (formerly known as Lintec Concrete Technologies Pte Ltd)</li> <li>• Lintec &amp; Linnhoff Maschinen Pte Ltd</li> <li>• Lintec &amp; Linnhoff Germany Gmbh</li> <li>• Lintec &amp; Linnhoff China Ltd (formerly known as Lintec China Ltd)</li> <li>• IPS Perfex Holdings Pte Ltd</li> <li>• Perfex International Private Limited</li> <li>• Perfex Heat Transfer Sdn Bhd</li> <li>• IPS Leasing Pte. Ltd.</li> <li>• Perfex Radiators Pte Ltd</li> </ul>	<p><b><u>Past (for the last 5 years)</u></b></p> <p>Nil</p> <p><b><u>Present</u></b></p> <ul style="list-style-type: none"> <li>• Clarity Singapore Limited</li> <li>• OM Holdings Limited</li> <li>• Orchestra of the Music Makers Ltd.</li> </ul>	
<b>The general statutory disclosures of the Directors are as follows:</b>			
a.	Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No

# CORPORATE GOVERNANCE REPORT

Details		Name of Director	
		Chan Tien Lok	Joseph Tan Peng Chin
b.	Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
c.	Whether there is any unsatisfied judgment against him?	No	No
d.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e.	Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f.	Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

# CORPORATE GOVERNANCE REPORT

Details		Name of Director	
		Chan Tien Lok	Joseph Tan Peng Chin
g.	Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h.	Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i.	Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j.	Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
	i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
	ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
	iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
	iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,  in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No



# CORPORATE GOVERNANCE REPORT

Details		Name of Director	
		Chan Tien Lok	Joseph Tan Peng Chin
k.	Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
<b>Information required</b>			
<b>Disclosure applicable to the appointment of Director only.</b>			
Any prior experience as a director of an issuer listed on the Exchange?		Yes	Yes
If yes, please provide details of prior experience.		IPS Securex Holdings Limited	Armstrong Industrial Corporation Limited (delisted in 2014) IPS Securex Holdings Limited
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.		N/A	N/A



# STATEMENT BY DIRECTORS

The directors are pleased to present the consolidated financial statements of IPS Securex Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the reporting year ended 30 June 2023.

## 1. Opinions of the directors

In the opinion of the directors:

- (a) The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (b) At the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

## 2. Directors

The directors of the Company in office at the date of this statement are:

Chan Tien Lok  
Kelvin Lim Ching Song  
Ong Beng Chye  
Joseph Tan Peng Chin

## 3. Directors' interests in shares and debentures

The directors of the Company holding office at the end of the reporting year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of directors' interests in shares in or debentures kept by the Company under section 164 of the Companies Act 1967 (the "Act") except as follows:

Name of directors and companies in which interests are held	Direct interest		Deemed interest	
	At beginning of reporting year	At end of reporting year	At beginning of reporting year	At end of reporting year
The Company – IPS Securex Holdings Limited	Number of shares of no par value			
Chan Tien Lok	120,000	120,000	248,820,000	248,820,000
Kelvin Lim Ching Song	58,014,400	58,014,400	-	-
Ong Beng Chye	300,000	300,000	-	-
Joseph Tan Peng Chin	600,000	600,000	-	-
Ultimate parent company – IPS Technology Pte Ltd	Number of shares of no par value			
Chan Tien Lok	2,080,000	2,080,000	-	-

By virtue of section 7 of the Act, Chan Tien Lok is deemed to have an interest in all the related body corporates of the Company.

The directors' interest as at 21 July 2023 were the same as those at the end of the reporting year.

## STATEMENT BY DIRECTORS

#### 4. Arrangements to enable directors to acquire benefits by means of acquisition of shares and debentures

Neither at the end of nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, except as disclosed below.

#### 5. Options and performance share plan

The IPS Securex Performance Share Plan (the "PSP") and the IPS Securex Employee Share Plan Option Scheme (the "ESOS") were approved and adopted by the Company's shareholders at an Extraordinary General Meeting held on 29 May 2014.

The PSP and the ESOS are administered by the remuneration committee whose members are Joseph Tan Peng Chin, Ong Beng Chye and Chan Tien Lok.

Both the PSP and the ESOS will continue to be in force at the discretion of the remuneration committee subject to a maximum period of 10 years commencing on 29 May 2014. However, the PSP and ESOS may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in the general meeting and of any relevant authorities that may then be required.

The total number of new shares that may be issued or shares that may be delivered pursuant to awards granted under the PSP or options granted under the ESOS, when added to the total number of new shares issued and issuable in respect of: (i) all awards granted under the PSP; (ii) all options granted under the ESOS; and (iii) all shares, options, or awards granted under such share-based incentive schemes of the Company then in force, shall not exceed 15% of the issued capital of the Company (including treasury shares) on that day preceding the relevant date of award.

The PSP grants participants fully paid shares free of charge, upon the participant achieving prescribed performance targets which will be set by the remuneration committee depending on each individual participant's job scope and responsibilities.

The options under the ESOS may have exercise prices which at the remuneration committee's discretion, may be at market price or discount to the market price. The options which are at market price may be exercised after the first anniversary of the date of grant of the option while the options exercisable at a discount to the market price may only be exercised after the second anniversary from the date of grant of the option. The options granted under the ESOS will expire upon the tenth anniversary of the date of grant of the option.

During the reporting year, no option to take up unissued shares of the Company or other body corporate in the Group was granted.

During the reporting year, there were no shares issued by virtue of the exercise of an option to take up unissued shares.

At end of the reporting year, there were no unissued shares under option.



## STATEMENT BY DIRECTORS

### 6. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

### 7. Report of audit committee

The members of the audit committee at the date of this report are as follows:

Ong Beng Chye (Chairman of audit committee)  
Joseph Tan Peng Chin  
Chan Tien Lok

The audit committee performed the functions specified by section 201B(5) of the Act. Among other functions, it reviewed the following, where relevant, with management, the external auditors and the internal auditor:

- The audit plan of the external auditor, the result or the external audit procedures, the external auditor's evaluation of the Company's internal accounting controls relevant to the statutory audit, the audit report on the financial statements and the assistance given by management to them;
- The scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditor;
- The financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- The interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services.

The audit committee has recommended to the board of directors that RSM Chio Lim LLP be nominated for re-appointment as independent auditor at the next annual general meeting of the Company.

### 8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, with the concurrence of the audit committee, is of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls), and risk management systems were adequate and effective as at 30 June 2023 to address the risks that the Company considers relevant and material to its operations.





# STATEMENT BY DIRECTORS

## 9. Subsequent developments

There are no significant developments subsequent to the release of the preliminary financial statements of the Group and of the Company, as announced on 24 August 2023, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the directors

Chan Tien Lok  
Director

Kelvin Lim Ching Song  
Director

15 September 2023



# INDEPENDENT AUDITOR'S REPORT

to the members of IPS SECUREX HOLDINGS LIMITED

## Report on the audit of the financial statements

### **Opinion**

We have audited the accompanying financial statements of IPS Securex Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and consolidated statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

### **Basis for opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other matter**

The financial statements for the reporting year ended 30 June 2022 were audited by another independent auditor who expressed an unmodified opinion on those financial statements on 30 September 2022.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### *Recognition of revenue, contract assets, contract costs and contract liabilities*

Please refer to note 2A on the relevant accounting policies, note 5 on revenue, note 17 on contract assets, note 18 on contract costs and note 26 on contract liabilities.

One of the Group's operating segments relates to the provision of security solutions to its customers. Under this segment, there are two types of revenue streams, namely, sale of goods and revenue from contracts. Management determined that the performance obligations under revenue from contracts are satisfied over time.

Management's judgement is required in assessing the appropriate method for measuring progress and, to this end, the output method was adopted. In making this determination, management took into consideration the nature of the goods or services that the Group promises to transfer to its customers, and whether the milestones reached faithfully depict the Group's performance towards complete satisfaction of the performance obligations.

# INDEPENDENT AUDITOR'S REPORT

to the members of IPS SECUREX HOLDINGS LIMITED

## **Key audit matters (Continued)**

### *Recognition of revenue, contract assets, contract costs and contract liabilities (Continued)*

In addition, the Group also recognises contract costs by considering the nature of the project expenditures and the appropriate methods of recognition, including costs that generate or enhance resources of the Group that will be used in satisfying performance obligations in the future and costs that relate to satisfied performance obligations (i.e., costs that relate to past performance).

In response to this key audit matter, our audit procedures included, amongst others, the following:

- We obtained an understanding of the nature of the sales contracts entered into by the Group for the provision of integrated security solutions and whether the method of recognising revenue and costs adopted by management was in accordance with the relevant financial reporting standard;
- We reviewed and discussed with management the Group's revenue recognition policy, including those related to accounting for variable considerations and contract modifications;
- In relation to contract costs, we:
  - Checked that these costs are expensed when incurred except for those that qualify as assets under other financial reporting standards, incremental costs to obtain the contracts and costs to fulfil a contract;
  - Verified materials costs incurred to supporting documents such as suppliers' invoices and progress claims, and reviewed the accrued costs;
  - Reviewed whether capitalised contract costs and their subsequent measurement are appropriate;
- We assessed the appropriateness of the Group's measurement of the performance obligations satisfied and the corresponding costs incurred to fulfil those obligations; and
- We also assessed the adequacy of disclosures made in the financial statements.

### *Assessment of impairment of trade receivables*

Please refer to note 2A on the relevant accounting policy, note 2C on critical judgements, assumptions and estimation uncertainties, note 17 on contract assets and note 19 on trade and other receivables.

As at 30 June 2023, the Group's trade receivables and contract assets amounted to \$2,001,098 and \$330,510 respectively, which collectively represented 18% of the Group's total assets. The allowance for impairment of trade receivables and contract assets is estimated by management through the application of judgement and use of subjective assumptions.

The expected credit losses ("ECL") are recognised from initial recognition of the trade receivables and contract assets based on the lifetime ECL. The assessment requires management to develop methodologies involving the use of significant judgements. In estimating ECL, the Group developed a matrix that took into account historical credit loss experience for the trade receivables and, where relevant, incorporated forward-looking information that reflect management's view of potential future economic conditions. In addition, for certain material long overdue receivables, the ECL allowance is determined by making debtor-specific assessments of ECL allowance which requires significant judgements.



# INDEPENDENT AUDITOR'S REPORT

to the members of IPS SECUREX HOLDINGS LIMITED

## ***Key audit matters (Continued)***

### *Assessment of impairment of trade receivables (Continued)*

In response to this key audit matter, our audit procedures included, amongst others, the following:

- We reviewed the allowance methodologies developed by the Group and assessed management's assumptions and estimates, in particular, the historical default rates of trade receivables based on the shared credit risk characteristics and those relating to forward-looking information;
- We assessed the facts and circumstances surrounding the outstanding material receivables including obtaining advice from the Company's external legal advisers if there is any dispute with the debtors. We also reviewed evidence of collection by way of receipts from debtors after year end;
- We evaluated the reasonableness of management's estimate of future payments by the debtors by taking into consideration the debtors' past payment history and latest available financial position and performance of the debtors (from available published information); and
- We assessed the adequacy of ECL allowance recorded at end of reporting year and disclosures made in the financial statements.

### *Assessment of impairment of investments in subsidiaries and receivables due from subsidiaries*

Please refer to note 2A on the relevant accounting policies, note 2C on critical judgements, assumptions and estimation uncertainties, note 14 on investments in subsidiaries and note 19 on trade and other receivables and loans to subsidiaries.

As at 30 June 2023, the Company's carrying amounts of investments in subsidiaries and total trade and other receivables due from subsidiaries were \$3,000,199 and \$2,453,604 respectively, and collectively represented approximately 87% of the Company's total assets at end of the reporting year.

For non-performing subsidiaries or subsidiaries where there are indications of impairment, the Company may have exposure to loss on cost of investments and receivables from those subsidiaries. Any impairment losses on the investment in subsidiaries and the related receivables have to be recognised in the Company's separate financial statements.

Management assessed and determined that there were indicators of impairment in relation to the Company's investment in a wholly-owned subsidiary, Securex GS Pte Ltd ("Securex GS"), due to the current economic environment and geopolitical uncertainties. For other subsidiaries, management did not identify indicators of impairment in the carrying values of the Company's investments and related receivables.

Management's assessment and determination require judgement. To this end, management applied the value-in-use method (i.e., management's discounted cash flows of Securex GS) to determine the recoverable amount of the Company's investment. Based on management's assessment, the recoverable amount was lower than its carrying value. Consequently, management recorded an impairment loss of \$999,840 in the current reporting year.

In estimating value-in-use, management exercised significant judgement in projecting Securex GS' revenue growth rate, gross profit margin, earnings before interest, taxes, depreciation and amortisation margin, future capital expenditure, discount rate and terminal value. There are also estimation uncertainties involved.



# INDEPENDENT AUDITOR'S REPORT

to the members of IPS SECUREX HOLDINGS LIMITED

## ***Key audit matters (Continued)***

### *Assessment of impairment of investments in subsidiaries and receivables due from subsidiaries (Continued)*

In response to this risk, our audit approach included, amongst others, the following:

- We reviewed and considered management's assessment on the net assets or liabilities of these subsidiaries. We also assessed management's basis to determine potential impairment of the investments and related receivables, and held discussions with management on the prospects and future plans of these subsidiaries;
- We assessed management's estimates applied in the value-in-use models based on our knowledge of the subsidiaries, the related cash generating units and their operations, and compared them against historical forecasts and performance and industry benchmarks; and
- We also assessed the adequacy of disclosures concerning those assumptions made in the financial statements.

## ***Other information***

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## ***Responsibilities of management and directors for the financial statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.





# INDEPENDENT AUDITOR'S REPORT

to the members of IPS SECUREX HOLDINGS LIMITED

## ***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



# INDEPENDENT AUDITOR'S REPORT

to the members of IPS SECUREX HOLDINGS LIMITED

## Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Adrian Tan Khai-Chung.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

15 September 2023

Engagement partner – Appointment since year ended 30 June 2023



## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 June 2023

		Group	
	Note	2023 \$	2022 \$
<b>Revenue</b>			
Cost of sales	5	<b>11,543,086</b> <b>(7,865,350)</b>	15,767,560 (9,996,476)
<b>Gross profit</b>		<b>3,677,736</b>	5,771,084
Other gains	6	<b>90,104</b>	309,336
Administrative expenses	9	<b>(5,563,499)</b>	(5,387,235)
Impairment of trade receivables and contract assets	19	<b>(31,572)</b>	(174,679)
Other operating expenses		<b>(88,682)</b>	(109,258)
Finance income	7	<b>576</b>	15,267
Finance costs	8	<b>(104,509)</b>	(129,391)
<b>(Loss)/Profit before tax</b>		<b>(2,019,846)</b>	295,124
Income tax benefit/(expense)	10	<b>8,555</b>	(31,673)
<b>Total comprehensive (loss)/income</b>		<b>(2,011,291)</b>	263,451
<b>(Loss)/Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted	11	<b>(0.41)</b>	0.05

The accompanying notes form an integral part of these financial statements.

# STATEMENTS OF FINANCIAL POSITION

As at 30 June 2023

	Note	Group		Company	
		2023 \$	2022 \$	2023 \$	2022 \$
<b>ASSETS</b>					
<b>Non-current assets</b>					
Plant and equipment	12	408,384	165,691	-	-
Other investments	13	7,605	7,605	-	-
Investments in subsidiaries	14	-	-	3,000,199	4,000,039
<b>Total non-current assets</b>		<b>415,989</b>	<b>173,296</b>	<b>3,000,199</b>	<b>4,000,039</b>
<b>Current assets</b>					
Restricted fixed deposits	15	452,452	470,145	-	-
Inventories	16	1,805,194	2,724,338	-	-
Contract assets	17	330,510	314,048	-	-
Contract costs	18	45,200	56,993	-	-
Trade and other receivables	19	2,233,162	4,637,897	2,494,484	2,207,522
Prepayments		278,386	78,649	8,757	8,537
Loans to subsidiaries	20	-	-	621,563	1,029,072
Cash and cash equivalents	21	7,113,363	8,481,479	146,638	153,090
<b>Total current assets</b>		<b>12,258,267</b>	<b>16,763,539</b>	<b>3,271,442</b>	<b>3,398,221</b>
<b>Total assets</b>		<b>12,674,256</b>	<b>16,936,835</b>	<b>6,271,641</b>	<b>7,398,260</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	22	9,405,906	9,405,906	9,405,906	9,405,906
Other reserves	23	(679,352)	(679,352)	120,647	120,647
Accumulated (losses)/retained earnings		(1,795,353)	215,938	(3,460,581)	(2,419,682)
<b>Total equity</b>		<b>6,931,201</b>	<b>8,942,492</b>	<b>6,065,972</b>	<b>7,106,871</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities	10	1,490	1,490	-	-
Loans and borrowings	25	1,316,153	2,591,878	-	-
<b>Total non-current liabilities</b>		<b>1,317,643</b>	<b>2,593,368</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Income tax payable		-	114,339	-	-
Trade and other payables	24	2,362,512	3,275,460	205,669	291,389
Loans and borrowings	25	1,275,774	1,244,031	-	-
Contract liabilities	26	787,126	767,145	-	-
<b>Total current liabilities</b>		<b>4,425,412</b>	<b>5,400,975</b>	<b>205,669</b>	<b>291,389</b>
<b>Total liabilities</b>		<b>5,743,055</b>	<b>7,994,343</b>	<b>205,669</b>	<b>291,389</b>
<b>Total equity and liabilities</b>		<b>12,674,256</b>	<b>16,936,835</b>	<b>6,271,641</b>	<b>7,398,260</b>

The accompanying notes form an integral part of these financial statements.



# STATEMENTS OF CHANGES IN EQUITY

Year ended 30 June 2023

<u>Group</u>	Share capital \$	(Accumulated losses)/ retained earnings \$	Other reserves \$	Total equity \$
<b>Current year</b>				
At 1 July 2022	9,405,906	215,938	(679,352)	8,942,492
<b>Changes in equity</b>				
Total comprehensive loss for the year	-	(2,011,291)	-	(2,011,291)
<b>At 30 June 2023</b>	<b>9,405,906</b>	<b>(1,795,353)</b>	<b>(679,352)</b>	<b>6,931,201</b>
<b>Previous year</b>				
At 1 July 2021	9,405,906	(47,513)	(679,352)	8,679,041
<b>Changes in equity</b>				
Total comprehensive income for the year	-	263,451	-	263,451
<b>At 30 June 2022</b>	<b>9,405,906</b>	<b>215,938</b>	<b>(679,352)</b>	<b>8,942,492</b>
<u>Company</u>	Share capital \$	Accumulated losses \$	Other reserves \$	Total equity \$
<b>Current year</b>				
At 1 July 2022	9,405,906	(2,419,682)	120,647	7,106,871
<b>Changes in equity</b>				
Total comprehensive loss for the year	-	(1,040,899)	-	(1,040,899)
<b>At 30 June 2023</b>	<b>9,405,906</b>	<b>(3,460,581)</b>	<b>120,647</b>	<b>6,065,972</b>
<b>Previous year</b>				
At 1 July 2021	9,405,906	(2,334,896)	120,647	7,191,657
<b>Changes in equity</b>				
Total comprehensive loss for the year	-	(84,786)	-	(84,786)
<b>At 30 June 2022</b>	<b>9,405,906</b>	<b>(2,419,682)</b>	<b>120,647</b>	<b>7,106,871</b>

The accompanying notes form an integral part of these financial statements.



# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June 2023

	Group	
	2023 \$	2022 \$
<b><u>Cash flows from operating activities</u></b>		
(Loss)/profit before tax	<b>(2,019,846)</b>	295,124
Adjustments for:		
Interest income	<b>(576)</b>	(1,036)
Interest expense	<b>97,054</b>	129,391
Depreciation of plant and equipment	<b>105,484</b>	483,238
Gain on disposal of plant and equipment	<b>(240)</b>	(8,461)
Inventories written-off	<b>33,112</b>	59,734
Inventories written-down	<b>33,704</b>	22,665
Impairment of trade receivables and contract assets	<b>31,572</b>	174,679
Net foreign exchange loss/(gain) – unrealised	<b>16,060</b>	(31,782)
Operating cash flows before changes in working capital	<b>(1,703,676)</b>	1,123,552
Inventories	<b>845,778</b>	2,291,504
Contract assets	<b>(16,462)</b>	(148,479)
Contract costs	<b>11,783</b>	707,249
Trade and other receivables	<b>2,373,414</b>	(2,156,456)
Prepayments	<b>(199,737)</b>	34,472
Trade and other payables	<b>242,049</b>	44,451
Contract liabilities	<b>19,981</b>	(1,090,361)
Net cash flows from operations	<b>1,573,130</b>	805,932
Income tax (paid)/refunded	<b>(105,784)</b>	40,143
Interest received	<b>9</b>	9
Net cash flows from operating activities	<b>1,467,355</b>	846,084
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment	<b>(346,998)</b>	(94,759)
Proceeds from disposal of plant and equipment	<b>5,611</b>	83,179
Net cash flows used in investing activities	<b>(341,387)</b>	(11,580)
<b><u>Cash flows from financing activities</u></b>		
Repayment of lease liabilities	<b>(10,011)</b>	(9,547)
Repayment of bank borrowings	<b>(1,233,971)</b>	(1,085,136)
Interest paid	<b>(103,440)</b>	(123,005)
Proceeds from trade financing facilities	<b>1,084,416</b>	3,193,990
Repayment of trade financing facilities	<b>(2,229,447)</b>	(2,048,959)
(Decrease)/increase in restricted cash and fixed deposits pledged	<b>(41,681)</b>	952,431
Net cash flows (used in)/from financing activities	<b>(2,534,134)</b>	879,774
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,408,166)</b>	1,714,278
Cash and cash equivalents at beginning of year	<b>8,367,547</b>	6,616,727
Effect of changes in exchange rates on cash and cash equivalents	<b>(19,817)</b>	36,542
<b>Cash and cash equivalents at end of year (note 21)</b>	<b>6,939,564</b>	8,367,547

The accompanying notes form an integral part of these financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 1. GENERAL

IPS Securex Holdings Limited (the “Company”) is incorporated in Singapore with limited liability. The financial statements are presented in Singapore Dollars (“\$”) and they cover the Company and its subsidiaries (the “Group”).

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The Company is an investment holding Company. It is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activities of the subsidiaries are set out in note 14 to the financial statements.

The registered office is at 213 Henderson Road, #04-09 Henderson Industrial Park, Singapore 159553. The Company is situated in Singapore.

### **Uncertainties relating to current economic conditions**

The Group continues to face challenges from the uncertain and challenging macroeconomic and geopolitical environment that have caused widespread increase in interest rates and a significant rise in inflation, affecting the cost of many of the goods and services for customers and suppliers. There is material uncertainty over the possible effects on the financial and liquidity positions. Details on the areas that involve critical judgement and material estimation uncertainties and disclosures on assumptions and sensitivity disclosures are made in the relevant notes to the financial statements. However, the impact assessment is a continuing process and management will continue to monitor any material changes to future economic conditions. Management continues to focus on cash flow management, including adopting a cautious approach to cost-cutting measures, and actively seeking to enhance the financing facilities. These are expected to provide sufficient cash flows and financial resources to meet its obligations as and when they fall due.

### **Statement of compliance with financial reporting standards**

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)”) and the related interpretations to SFRS(I) (“SFRS(I) INT”) as issued by the Accounting Standards Committee under ACRA (“ASC”). They are in compliance with the provisions of the Companies Act 1967 (the “Act”) and with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”).

### **Accounting convention**

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

### **Basis of preparation of financial statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity’s accounting policies. The areas requiring management’s most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 1. GENERAL (CONTINUED)

### Basis of presentation and principles of consolidation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are deconsolidated from the date that control ceases.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary, it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at its fair value at the date when control is lost and is subsequently accounted as a financial asset in accordance with the financial reporting standard on financial instruments.

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

### 2A. Significant accounting policies

#### Revenue and income recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

#### Sale of goods

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

#### Maintenance services

Revenue from maintenance services are provided as a fixed-price contract, with contract terms generally within one year. Revenue from fixed-price contracts are non-project related and include maintenance services which are recognised over time when the customers simultaneously receive and consume the benefits from the Group's performance. Such services are recognised using a straight-line basis over the term of the contract.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## **2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)**

### **2A. Significant accounting policies (Continued)**

#### **Revenue and income recognition (Continued)**

##### Distinct goods or services created over time

For service contracts and projects for developing an asset, the value to the customer is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the Group's performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. The revenue is recognised over time by using the output method. For the output method, the revenue is recognised based on milestone reached, i.e., direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. For the output method, as a practical expedient for a performance obligation satisfied over time, if the Group has a right to invoice the customer at an amount that corresponds directly with the value to the customer of the Group's performance to date, revenue is recognised at that amount (for example, in a goods or services contract, the Group may have the right to bill a fixed amount for each unit of goods or service provided).

##### Rental income

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis.

##### Interest income

Interest income is recognised using the effective interest method.

#### **Government grants**

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

#### **Employee benefits**

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The Group's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 2A. Significant accounting policies (Continued)

#### Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowings. Interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred.

#### Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

#### Translation of financial statements of other entities

Each entity in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and the income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

#### Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax benefit) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. For items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).





# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 2A. Significant accounting policies (Continued)

#### Income tax (Continued)

A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

#### Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses except for the revalued items as described below. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Computers and office equipment	-	2 to 3 years
Furniture, fixtures and office renovation	-	3 to 5 years
Tools and equipment	-	3 to 5 years
Motor vehicles	-	5 to 10 years
Alert alarm systems	-	7 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from de-recognition of an item of plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

#### Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment. The right-of-use assets are depreciated over 5 years.

#### Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded (or included in property, plant and equipment). Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 2A. Significant accounting policies (Continued)

#### Leases of lessor

For a lessor a lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Operating leases are for rental income. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

#### Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

#### Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the weighted average method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit ("CGUs") is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows, i.e., CGUs. At end of each reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 2A. Significant accounting policies (Continued)

#### Financial instruments

##### Recognition and de-recognition of financial instruments

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

##### Classification and measurement of financial assets

Financial assets are classified into (1) Financial asset classified as measured at amortised cost; (2) Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI); (3) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI); and (4) Financial asset classified as measured at fair value through profit or loss (FVTPL). At the end of the reporting year, the reporting entity had the following financial assets.

- (i) Financial asset classified as measured at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

##### Classification and measurement of financial liabilities

Financial liabilities are classified as at FVTPL in either of the following circumstances:

- (i) The liabilities are managed, evaluated and reported internally on a fair value basis; or
- (ii) The designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 2A. Significant accounting policies (Continued)

#### Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

### 2B. Other explanatory information

#### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## **2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)**

### **2B. Other explanatory information (Continued)**

#### **Treasury shares**

Where the Group reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

#### **Segment reporting**

The Group discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

### **2C. Critical judgements, assumptions and estimation uncertainties**

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

#### Assessment of impairment of trade receivables and contract assets

The assessment of expected credit losses ("ECL") requires a degree of estimation and judgement. In measuring the expected credit losses. Management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at end of reporting year. The carrying amount is disclosed in the note 17 on contract assets and note 19 on trade and other receivables.

#### Assessment of write-down of inventories

The assessment of write-down of inventories requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into account the recent sales experience, the ageing of inventories, other factors that affect inventory obsolescence and subsequent events. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amounts of inventories at end of reporting year is disclosed in the note 16 on inventories.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

### 2C. Critical judgements, assumptions and estimation uncertainties (Continued)

#### Assessment of impairment of investments in subsidiaries

Where an investee is in net equity deficit and or has suffered losses, a test is made whether the investment in the investee has suffered any impairment loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the investee affected. The carrying amount of the specific investee or class of investees at end of reporting year affected by the assumption is \$3,000,199 (2022: \$4,000,039).

#### Measuring revenue recognised over time

Judgement is required whether the over time method can be used. The assessment requires judgement and the consideration of many criteria that should be met to qualify for the over time method such as whether the customer presently is obligated to pay for an asset, whether the customer has legal title, whether the entity has transferred physical possession of the asset, whether the customer has assumed the significant risks and rewards of ownership of the asset, and whether the customer has accepted the asset. Judgement is required in selecting a method (output or input methods) for measuring progress toward complete satisfaction of a performance obligation. A single method is applied consistently for measuring progress for each performance obligation satisfied over time. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material. The related account balances at the end of the reporting year are disclosed in the relevant notes on revenues, contract assets and contract liabilities.

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on related party disclosures requires the Group to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

### 3A. Members of a group

<b>Name</b>	<b>Relationship</b>	<b>Country of incorporation</b>
IPS Technologies Pte. Ltd.	Immediate and ultimate parent company	Singapore

Related companies in these financial statements include the members of the above group of companies.

The ultimate controlling party is Chan Tien Lok, a director and controlling shareholder of the Company.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

### 3B. Related party transactions

There are transactions and arrangements between the Group and its related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

<u>Related parties</u>	Group	
	2023 \$	2022 \$
Sale of goods	<b>(13,766)</b>	[26,698]
Accounting and administrative services	<b>77,208</b>	77,634
Rental expenses	<b>216,000</b>	216,000

Other related party transactions and balances are disclosed elsewhere in the notes to the financial statements.

### 3C. Key management compensation

	Group	
	2023 \$	2022 \$
Short-term employee benefits	<b>1,395,596</b>	1,361,329
Post-employment benefits (including contribution to defined contribution plan)	<b>77,576</b>	69,101
	<b>1,473,172</b>	1,430,430

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2023 \$	2022 \$
Remuneration of directors of the Company	<b>446,297</b>	446,524
Fees to directors of the Company	<b>205,216</b>	205,216
Fees to directors of subsidiaries	<b>50,000</b>	50,000

Key management personnel include directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel.

Further information about the remuneration of individual directors is provided in the report on corporate governance.

### 3D. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

### 4A. Information about reportable segments

Disclosure of information about operating segments, products and services, geographical areas and major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the Group.

For management purposes, the Group is organised into the following major strategic operating segments:

- (1) Security solutions: These include the sale of goods and provision of integrated security solutions to customers; and
- (2) Maintenance and leasing: These include maintenance services and leasing of security equipment.

Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the board of directors (who are identified as the chief operating decision makers) in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

Inter-segment sales are measured on the basis that the Group actually used to price the transfers. Internal transfer pricing policies of the reporting entity are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those described in the significant accounting policies.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities. Certain information on revenue is also set out in note 5.

### 4B. Profit or loss and reconciliation

	Group	
	2023	2022
	\$	\$
<u>Segment revenue</u>		
Security solutions	<b>7,654,059</b>	11,475,254
Maintenance and leasing	<b>3,889,027</b>	4,292,306
	<b>11,543,086</b>	15,767,560
	Group	
	2023	2022
	\$	\$
<u>Segment results</u>		
Security solutions	<b>962,497</b>	2,469,515
Maintenance and leasing	<b>2,470,947</b>	2,910,094
Unallocated amounts		
- Other income	<b>90,104</b>	309,336
- Administrative expenses	<b>(5,430,946)</b>	(5,267,565)
- Other operating expenses	<b>(21,866)</b>	(26,858)
- Net finance costs	<b>(90,582)</b>	(99,398)
	<b>(2,019,846)</b>	295,124



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

### 4C. Assets, liabilities and reconciliations

	Group	
	2023	2022
	\$	\$
<u>Assets</u>		
Security solutions	<b>3,385,251</b>	6,782,968
Maintenance and leasing	<b>1,762,553</b>	1,445,848
Unallocated amounts:		
Plant and equipment	<b>408,384</b>	165,691
Cash and cash equivalents	<b>6,957,751</b>	8,367,547
Other receivables	<b>160,317</b>	100,165
Inventories	-	74,616
	<b>12,674,256</b>	16,936,835
<u>Liabilities</u>		
Security solutions	<b>(2,210,920)</b>	(2,321,704)
Maintenance and leasing	<b>(352,936)</b>	(1,025,182)
Unallocated amounts:		
Bank borrowings	<b>(2,561,821)</b>	(3,795,792)
Lease liabilities	<b>(30,106)</b>	(40,117)
Other payables	<b>(585,782)</b>	(695,719)
Deferred tax liabilities	<b>(1,490)</b>	(1,490)
Income tax payable	-	(114,339)
	<b>(5,743,055)</b>	(7,994,343)

### 4D. Other material items and reconciliation

	Group	
	2023	2022
	\$	\$
<u>Interest income</u>		
Security solutions	<b>527</b>	1,000
Maintenance and leasing	<b>14</b>	27
Unallocated amounts	<b>35</b>	9
	<b>576</b>	1,036
<u>Interest expense</u>		
Security solutions	<b>(13,891)</b>	(15,698)
Maintenance and leasing	-	(55)
Unallocated amounts	<b>(83,163)</b>	(113,638)
	<b>(97,054)</b>	(129,391)
<u>Depreciation of plant and equipment</u>		
Maintenance and leasing	-	(379,300)
Unallocated amounts	<b>(105,484)</b>	(113,638)
	<b>(105,484)</b>	(492,938)
<u>Impairment of trade receivables and contract assets</u>		
Security solutions	<b>(31,572)</b>	(173,427)
Maintenance and leasing	-	(1,252)
	<b>(31,572)</b>	(174,679)
<u>Capital expenditure</u>		
Unallocated amounts	<b>(346,998)</b>	(94,759)

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

### 4E. Geographical information

The following table provides an analysis of revenue and non-current assets by geographical market, irrespective of origin of the goods/services:

	Revenue		Non-current assets	
	2023	2022	2023	2022
	\$	\$	\$	\$
Singapore	<b>10,251,338</b>	13,860,159	<b>415,989</b>	173,296
East Asia <sup>(1)</sup>	<b>26,802</b>	1,757	-	-
Indochina <sup>(2)</sup>	<b>68,661</b>	38,688	-	-
Rest of Southeast Asia <sup>(3)</sup>	<b>1,187,831</b>	1,866,956	-	-
Other countries <sup>(4)</sup>	<b>8,454</b>	-	-	-
	<b>11,543,086</b>	15,767,560	<b>415,989</b>	173,296

(1) Includes China, South Korea and Japan.

(2) Includes Myanmar, Thailand, Laos, Cambodia and Vietnam.

(3) Includes Malaysia, Brunei, Indonesia, Philippines and Timor Leste.

(4) Includes Australia, United States of America and India.

Revenues are attributed to countries on the basis of the customer's location, irrespective of the origin of the goods and services. The non-current assets are analysed by the geographical area in which the assets are located.

### 4F. Information on major customers

	Group	
	2023	2022
	\$	\$
Top 1 customer	<b>4,114,166</b>	6,494,159
Top 2 customers	<b>5,575,999</b>	7,290,463
Top 3 customers	<b>6,371,087</b>	7,985,034

## 5. REVENUE

	Group	
	2023	2022
	\$	\$
Sales of goods	<b>781,799</b>	1,732,542
Revenue from contracts	<b>6,872,260</b>	9,742,712
Maintenance services	<b>3,889,027</b>	3,634,392
Rental income	-	657,914
	<b>11,543,086</b>	15,767,560

Revenue classified by timing of revenue recognition:

	Group	
	2023	2022
	\$	\$
At point in time	<b>781,799</b>	1,732,542
Over time	<b>10,761,287</b>	14,035,018
	<b>11,543,086</b>	15,767,560





# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 6. OTHER GAINS

	Group	
	2023	2022
	\$	\$
Government grants	<b>82,684</b>	264,320
Gain on disposal of plant and equipment	<b>240</b>	8,461
Other miscellaneous income	<b>7,180</b>	36,555
	<b>90,104</b>	309,336

## 7. FINANCE INCOME

	Group	
	2023	2022
	\$	\$
Interest income from cash at banks	<b>9</b>	9
Interest income from fixed deposits	<b>567</b>	1,027
Foreign exchange gain (net)	<b>-</b>	14,231
	<b>576</b>	15,267

## 8. FINANCE COSTS

	Group	
	2023	2022
	\$	\$
Interest on trade financing facilities	<b>14,497</b>	16,415
Interest on lease liabilities	<b>1,689</b>	2,153
Interest on bank borrowings	<b>80,868</b>	110,823
Foreign exchange loss (net)	<b>7,455</b>	-
	<b>104,509</b>	129,391

## 9. ADMINISTRATIVE EXPENSES

Major and selected components include the following:

	Group	
	2023	2022
	\$	\$
Employee benefits expense (inclusive of directors' remuneration):		
- Salaries and related expenses	<b>3,739,412</b>	3,644,048
- Defined contribution plan	<b>439,551</b>	426,061
Depreciation of plant and equipment	<b>105,484</b>	483,238

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 10. INCOME TAX

### 10A. Components of tax expense recognised in profit or loss

	Group	
	2023	2022
	\$	\$
<u>Current tax</u>		
Current tax expense	-	114,339
Changes in estimates in respect of prior years	<b>(18,055)</b>	-
Withholding tax	<b>9,500</b>	-
	<b>(8,555)</b>	114,339
<u>Deferred tax</u>		
Deferred tax benefit	-	(82,666)
	<b>(8,555)</b>	31,673

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% (2022: 17%) to profit or loss before tax as a result of the following differences:

	Group	
	2023	2022
	\$	\$
(Loss)/profit before tax	<b>(2,019,846)</b>	295,124
Income tax at statutory rate	<b>(343,374)</b>	50,171
Effect of tax rates in different countries	<b>7</b>	189
Unrecognised deferred tax assets	<b>345,194</b>	-
Expenses not deductible for tax purposes	<b>22,554</b>	18,642
Non-taxable income	<b>(24,297)</b>	(17,577)
Tax exempt income	<b>(84)</b>	(19,752)
Changes in estimates in respect of prior years	<b>(18,055)</b>	-
Withholding tax	<b>9,500</b>	-
	<b>(8,555)</b>	31,673

There are no income tax consequences of dividends to owners of the Company.

### 10B. Deferred tax recognised in profit or loss

	Group	
	2023	2022
	\$	\$
Excess of carrying value over tax value of plant and equipment	<b>(3,236)</b>	(69,803)
Tax losses carried forward	<b>(368,185)</b>	-
Other timing differences	<b>26,227</b>	(12,863)
Unrecognised deferred tax assets	<b>345,194</b>	-
	-	(82,666)



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 10. INCOME TAX (CONTINUED)

### 10C. Deferred tax in statement of financial position

	Group	
	2023	2022
	\$	\$
Excess of carrying value over tax value of plant and equipment	<b>(9,222)</b>	(12,458)
Tax losses carried forward	<b>700,442</b>	332,257
Other timing differences	<b>(10,606)</b>	15,621
Unrecognised deferred tax assets	<b>(682,104)</b>	(336,910)
	<b>(1,490)</b>	(1,490)

No deferred tax asset for tax losses (including deductible temporary differences, unused tax losses and unused tax credits) has been recognised in respect of the above balance, as the future profit streams are not probable against which the deductible temporary difference can be utilised. The tax losses are available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

It is impracticable to estimate the amount expected to be settled or used within one year.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

## 11. (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 year.

	Group	
	2023	2022
(Loss)/profit for the year attributable to equity holders of the Company (\$)	<b>(2,011,291)</b>	263,451
Weighted average number of ordinary shares	<b>484,844,100</b>	484,844,100
(Loss)/earnings per share (cents)	<b>(0.41)</b>	0.05

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

The basic amount per share ratio is based on the weighted average number of ordinary shares outstanding during each reporting 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 year.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 12. PLANT AND EQUIPMENT

Group	Computers and office equipment \$	Furniture, fixtures and office renovation \$	Tools and equipment \$	Motor vehicles \$	Alert alarm systems \$	Construction in progress \$	Total \$
<u>Cost</u>							
At 1 July 2021	610,659	749,729	67,424	410,184	4,160,772	16,080	6,014,848
Additions	11,521	8,487	73,551	-	-	1,200	94,759
Transfers	17,280	-	448	-	-	(17,280)	448
Disposals/write-off	(31,087)	(545)	(7,545)	(146,263)	-	-	(185,440)
At 30 June 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
<u>Accumulated depreciation</u>							
At 1 July 2021	532,323	722,275	66,549	275,749	3,781,472	8,040	5,386,408
Depreciation for the year	34,264	28,520	15,052	26,102	379,300	-	483,238
Transfers	8,040	-	-	-	-	(8,040)	-
Disposals/write-off	(31,087)	(177)	(7,545)	(71,913)	-	-	(110,722)
At 30 June 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
<u>Carrying value</u>							
At 1 July 2021	78,336	27,454	875	134,435	379,300	8,040	628,440
At 30 June 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



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 12. PLANT AND EQUIPMENT (CONTINUED)

As at 30 June 2023, plant and equipment includes right-of-use assets of \$28,590 (2022: \$38,986) related to office equipment, which are acquired through lease arrangements (note 27B).

During the year, the Group transferred office equipment (2022: tools and equipment) with carrying amount of \$6,550 (2022: \$448) from inventories to plant and equipment for its own use.

## 13. OTHER INVESTMENTS

	Group	
	2023	2022
	\$	\$
Club membership, at cost	<b>7,605</b>	7,605

The above club membership is held in trust by a director. The carrying value is measured at cost less allowance for impairment, if any.

## 14. INVESTMENTS IN SUBSIDIARIES

	Company	
	2023	2022
	\$	\$
Unquoted equity shares at cost	<b>5,344,199</b>	5,344,199
Less: Allowance for impairment	<b>(2,344,000)</b>	(1,344,160)
	<b>3,000,199</b>	4,000,039

Movements in allowance for impairment are as follows:

At beginning of year	<b>1,344,160</b>	1,344,160
Impairment loss charged to profit or loss	<b>999,840</b>	-
At end of year	<b>2,344,000</b>	1,344,160

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

During the year, management identified an indication of impairment in its investment in Securex GS. The recoverable amount was estimated based on cash flow estimates of the underlying assets (i.e., value in use), which was determined by discounting future cash flows generated from Securex GS (in both segments). The key assumptions include:

	2023	2022
	%	%
3 years compounded revenue growth rate	<b>19.0</b>	-12.6
Average earnings before interest, taxes, depreciation and amortisation margin	<b>3.6</b>	4.0
Pre-tax discount rate	<b>12.5</b>	13.9
Terminal growth rate	<b>2.0</b>	1.8



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 14. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The cash flow projections were based on forecasts prepared by management which considered current operating results and available market information.

As the estimated recoverable amount was lower than the carrying amount of the investment, an impairment loss of \$999,840 (2022: Nil) was recognised in the current reporting year.

The subsidiaries held by the Company are as follows:

Name of subsidiary	Place of incorporation	Principal activities	Cost		Effective interests held by the Group	
			2023 \$	2022 \$	2023 %	2022 %
IPS Securex Pte Ltd <sup>(a)</sup>	Singapore	Distribution, installation and commissioning of security equipment and provision of maintenance support and leasing services	<b>2,999,999</b>	2,999,999	<b>100</b>	100
Securex GS Pte Ltd <sup>(a)</sup>	Singapore	Distribution, installation and commissioning of security equipment and provision of maintenance support	<b>2,344,000</b>	2,344,000	<b>100</b>	100
IPS Securex (B) Sdn Bhd <sup>(b)</sup>	Brunei	Distribution, installation and commissioning of security equipment and provision of maintenance support and leasing services	<b>20,000</b>	20,000	<b>100</b>	100

(a) Audited by RSM Chio Lim LLP in Singapore.

(b) Audited by WKA & Associates.

## 15. RESTRICTED FIXED DEPOSITS

	Group	
	2023 \$	2022 \$
Fixed deposits with a financial institution	<b>452,452</b>	470,145

Restricted fixed deposits are held as security for bank guarantees.

The effective interest rates relating to fixed deposits are 0.1% to 0.3% per annum (2022: 0.1% to 0.15% per annum).



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 16. INVENTORIES

	Group	
	2023	2022
	\$	\$
Inventories, net of allowance for write-down	<b>1,805,194</b>	2,724,338

Movements in allowance for write-down are as follows:

	Group	
	2023	2022
	\$	\$
At beginning of year	<b>214,528</b>	191,863
Write-down during the year	<b>33,704</b>	22,665
At end of year	<b>248,232</b>	214,528
Amount of inventories included in cost of sales	<b>7,451,215</b>	9,364,210

## 17. CONTRACT ASSETS

	Group	
	2023	2022
	\$	\$
At beginning of year	<b>314,048</b>	165,569
Transfers to trade receivables	<b>(304,356)</b>	(156,209)
Consideration for work completed but not billed	<b>320,818</b>	304,688
At end of year	<b>330,510</b>	314,048

Contract assets mainly relate to the Group's rights to consideration for work completed but yet to be billed at reporting date. The contract assets are transferred to trade receivables when the rights become unconditional.

## 18. CONTRACT COSTS

	Group	
	2023	2022
	\$	\$
Contract costs	<b>45,200</b>	56,983

Contract costs primarily relate to subcontractor costs incurred by the Group for installation of equipment at customers' premises. Such costs are capitalised as fulfilment cost for delivery and installation of equipment satisfied at a point in time. These costs are expected to be recoverable through the transaction price and recognised to profit or loss when the related revenue is recognised.

	Group	
	2023	2022
	\$	\$
At beginning of year	<b>56,983</b>	764,232
Additions	<b>45,200</b>	56,983
Charged to profit or loss	<b>(56,983)</b>	(764,232)
At end of year	<b>45,200</b>	56,983

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
<u>Trade receivables</u>				
Outside parties	<b>2,354,450</b>	3,876,735	-	-
Less: Allowance for impairment	<b>(353,352)</b>	(324,188)	-	-
	<b>2,001,098</b>	3,552,547	-	-
<u>Other receivables</u>				
Outside parties	<b>1,861</b>	1,798	-	-
Subsidiaries (note 3)	-	-	<b>2,453,604</b>	2,166,702
Deposits	<b>230,203</b>	1,083,552	<b>40,880</b>	40,820
	<b>232,064</b>	1,085,350	<b>2,494,484</b>	2,207,522
	<b>2,233,162</b>	4,637,897	<b>2,494,484</b>	2,207,522

Movements in allowance for impairment are as follows:

	Group	
	2023 \$	2022 \$
At beginning of year	<b>324,188</b>	213,666
Charge to profit or loss	<b>31,572</b>	174,679
Amounts written-off	<b>(2,408)</b>	(64,157)
At end of year	<b>353,352</b>	324,188

The ECL on the trade receivables and contract assets are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all such assets recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions. The allowance model is based on the historical observed default rates (over a period of 12 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Ageing of trade receivables and contract assets is as follows:

Group	2023		2022	
	Gross amount \$	Loss allowance \$	Gross amount \$	Loss allowance \$
Credit impaired	<b>338,787</b>	<b>(338,787)</b>	315,172	(315,172)
Remaining receivables:				
- Current	<b>2,020,076</b>	<b>(2,806)</b>	3,077,662	(3,662)
- 1 to 30 days past due	<b>95,246</b>	<b>(234)</b>	460,263	(1,317)
- 31 to 90 days past due	<b>24,069</b>	<b>(104)</b>	231,753	(1,174)
- 91 to 180 days past due	<b>130,572</b>	<b>(2,919)</b>	104,970	(2,738)
- Over 180 days past due	<b>76,210</b>	<b>(8,502)</b>	963	(125)
	<b>2,684,960</b>	<b>(353,352)</b>	4,190,783	(324,188)

The amounts are written-off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period. There are no collateral held as security and other credit enhancements for the trade receivables.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 19. TRADE AND OTHER RECEIVABLES (CONTINUED)

Concentration of trade receivable customers at end of reporting year:

	2023 \$	2022 \$
Top 1 customer	<b>358,949</b>	953,781
Top 2 customers	<b>596,571</b>	1,259,756
Top 3 customers	<b>827,764</b>	1,522,706

The non-trade amounts due from subsidiaries pertain to payments made on behalf and recharge of expenses.

The other receivables shown above are also subject to the ECL model under the financial reporting standard on financial instruments. The other receivables can be graded for credit risk individually. At inception, they are recorded net of expected 12 month credit losses. At each reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition. Adjustment to the loss allowance is made for any increase or decrease in credit risk. No loss allowance was necessary.

## 20. LOANS TO SUBSIDIARIES

	Company	
	2023 \$	2022 \$
Loans to subsidiaries	<b>621,563</b>	1,029,072

Loans to subsidiaries are non-trade in nature, unsecured, interest-free and are repayable on demand. These balances are amounts extended to subsidiaries to satisfy short-term funding requirements. Impairment on these balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The amount of the allowance on these balances is insignificant.

## 21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Not restricted in use	<b>7,113,363</b>	8,481,479	<b>146,638</b>	153,090
Fixed deposit with a financial institution	<b>(18,186)</b>	-	-	-
Cash pledged for bank facilities#	<b>(155,613)</b>	(113,932)	-	-
	<b>6,939,564</b>	8,367,547	<b>146,638</b>	153,090

# These are for amounts held by banks to cover bank guarantees issued.

The rates of interest for cash on interest earning balances are not significant.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 21. CASH AND CASH EQUIVALENTS (CONTINUED)

### 21A. Reconciliation of liabilities arising from financing activities

<b>Group</b>	2022 \$	Cash flows \$	Non-cash changes \$	2023 \$
Secured bank loans	3,795,792	(1,314,839)	80,868 <sup>(a)</sup>	<b>2,561,821</b>
Lease liabilities	40,117	(11,700)	1,689 <sup>(a)</sup>	<b>30,106</b>
	<b>3,835,909</b>	<b>(1,326,539)</b>	<b>82,557</b>	<b>2,591,927</b>

<b>Group</b>	2021 \$	Cash flows \$	Non-cash changes \$	2022 \$
Secured bank loans	4,880,928	(1,195,959)	110,823 <sup>(a)</sup>	3,795,792
Lease liabilities	49,664	(11,700)	2,153 <sup>(a)</sup>	40,117
	<b>4,930,592</b>	<b>(1,207,659)</b>	<b>112,976</b>	<b>3,835,909</b>

(a) Interest expense.

## 22. SHARE CAPITAL

	<b>Company</b>	
	<b>Number of shares issued</b>	<b>Share capital \$</b>
At 1 July 2021, 30 June 2022 and 30 June 2023	486,000,000	9,405,906

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income. The Company is not subject to any externally imposed capital requirements.

In order to maintain its listing on the Singapore Stock Exchange, the Company has to have at least a free float of 10% of the shares. The Company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will continue to satisfy that requirement, as it did throughout the year. Management receives a monthly report from the registrars on substantial share interests showing the non-free float and it demonstrated continuing compliance with the 10% limit throughout the reporting year.

### Capital management

The objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. Management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. Management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

There are material borrowings but these are secured by specific assets. The debt-to-adjusted capital ratio may not provide a meaningful indicator of the risk from borrowings.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 23. OTHER RESERVES

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Reserve for own shares (note 23A)	<b>(89,353)</b>	(89,353)	<b>(89,353)</b>	(89,353)
Merger reserve (note 23B)	<b>(799,999)</b>	(799,999)	-	-
Other reserve (note 23C)	<b>210,000</b>	210,000	<b>210,000</b>	210,000
	<b>(679,352)</b>	(679,352)	<b>120,647</b>	120,647

### 23A. Reserve for own shares

	Group and Company	
	2023 \$	2022 \$
At beginning and end of year	<b>89,353</b>	89,353

Reserve for own shares comprises the cost of the Company's ordinary shares held by the Company.

As at 30 June 2023, the Company holds 1,155,900 [2022: 1,155,900] of its own shares as treasury shares. The treasury shares were included as a deduction against shareholders' equity.

### 23B. Merger reserve

In 2014, the Group underwent a restructuring exercise as part of its preparation for listing of the Company on the SGX-ST. The financial statements incorporated the financial statements of the Company and its subsidiaries and had been prepared using the principles of merger accounting on the basis that the restructuring of entities were under common control.

Merger reserve represents the difference between the share capital of the subsidiaries at the date of acquisition and the share capital issued by the Company as consideration to the former shareholder of the subsidiaries. The acquisition of the subsidiaries was accounted for as common control transactions as the controlling shareholder of the subsidiaries was also the controlling shareholder of the Company.

### 23C. Other reserve

Other reserve pertains to the deemed capital contribution by the controlling shareholders of the parent company for issuance of shares to directors of the Company (i.e., share-based payment) as part of the restructuring exercise in 2014. The parent company granted 16.38 million ordinary shares of the Company (adjusted for subdivision of ordinary shares) to certain directors of the Company for their services provided to the Company. The ordinary shares were granted at no consideration, with no vesting conditions. Management estimated the fair value of shares granted based on the services provided by the directors and were recognised as expense in profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 24. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 \$	2022 \$	2023 \$	2022 \$
Trade payables				
Outside parties	<b>1,027,366</b>	1,100,930	-	-
Accruals	<b>745,854</b>	337,038	-	-
Bills payable	-	1,145,031	-	-
	<b>1,773,220</b>	2,582,999	-	-
Other payables				
Outside parties	<b>214,046</b>	168,600	<b>28,147</b>	27,220
Accruals	<b>348,296</b>	470,862	<b>113,313</b>	170,634
Subsidiary (note 3)	-	-	<b>20</b>	3,446
Related parties (note 3)	<b>26,950</b>	52,999	<b>26,389</b>	52,289
Deposits received	-	-	<b>37,800</b>	37,800
	<b>589,292</b>	692,461	<b>205,669</b>	291,389
	<b>2,362,512</b>	3,275,460	<b>205,669</b>	291,389

In 2022, the Group had bills payable relating to short-term trade financing facilities which bore interest of 2.98% to 3.85% per annum and matured within 14 to 59 days.

The non-trade amounts due to subsidiary and related parties pertain to payments made on behalf and recharge of expenses. These are unsecured, interest-free and are repayable on demand.

Deposits received relate to office rental deposits from subsidiaries which are refundable at the end of the lease term.

## 25. LOANS AND BORROWINGS

	Group	
	2023 \$	2022 \$
Non-current		
Financial instruments with fixed interest rates		
Bank loans (secured)	<b>1,296,543</b>	2,561,772
Lease liabilities (note 27A)	<b>19,610</b>	30,106
	<b>1,316,153</b>	2,591,878
Current		
Financial instruments with fixed interest rates		
Bank loans (secured)	<b>1,265,278</b>	1,234,020
Lease liabilities (note 27A)	<b>10,496</b>	10,011
	<b>1,275,774</b>	1,244,031
	<b>2,591,927</b>	3,835,909

The non-current portion is payable as follows:

Due within 2 to 5 years	<b>1,316,153</b>	2,591,878
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# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 25. LOANS AND BORROWINGS (CONTINUED)

The range of fixed interest rates paid were as follows:

	Group	
	2023	2022
	% p.a.	% p.a.
Bank loans (secured)	<b>2.50</b>	2.50
Lease liabilities	<b>4.75</b>	4.75

The Company provided an intra-group financial guarantee to a bank in respect of the bank loan granted to a subsidiary. The fair value of this financial guarantee was assessed to be immaterial. At reporting date, the Company does not consider it probable that a claim will be made against this financial guarantee.

## 26. CONTRACT LIABILITIES

	Group	
	2023	2022
	\$	\$
Contract liabilities	<b>787,126</b>	767,145
At beginning of year	<b>767,145</b>	1,857,506
Performance obligation satisfied – revenue recognised in the reporting year that was included in contract liabilities at beginning of year	<b>(687,705)</b>	(1,838,731)
Consideration received or receivable	<b>707,686</b>	748,370
At end of year	<b>787,126</b>	767,145

The contract liabilities primarily relate to advance consideration received from customers. The Group exercises the practical expedient under SFRS(I) 15 not to adjust the transaction price for the effects of financing component, at contract inception, as the period between customer payment and transfer of goods to be within one year.

## 27. LEASES

### 27A. Lease liabilities

The Group leases office equipment which leases run for a period of 5 years and do not contain option for extension or renewal.

The Group leases office premises with contract term of one year and does not contain option for extension or renewal. Therefore, the remaining contractually enforceable lease term is less than 12 months.

The Group leases low-value office equipment and has elected not to recognise right-of-use assets and lease liabilities for these leases.

Information about leases for which the Group is a lessee is presented below and in note 25.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 27. LEASES (CONTINUED)

### 27B. Right-of-use assets

Right-of-use assets relate to leased assets that are presented as plant and equipment (see note 12).

	<b>Office equipment \$</b>
<u>Group</u>	
At 1 July 2022	38,986
Depreciation charge for the year	(10,396)
At 30 June 2023	<u>28,590</u>
At 1 July 2021	49,382
Depreciation charge for the year	(10,396)
At 30 June 2022	<u>38,986</u>

Amounts recognised in profit or loss:

	<b>Group</b>	
	<b>2023</b>	2022
	\$	\$
Interest on lease liabilities	<b>1,689</b>	2,153
Depreciation of right-of-use assets	<b>10,396</b>	10,396
Expenses relating to short-term leases	<b>216,000</b>	226,620
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<b>6,089</b>	900

Amounts recognised in statement of cash flows:

	<b>Group</b>	
	<b>2023</b>	2022
	\$	\$
Total cash outflow for leases	<b>11,700</b>	11,700

## 28. CONTINGENT LIABILITIES

	<b>Group</b>	
	<b>2023</b>	2022
	\$	\$
Performance guarantee issued by subsidiary in favour of its customers	<b>641,731</b>	937,897

The Group assessed probability of outflow of economic benefits arising from the outstanding guarantee to be low.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISK

### 29A. Categories of financial assets and liabilities

The following table categorises the carrying amounts of financial assets and liabilities recorded at end of reporting year:

	Group		Company	
	2023	2022	2023	2022
	\$	\$	\$	\$
<u>Financial assets</u>				
Financial assets at amortised cost	<b>9,798,977</b>	13,589,521	<b>3,262,685</b>	3,389,684
<u>Financial liabilities</u>				
Financial liabilities at amortised cost	<b>4,954,439</b>	7,071,252	<b>205,669</b>	291,389

Further quantitative disclosures are included throughout these financial statements.

### 29B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate and currency risk exposures. Management has certain practices for the management of financial risks. The guidelines set up the short and long term objectives and action to be taken in order to manage the financial risks. The guidelines include the following:

- Minimise interest rate, currency and market risks for all kinds of transactions;
- Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk;
- All financial risk management activities are carried out and monitored by senior management staff; and
- All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposure to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

### 29C. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISK (CONTINUED)

### 29D. Credit risk on financial assets

Financial assets are principally from cash balances with banks, cash equivalents, receivables and other financial assets at amortised cost. They are potentially subject to credit risk due to failures by counterparties to discharge their obligations in full or in a timely manner. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances and any other financial instruments with banks and other financial institutions is limited because the counter-parties are entities with acceptable credit ratings.

For ECL on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the ECL allowance. Under this general approach, the financial assets move through the three stages as their credit quality change. On initial recognition, a day-one loss is recorded as equal to the 12-month ECL unless the assets are considered credit impaired. However, for trade receivables that do not contain a significant financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a significant financing component, the reporting entity applies the simplified approach in calculating ECL as is permitted by the financial reporting standard on financial instruments. Under the simplified approach, the reporting entity does not track changes in credit risk, but instead recognises the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life at each reporting date. For the credit risk on the financial assets, an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credit limits are subject to the same review process.

Note 21 discloses cash and cash equivalents balances. Cash and cash equivalents are also subject to impairment requirements of the standard on financial instruments. There was no identified impairment loss.

### 29E. Liquidity risk

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity within 12 months after the end of the reporting year.

The following table analyses the financial liabilities at the end of the reporting year by remaining contractual maturity (contractual and undiscounted cash flows):

<b>Group</b>	<b>Less than 1 year \$</b>	<b>1 - 5 years \$</b>	<b>Total \$</b>
<u>2023</u>			
Trade and other payables	2,362,512	-	2,362,512
Gross loans and borrowings	1,314,846	1,314,842	2,629,688
Gross lease liabilities	11,700	20,475	32,175
	<u>3,689,058</u>	<u>1,335,317</u>	<u>5,024,375</u>
<u>2022</u>			
Trade and other payables	3,275,460	-	3,275,460
Gross loans and borrowings	1,314,843	2,629,684	3,944,527
Gross lease liabilities	11,700	32,175	43,875
	<u>4,602,003</u>	<u>2,661,859</u>	<u>7,263,862</u>



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISK (CONTINUED)

### 29E. Liquidity risk (Continued)

#### Company

	Less than 1 year	
	2023	2022
	\$	\$
Other payables	<b>205,669</b>	291,389

The average credit period taken to settle current trade payables is approximately 60 days. The classification of financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

#### Financial guarantee contracts

For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of reporting year, no claim on the financial guarantee is expected to be payable.

The following table shows the analysis of contingent liabilities from financial guarantee:

	Company	
	2023	2022
	\$	\$
Financial guarantee in favour of subsidiary	<b>2,561,821</b>	3,795,792

### 29F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The interest from financial assets is not material. Interest rate risk arises on interest-bearing financial instruments.

The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group	
	2023	2022
	\$	\$
<u>Financial liabilities with interest</u>		
Fixed rates	<b>2,591,927</b>	3,835,909
Floating rates	-	1,145,031
	<b>2,591,927</b>	4,980,940

The interest rates are disclosed in the respective notes.

Sensitivity analysis: The effect on pre-tax (loss)/profit is not material.



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 29. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISK (CONTINUED)

### 29G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments.

Analysis of amounts denominated in non-functional currency:

	USD	
	2023	2022
	\$	\$
<u>Group</u>		
<u>Financial assets</u>		
Cash and cash equivalents	<b>727,276</b>	1,161,283
Trade and other receivables	<b>42,329</b>	329,925
	<b>769,605</b>	1,491,208
<u>Financial liabilities</u>		
Trade and other payables	<b>456,656</b>	537,494
	<b>312,949</b>	953,714
<u>Company</u>		
<u>Financial assets</u>		
Cash and cash equivalents	<b>20,447</b>	21,006
Trade and other receivables	<b>121,563</b>	124,371
	<b>142,010</b>	145,377

Sensitivity analysis: The effect on pre-tax (loss)/profit is not material.

## 30. ITEMS IN PROFIT OR LOSS

In addition to profit and loss line items disclosed elsewhere in the notes to the financial statements, these items include the following:

	Group	
	2023	2022
	\$	\$
Audit fees to independent auditor of the Company	<b>134,000</b>	155,200
Audit-related services ("ARS") to other independent auditors – non-network firms	<b>4,500</b>	–
Non-ARS to other independent auditors – non-network firms	<b>33,190</b>	40,200



# NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 June 2023

## 31. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For current reporting year, new or revised SFRS(I) were issued by the ASC. Those applicable to the Group are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<b>SFRS(I) No.</b>	<b>Title</b>
SFRS(I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to
Various	Annual Improvements to SFRS(I) 2018 to 2020 – Amendments to SFRS(I) 1 First-time Adoption of SFRS(I); IFRS 9 Financial Instruments; SFRS(I) 16 Leases; and SFRS(I) 1-41 Agriculture

## 32. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For future reporting years, certain new or revised SFRS(I) were issued by the ASC and these will only be effective for future reporting years. Those applicable to the Group for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the Group's financial statements in the period of initial application.

<b>SFRS(I) No.</b>	<b>Title</b>	<b>Effective date for periods beginning on or after</b>
SFRS(I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 January 2024
SFRS(I) 1-1	Disclosure of Accounting Policies – Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2 Making Materiality Judgements	1 January 2023
SFRS(I) 1-8	Definition of Accounting Estimates – Amendments to	1 January 2023

## 33. COMPARATIVE FIGURES

The financial statements for the reporting year ended 30 June 2022 were audited by other independent auditor (other than RSM Chio Lim LLP) whose report dated 30 September 2022 expressed an unmodified opinion on those financial statements.

## STATISTICS OF SHAREHOLDINGS

As at 20 September 2023

Issued and fully paid-up capital	-	S\$9,630,646.90
Class of Shares	-	Ordinary shares
No. of Shares (excluding treasury shares and subsidiary holdings)	-	484,844,100
Voting Rights	-	One vote per share
No. of Treasury Shares and Percentage	-	1,155,900 (0.24%)
No. of Subsidiary Holdings and Percentage	-	Nil

### DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	19	2.52	11,200	0.00
1,001 - 10,000	90	11.95	591,500	0.12
10,001 - 1,000,000	617	81.94	84,216,800	17.37
1,000,001 AND ABOVE	27	3.59	400,024,600	82.51
<b>TOTAL</b>	<b>753</b>	<b>100.00</b>	<b>484,844,100</b>	<b>100.00</b>

### TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	IPS TECHNOLOGIES PTE LTD	248,820,000	51.32
2	KELVIN LIM CHING SONG	57,884,400	11.94
3	GOH KHOON LIM	27,900,000	5.75
4	DBS NOMINEES (PRIVATE) LIMITED	13,258,800	2.73
5	TAN KAH HENG (CHEN JIAXING)	6,893,800	1.42
6	OCBC SECURITIES PRIVATE LIMITED	5,033,900	1.04
7	PHILLIP SECURITIES PTE LTD	4,246,400	0.88
8	LIM KOK LENG	3,800,000	0.78
9	LOW SOW KUAN	3,175,700	0.65
10	LOW SAU CHAN	2,700,000	0.56
11	LEE SIEW HAN	2,675,000	0.55
12	SIM YONG MUI	2,500,000	0.52
13	RAMESH S/O PRITAMDAS CHANDIRAMANI	1,958,800	0.40
14	YEO SIEW CHANG	1,815,400	0.37
15	TIGER BROKERS (SINGAPORE) PTE. LTD.	1,804,000	0.37
16	RAFFLES NOMINEES (PTE.) LIMITED	1,797,100	0.37
17	TAN HWEE KHENG	1,610,000	0.33
18	TAN SOO CHAY	1,500,000	0.31
19	TAN KOK SIAH	1,417,800	0.29
20	KOO FONG KIEW	1,300,000	0.27
<b>TOTAL</b>		<b>392,091,100</b>	<b>80.85</b>



# STATISTICS OF SHAREHOLDINGS

As at 20 September 2023

## **SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2023** **(As recorded in the Register of Substantial Shareholders)**

No.	Name	Direct Interest		Deemed Interests	
		No. of shares held	%	No. of shares held	%
1.	IPS Technologies Pte. Ltd.	248,820,000	51.32	-	-
2.	Chan Tien Lok <sup>(1)</sup>	120,000	0.02	248,820,000	51.32
3.	Tan Suan Yap <sup>(2)</sup>	-	-	248,820,000	51.32
4.	Kelvin Lim Ching Song <sup>(3)</sup>	58,014,400	11.97	-	-
5.	Goh Khoon Lim	27,900,000	5.75	-	-

### **Notes:**

- (1) Mr. Chan Tien Lok is deemed to be interested in the shares of the Company held by IPS Technologies Pte. Ltd. ("IPST") by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore as he owns 65.0% of the shareholding in IPST.
- (2) Mr. Tan Suan Yap is deemed to be interested in shares of the Company held by IPST by virtue of Section 4 of the Securities and Futures Act 2001 of Singapore as he owns 35.0% of the shareholdings in IPST.
- (3) Mr. Kelvin Lim Ching Song's direct interest includes 130,000 ordinary shares (SRS) that are held under UOB Kay Hian Nominees Pte. Ltd.

## **PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS**

As at 20 September 2023, 30.75% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of Catalist of the SGX-ST which requires 10% of the Company's total number of issued shares (excluding preference shares, convertible equity securities, treasury shares and subsidiary holdings) in a class that is listed is at all times held by the public.



# 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 Thursday, 26 October 2023 at 8.30 a.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and Directors’ Statement of the Company and the Group for the financial year ended 30 June 2023 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$150,216 for the financial year ending 30 June 2024, payable half yearly in arrears. (2023: S\$205,216) **(Resolution 2)**
3. To re-elect the following Directors of the Company retiring pursuant to Regulation 91 of the Constitution of the Company:
 

**Regulation 91**

Mr. Tan Peng Chin Joseph Haydn **(Resolution 3)**  
Mr. Chan Tien Lok **(Resolution 4)**

[See Explanatory Note (i)]
4. To re-appoint Messrs RSM Chio Lim LLP as auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. 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:

### 6. 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:

- (a) (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**”)



# NOTICE OF ANNUAL GENERAL MEETING

**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 (ii)]

**(Resolution 6)**

## 7. **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 (iii)]

**(Resolution 7)**



# NOTICE OF ANNUAL GENERAL MEETING

## 8. 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 (iv)]

**(Resolution 8)**

## 9. Renewal of Share Buyback Mandate

That:

(a) 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:

- (i) on-market purchases, transacted on the SGX-ST through the SGX-ST’s trading system (“**Market Purchase**”); and/or
- (ii) 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**”);

(b) 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:

- (i) the date on which the next AGM is held or required by law to be held;
- (ii) 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
- (iii) 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;

(c) 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;



# NOTICE OF ANNUAL GENERAL MEETING

“**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:

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and
  - (ii) 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
- (d) 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 (v)]

**(Resolution 9)**

## By Order of the Board

Shirley Tan Sey Liy  
Company Secretary  
Singapore, 11 October 2023

## Explanatory Notes:

- (i) Mr. Tan will, upon re-election as a Director of the Company, remain as Independent Director, the Chairman of the Nominating Committee and Remuneration Committee and member of the Audit Committee. There are no relationships (including family relationships) between Mr. Tan and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Mr. Tan to be independent for the purposes of Rule 704(7) of the Catalist Rules.

Please refer to pages 54 to 59 of the Annual Report for the detailed information for Mr. Tan required pursuant to Rule 720(5) of the Catalist Rules.

- (ii) Resolution 6 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, make 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.

# NOTICE OF ANNUAL GENERAL MEETING

- (iii) Resolution 7 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.
- (iv) Resolution 8 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.
- (v) Resolution 9 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:

1. 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.
2. 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).
3. 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.
4. 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.
5. The instrument appointing the Chairman of the AGM as proxy 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](mailto:agm@ips-securex.com),

**in either case by no later than 8.30 a.m. on 24 October 2023**, being 48 hours before the time appointed for the AGM.
6. 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:-
  - (a) 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](mailto:agm@ips-securex.com) in advance of the AGM no later than 17 October 2023; or
  - (b) "live" at the AGM.

When submitting the questions, please provide the Company with the following details, for verification purpose:-

- (i) full name;
- (ii) NRIC number;
- (iii) current address;



# NOTICE OF ANNUAL GENERAL MEETING

- (iv) contact number; and
- (v) 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 18 October 2023, as this will allow the Company sufficient time to address and respond to these questions on or before 22 October 2023, 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) 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.

## **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 Catalyst.*

*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 Thursday, 26 October 2023 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'**
<b>Ordinary Businesses</b>				
1	Audited Financial Statements and Directors' Statement for the financial year ended 30 June 2023			
2	Approval of Directors' fees amounting to S\$150,216 for the financial year ending 30 June 2024, payable half yearly in arrears.			
3	Re-election of Mr. Tan Peng Chin Joseph Haydn as a Director			
4	Re-election of Mr. Chan Tien Lok as a Director			
5	To re-appoint Messrs RSM Chio Lim LLP as auditors of the Company and to authorise the Directors of the Company to fix their remuneration			
<b>Special Businesses</b>				
6	Authority to allot and issue shares			
7	Authority to issue shares under the IPS Securex Employee Share Option			
8	Authority to issue shares under the IPS Securex Performance Share Plan			
9	Renewal of Share Buyback Mandate			

*\*\*If you wish to exercise all your votes 'For' or 'Against' or 'Abstain', please tick (✓) 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 \_\_\_\_\_ 2023

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 the Chairman of the AGM as proxy 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](mailto:agm@dips-securex.com),**in either case by no later than 8.30 a.m. on 24 October 2023**, 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 a proxy or proxies 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 a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies 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 11 October 2023.





SECURITY



**IPS SECUREX HOLDINGS LIMITED**  
COMPANY REGISTRATION NO. 201327639H

213 HENDERSON ROAD, #04-09  
HENDERSON INDUSTRIAL PARK,  
SINGAPORE 159553

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