



**IPS Securex Holdings Limited
and its subsidiaries**
(Registration Number: 201327639H)

**Condensed interim financial statements
for the six months ended
31 December 2024**

This announcement has been prepared by IPS Securex Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”) and has been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “Sponsor”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalyst.

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

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

Table of Contents

| | |
|--|----|
| A. Condensed interim consolidated statements of profit or loss and other comprehensive income | 3 |
| B. Condensed interim statements of financial position | 4 |
| C. Condensed interim statements of changes in equity | 5 |
| D. Condensed interim consolidated statements of cash flows | 6 |
| E. Notes to the condensed interim consolidated financial statements | 7 |
| F. Other information required by Listing Rule Appendix 7C | 19 |

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

Notes:

| | Note | The Group | | |
|---|------|-------------------------------------|-------------------------------------|-------------------------------------|
| | | Unaudited 1H-2025 ⁽¹⁾ | Unaudited 1H-2024 ⁽²⁾ | Increase/ (Decrease) % change |
| | | S\$ | S\$ | % |
| Revenue | 3.2 | 5,101,180 | 5,936,154 | (14.1) |
| Cost of sales | | (3,085,130) | (3,103,169) | (0.6) |
| Gross profit | | 2,016,050 | 2,832,985 | (28.8) |
| Gross profit margin | | 39.5% | 47.7% | |
| Other income | 5.1 | 28,208 | 31,903 | (11.6) |
| Administrative expenses | | (2,836,278) | (2,610,482) | 8.6 |
| Other operating expenses | | (44,319) | (36,655) | 20.9 |
| Other losses | 5.1 | (5,911) | (327) | 1,707.6 |
| Finance income | 5.1 | 8,031 | 4,873 | 64.8 |
| Finance costs | 5.1 | (14,082) | (33,030) | (57.4) |
| (Loss)/profit before income tax | | (848,301) | 189,267 | N.M |
| Income tax benefit/(expense) | 6 | 15,100 | (6,102) | N.M |
| (Loss)/profit for the period | | (833,201) | 183,165 | N.M |
| Other comprehensive income | | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | | |
| Foreign currency translation | | 420 | - | N.M |
| Total comprehensive (loss)/income for the period | | (832,781) | 183,165 | N.M |
| <u>(Loss)/earnings per share for (loss)/profit attributable to the owners of the Company</u> | | | | |
| Basic and diluted (cents) ⁽³⁾ | 7 | (0.17) | 0.04 | |

(1) "1H-2025" refers to the half year ended 31 December 2024.

(2) "1H-2024" refers to the half year ended 31 December 2023.

(3) The basic and diluted (loss)/earnings per share were the same as there were no dilutive instruments as at 31 December 2023 and 31 December 2024.

B. Condensed interim statements of financial position

| Note | The Group | | The Company | |
|--------------------------------------|------------------|-------------------|------------------|------------------|
| | Unaudited | Audited | Unaudited | Audited |
| | As at 31.12.2024 | As at 30.06.2024 | As at 31.12.2024 | As at 30.06.2024 |
| | S\$ | S\$ | S\$ | S\$ |
| ASSETS | | | | |
| Current assets | | | | |
| | 454,500 | 453,133 | - | - |
| 10 | 1,491,334 | 1,683,357 | - | - |
| | 137,060 | 270,402 | - | - |
| | - | 450 | - | - |
| 9 | 2,671,759 | 5,568,955 | 2,463,052 | 2,404,488 |
| | - | - | 622,103 | 622,130 |
| | 3,274,875 | 3,141,339 | 194,813 | 199,054 |
| Total current assets | 8,029,528 | 11,117,636 | 3,279,968 | 3,225,672 |
| Non-current assets | | | | |
| 11 | - | - | 3,000,199 | 3,000,199 |
| 12 | 368,435 | 330,015 | - | - |
| | - | 7,605 | - | - |
| 9 | 534,228 | 534,228 | - | - |
| Total non-current assets | 902,663 | 871,848 | 3,000,199 | 3,000,199 |
| Total assets | 8,932,191 | 11,989,484 | 6,280,167 | 6,225,871 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| 13 | 1,837,313 | 3,193,151 | 230,051 | 203,247 |
| | - | - | 100,000 | - |
| | 224,860 | 337,008 | - | - |
| 14 | 11,270 | 11,006 | - | - |
| 14 | 652,295 | 1,228,980 | - | - |
| Total current liabilities | 2,725,738 | 4,770,145 | 330,051 | 203,247 |
| Non-current liabilities | | | | |
| 14 | - | 174,403 | - | - |
| 14 | 2,902 | 8,604 | - | - |
| | 1,490 | 1,490 | - | - |
| Total non-current liabilities | 4,392 | 184,497 | - | - |
| Capital and reserves | | | | |
| 15 | 9,405,906 | 9,405,906 | 9,405,906 | 9,405,906 |
| 15 | (89,353) | (89,353) | (89,353) | (89,353) |
| | (589,579) | (589,999) | 210,000 | 210,000 |
| | (2,524,913) | (1,691,712) | (3,576,437) | (3,503,929) |
| Total capital and reserves | 6,202,061 | 7,034,842 | 5,950,116 | 6,022,624 |
| Total liabilities and equity | 8,932,191 | 11,989,484 | 6,280,167 | 6,225,871 |

C. Condensed interim statements of changes in equity

| | Share capital S\$ | Treasury shares S\$ | Other reserves S\$ | Accumulated losses S\$ | Total S\$ |
|---|-------------------------|---------------------------|-----------------------|------------------------------|--------------|
| Group | | | | | |
| Balance at 1 July 2024 | 9,405,906 | (89,353) | (589,999) | (1,691,712) | 7,034,842 |
| Loss for the period | - | - | - | (833,201) | (833,201) |
| Other comprehensive income for the period | - | - | 420 | - | 420 |
| Balance at 31 December 2024 | 9,405,906 | (89,353) | (589,579) | (2,524,913) | 6,202,061 |
| 2023 | | | | | |
| Balance at 1 July 2023 | 9,405,906 | (89,353) | (589,999) | (1,795,353) | 6,931,201 |
| Profit for the period, representing total comprehensive profit for the period | - | - | - | 183,165 | 183,165 |
| Balance at 31 December 2023 | 9,405,906 | (89,353) | (589,999) | (1,612,188) | 7,114,366 |
| Company | | | | | |
| Balance at 1 July 2024 | 9,405,906 | (89,353) | 210,000 | (3,503,929) | 6,022,624 |
| Loss for the period, representing total comprehensive loss for the period | - | - | - | (72,508) | (72,508) |
| Balance at 31 December 2024 | 9,405,906 | (89,353) | 210,000 | (3,576,437) | 5,950,116 |
| 2023 | | | | | |
| Balance at 1 July 2023 | 9,405,906 | (89,353) | 210,000 | (3,460,581) | 6,065,972 |
| Loss for the period, representing total comprehensive loss for the period | - | - | - | (22,392) | (22,392) |
| Balance at 31 December 2023 | 9,405,906 | (89,353) | 210,000 | (3,482,973) | 6,043,580 |

D. Condensed interim consolidated statements of cash flows

| | Note | The Group | |
|---|------|-----------------------------|-----------------------------|
| | | Unaudited 1H-2025 S\$ | Unaudited 1H-2024 S\$ |
| Operating activities | | | |
| Loss/(Profit) before tax | | (848,301) | 189,267 |
| Adjustments for: | | | |
| Interest income | 5.1 | (691) | (689) |
| Interest expense | 5.1 | 14,082 | 33,030 |
| Depreciation of plant and equipment | 5.1 | 72,470 | 65,959 |
| Loss on disposal of plant and equipment | 5.1 | - | 327 |
| Loss on disposal of other investment | 5.1 | 5,911 | - |
| Inventories written-off | 5.1 | 429 | - |
| Allowance for inventories obsolescence | 5.1 | 38,732 | 18,519 |
| Write-back of impairment loss of trade receivables | 5.1 | (1,266) | (2,388) |
| Net foreign exchange loss - unrealised | | 2,551 | 3,161 |
| Operating cash flows before working capital changes | | (716,083) | 307,186 |
| Trade and other receivables | | 2,897,780 | (1,261,334) |
| Inventories | | 152,862 | (1,388,253) |
| Contract assets | | 133,342 | (59,563) |
| Contract costs | | 450 | 45,200 |
| Trade and other payables | | (996,417) | (134,412) |
| Contract liabilities | | (112,148) | (321,307) |
| Cash generated from/(used in) operations | | 1,359,786 | (2,812,483) |
| Income tax received/(paid) | | 15,100 | (6,102) |
| Interest received | | 1,373 | 686 |
| Net cash generated from/(used in) operating activities | | 1,376,259 | (2,817,899) |
| Investing activities | | | |
| Purchase of plant and equipment | | (110,890) | (31,573) |
| Proceeds from disposal of other investment | | 1,694 | - |
| Proceeds from disposal of plant and equipment | | - | 3,119 |
| Net cash used in investing activities | | (109,196) | (28,454) |
| Financing activities | | | |
| Interest paid | | (19,951) | (28,314) |
| Repayments of bank borrowings | | (751,088) | (523,178) |
| Payments of lease liabilities | | (5,438) | (5,185) |
| Utilisation of trade financing facilities | | - | 450,788 |
| Repayment of trade financing facilities | | (353,552) | (187,872) |
| Withdrawal of Fixed Deposit | | 18,331 | - |
| Increase in restricted cash and fixed deposits pledged | | (180,400) | (562,223) |
| Net cash used in financing activities | | (1,292,098) | (855,984) |
| Net decrease in cash and cash equivalents | | (25,035) | (3,702,337) |
| Effect of exchange rate changes on the balance of cash held in foreign currencies | | (2,131) | (17,538) |
| Cash and cash equivalents at beginning of the period | | 3,054,013 | 6,939,564 |
| Cash and cash equivalents at end of the period | | 3,026,847 | 3,219,689 |
| Cash and cash equivalents above comprise the following: | | | |
| Cash at bank and on hand | | 3,026,847 | 3,219,689 |
| Fixed deposit with a financial institution | | - | 18,186 |
| Fixed deposit pledged | | 454,500 | 453,133 |
| Restricted cash | | 248,028 | 717,155 |
| Cash and cash equivalents at end of the period | | 3,729,375 | 4,408,163 |

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

IPS Securex Holdings Limited (the “Company”) is incorporated in the Republic of Singapore. The Company’s shares are publicly traded on the Catalist Board of the Singapore Exchange Securities Trading Limited. These condensed interim financial statements for the six months ended 31 December 2024 cover the Company and its subsidiaries (collectively, the “Group”).

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

The principal activities of the subsidiaries are:

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

The latest audited annual financial statements of the Group for the reporting year ended 30 June 2024 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 31 December 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2024. The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1. Accordingly, these condensed interim financial statements are to be read in conjunction with the annual financial statements of the Group for the financial year ended 30 June 2024. The condensed interim financial statements are presented in Singapore dollar (“S\$”) which is the Company’s functional currency.

2.1 New standards and interpretations not adopted

For future reporting years, the Accounting Standards Committee under ACRA (“ASC”) has issued certain new or revised financial reporting standards, none of which is expected to have a material impact on the Group based on its current operations.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the financial year ended 30 June 2024.

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

2.3 Seasonal operations

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

3. Segment and revenue information

The Group is organised into the following main business segments:

- Security Solutions; and
- Maintenance and leasing.

These operating segments are 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 Acting Chief Executive Officer in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

3.1 Reportable Segments

| Group | Security solutions | | Maintenance and leasing | | Total | |
|--|--------------------|-------------|-------------------------|-----------|-------------|-------------|
| | 1H-2025 | 1H-2024 | 1H-2025 | 1H-2024 | 1H-2025 | 1H-2024 |
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| External revenue | 3,374,689 | 3,663,970 | 1,726,491 | 2,272,184 | 5,101,180 | 5,936,154 |
| Interest income | 686 | 684 | - | - | 686 | 684 |
| Interest expense | (809) | (3,224) | (6) | - | (815) | (3,224) |
| Allowance for impairment loss of trade receivables | (5,450) | - | - | - | (5,450) | - |
| Reportable segment profit before tax | 705,390 | 1,197,186 | 1,176,769 | 1,585,174 | 1,882,159 | 2,782,360 |
| Profit margin | 20.9% | 32.7% | 68.2% | 69.8% | | |
| Reportable segment assets | 3,537,230 | 6,401,662 | 1,769,356 | 1,940,873 | 5,306,586 | 8,342,535 |
| Reportable segment liabilities | (1,088,002) | (1,976,917) | (258,581) | (271,181) | (1,346,583) | (2,248,098) |

| Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items | | |
|---|-------------|-------------|
| | 1H-2025 | 1H-2024 |
| | S\$ | S\$ |
| Revenues | | |
| Total revenue for reportable segments | 5,101,180 | 5,936,154 |
| Profit or loss | | |
| Total profit for reportable segments | 1,882,159 | 2,782,360 |
| Unallocated amounts: | | |
| - Other income | 26,942 | 31,903 |
| - Write-back of impairment of trade receivables | 6,716 | - |
| - Administrative expenses | (2,746,817) | (2,580,916) |
| - Other expenses | (11,379) | (18,463) |
| - Net finance costs | (5,922) | (25,617) |
| Consolidated (loss)/profit before tax | (848,301) | 189,267 |
| Assets | | |
| Total assets for reportable segments | 5,306,586 | 8,342,535 |
| Unallocated amounts: | | |
| - Plant and equipment | 368,435 | 375,167 |
| - Cash and cash equivalents | 2,936,187 | 3,237,875 |
| - Others | 320,983 | 167,762 |
| Consolidated total assets | 8,932,191 | 12,123,339 |
| Liabilities | | |
| Total liabilities for reportable segments | (1,346,583) | (2,248,098) |
| Unallocated amounts: | | |
| - Bank borrowings | (652,295) | (2,038,643) |
| - Finance lease liabilities | (14,172) | (24,921) |
| - Other payables | (715,590) | (695,821) |
| - Deferred tax liabilities | (1,490) | (1,490) |
| - Income tax payable | - | - |
| Consolidated total liabilities | (2,730,130) | (5,008,973) |

3.2 Disaggregation of Revenue

| | Security solutions | | Maintenance and leasing | | Total | |
|---------------------------------------|--------------------|------------------|-------------------------|------------------|------------------|------------------|
| | 1H-2025 | 1H-2024 | 1H-2025 | 1H-2024 | 1H-2025 | 1H-2024 |
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| Geographical markets | | | | | | |
| Singapore | 3,073,287 | 3,162,087 | 1,726,491 | 1,874,065 | 4,799,778 | 5,036,152 |
| Indochina ⁽¹⁾ | - | - | - | - | - | - |
| Rest of Southeast Asia ⁽²⁾ | 291,089 | 500,116 | - | 398,119 | 291,089 | 898,235 |
| East Asia ⁽³⁾ | 10,313 | 1,767 | - | - | 10,313 | 1,767 |
| Other Markets ⁽⁴⁾ | - | - | - | - | - | - |
| Total | 3,374,689 | 3,663,970 | 1,726,491 | 2,272,184 | 5,101,180 | 5,936,154 |
| Major product/service lines | | | | | | |
| Sales of goods | 3,374,689 | 3,663,970 | - | - | 3,374,689 | 3,663,970 |
| Maintenance and leasing services | - | - | 1,726,491 | 2,272,184 | 1,726,491 | 2,272,184 |
| | 3,374,689 | 3,663,970 | 1,726,491 | 2,272,184 | 5,101,180 | 5,936,154 |
| Timing of revenue recognition | | | | | | |
| At a point in time | 3,374,689 | 3,663,970 | - | - | 3,374,689 | 3,663,970 |
| Over time | - | - | 1,726,491 | 2,272,184 | 1,726,491 | 2,272,184 |
| | 3,374,689 | 3,663,970 | 1,726,491 | 2,272,184 | 5,101,180 | 5,936,154 |

Notes:

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

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

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

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

4. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2024 and 30 June 2024:

| | Carrying amount | | |
|---|--------------------------|---------------------------------------|---------------------------------|
| | Amortised cost S\$ | Other financial liabilities S\$ | Total carrying amount S\$ |
| Group | | | |
| 31 December 2024 | | | |
| Financial assets measured at amortised cost | | | |
| Trade and other receivables ^ | 3,057,309 | - | 3,057,309 |
| Cash and cash equivalents | 3,274,875 | - | 3,274,875 |
| Restricted fixed deposits | 454,500 | - | 454,500 |
| | <u>6,786,684</u> | <u>-</u> | <u>6,786,684</u> |
| Financial liabilities measured at amortised cost | | | |
| Trade and other payables | - | 1,837,313 | 1,837,313 |
| Loans and borrowings | - | 666,467 | 666,467 |
| | <u>-</u> | <u>2,503,780</u> | <u>2,503,780</u> |
| 30 June 2024 | | | |
| Financial assets measured at amortised cost | | | |
| Trade and other receivables ^ | 5,850,645 | - | 5,850,645 |
| Cash and cash equivalents | 3,141,339 | - | 3,141,339 |
| Restricted fixed deposits | 453,133 | - | 453,133 |
| | <u>9,445,117</u> | <u>-</u> | <u>9,445,117</u> |
| Financial liabilities measured at amortised cost | | | |
| Trade and other payables | - | 3,193,151 | 3,193,151 |
| Loans and borrowings | - | 1,422,993 | 1,422,993 |
| | <u>-</u> | <u>4,616,144</u> | <u>4,616,144</u> |

^ Excludes prepayments.

5. (Loss)/profit before taxation

5.1 (Loss)/profit before taxation included the following items:

| | The Group | |
|--|-----------------------------|-----------------------------|
| | Unaudited 1H-2025 S\$ | Unaudited 1H-2024 S\$ |
| Income | | |
| Miscellaneous income | 1,797 | 1,815 |
| Write-back of allowance for impairment loss of trade receivables | 1,266 | 2,388 |
| Government grant and subsidies | 25,145 | 27,700 |
| Other income | 28,208 | 31,903 |
| Foreign exchange gain (net) | 7,340 | 4,184 |
| Interest income | 691 | 689 |
| Finance income | 8,031 | 4,873 |
| Expenses | | |
| Interest expense | (14,082) | (33,030) |
| Finance costs | (14,082) | (33,030) |
| Loss on disposal of plant and equipment | - | (327) |
| Loss on disposal of other investment | (5,911) | - |
| Other losses | (5,911) | (327) |
| Depreciation of plant and equipment | (72,470) | (65,959) |
| Inventories written-off | (429) | - |
| Rental expense | (109,500) | (115,750) |
| Allowance for inventories obsolescence | (38,732) | (18,519) |

5.2 Related party transactions

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

| | Group | |
|--|-----------------------------|-----------------------------|
| | Unaudited 1H-2025 S\$ | Unaudited 1H-2024 S\$ |
| Related parties which a director has controlling interest | | |
| Sales | - | 307 |
| Accounting and administrative services | 38,604 | 38,604 |
| Rental expenses | 108,000 | 108,000 |
| Recharge of expenses | 47 | 44 |

6. Taxation

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore statutory tax rate of 17% (1H-2024: 17%) to profit or loss before tax as a result of the following differences:

| | Group | |
|---|--------------------------------------|--------------------------------------|
| | Unaudited 1H-2025 S\$ | Unaudited 1H-2024 S\$ |
| Current tax expense | | |
| Changes in estimates in respect of prior years | 17,000 | (2,302) |
| Withholding tax | (1,900) | (3,800) |
| | <u>15,100</u> | <u>(6,102)</u> |
| | | |
| Reconciliation of effective tax rate | | |
| (Loss)/profit before tax | <u>(848,301)</u> | <u>189,267</u> |
| Tax using the Singapore tax rate of 17% | (144,212) | 32,175 |
| Effect of tax rates in foreign jurisdiction | (39) | (917) |
| Non-deductible expenses | 15,026 | 7,849 |
| Non-taxable income | (3,400) | - |
| Unrecognised deferred tax assets | 132,625 | - |
| Utilisation of previously unrecognised tax losses | - | (39,107) |
| Changes in estimates in respect of prior years | 17,000 | (2,302) |
| Withholding tax | (1,900) | (3,800) |
| | <u>15,100</u> | <u>(6,102)</u> |

7. (Loss)/Earnings per share

| | Group | |
|--|------------------------------|------------------------------|
| | Unaudited 1H-2025 | Unaudited 1H-2024 |
| (Loss)/profit for the period attributable to equity holders of the Company (S\$) | <u>(833,201)</u> | <u>183,165</u> |
| Weighted average number of ordinary shares | <u>484,844,100</u> | <u>484,844,100</u> |
| (Loss)/Earnings per share (cents) | <u>(0.17)</u> | <u>0.04</u> |

(Loss)/Earnings per share is calculated by dividing the Group's (loss)/profit attributable to shareholders by the weighted average number of shares in issue during the period, excluding treasury shares.

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

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

8. Net Asset Value

| | Group | | Company | |
|---|------------------|------------------|------------------|------------------|
| | Unaudited | Audited | Unaudited | Audited |
| | As at 31.12.2024 | As at 30.06.2024 | As at 31.12.2024 | As at 30.06.2024 |
| Net asset value per ordinary share based on the number of shares in issue at end of period/year (cents) | 1.3 | 1.5 | 1.2 | 1.2 |

9. Trade and other receivables

| | Group | | Company | |
|--|------------------|------------------|------------------|------------------|
| | Unaudited | Audited | Unaudited | Audited |
| | As at 31.12.2024 | As at 30.06.2024 | As at 31.12.2024 | As at 30.06.2024 |
| | S\$ | S\$ | S\$ | S\$ |
| Trade receivables | 2,047,620 | 5,077,888 | - | - |
| Impairment loss on trade receivables | (9,637) | (10,903) | - | - |
| | 2,037,983 | 5,066,985 | - | - |
| Other receivables | 10,945 | 10,915 | - | - |
| Amounts due from subsidiaries (non-trade) | - | - | 2,390,781 | 2,359,291 |
| Deposits | 1,008,381 | 772,745 | 40,420 | 40,920 |
| | 3,057,309 | 5,850,645 | 2,431,201 | 2,400,211 |
| Prepayments | 148,678 | 252,538 | 31,851 | 4,277 |
| | 3,205,987 | 6,103,183 | 2,463,052 | 2,404,488 |
| Presented in the statement of financial position as: | | | | |
| Current | 2,671,759 | 5,568,955 | 2,463,052 | 2,404,488 |
| Non-current | 534,228 | 534,228 | - | - |
| | 3,205,987 | 6,103,183 | 2,463,052 | 2,404,488 |

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

10. Inventories

| | Group | |
|--|------------------|------------------|
| | Unaudited | Audited |
| | As at 31.12.2024 | As at 30.06.2024 |
| | S\$ | S\$ |
| Inventories, net of allowance for inventories obsolescence | 1,491,334 | 1,683,357 |

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

| | | |
|--------------------------|----------------|----------------|
| At 1 July | 272,666 | 248,232 |
| Charge to profit or loss | 38,732 | 24,434 |
| At 31 December/30 June | 311,398 | 272,666 |

During the period, inventories of S\$2,024,402 (1H-2024: S\$2,066,592) were recognised as an expense and included in “cost of sales”.

11. Investments in subsidiaries

| | Company | |
|---------------------------------|--------------------------------------|------------------------------------|
| | Unaudited As at 31.12.2024 S\$ | Audited As at 30.06.2024 S\$ |
| Unquoted equity shares, at cost | 5,344,199 | 5,344,199 |
| Allowance for impairment | (2,344,000) | (2,344,000) |
| | <u>3,000,199</u> | <u>3,000,199</u> |

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

| | | |
|-------------------------------------|------------------|------------------|
| At 1 July and 31 December / 30 June | <u>2,344,000</u> | <u>2,344,000</u> |
|-------------------------------------|------------------|------------------|

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

At the current reporting date, there is no indication that additional impairment or reversals of impairment of the investment in subsidiaries should be recognised.

12. Plant and equipment

| Group | Computers and office equipment S\$ | Furniture, fixtures and office renovation S\$ | Tools and equipment S\$ | Motor vehicles S\$ | Total S\$ |
|---|---|--|--|-----------------------------------|----------------------|
| Cost | | | | | |
| At 1 July 2023 | 643,645 | 760,021 | 140,242 | 440,520 | 1,984,428 |
| Additions | 43,541 | 7,020 | 4,775 | - | 55,336 |
| Transfers | - | - | 4,615 | - | 4,615 |
| Disposals/Write-off | (14,120) | - | (1,740) | (71,961) | (87,821) |
| At 30 June 2024 | 673,066 | 767,041 | 147,892 | 368,559 | 1,956,558 |
| Additions | 39,007 | - | 1,117 | 70,766 | 110,890 |
| Disposals/Write-off | (12,549) | - | - | - | (12,549) |
| At 31 December 2024 | 699,524 | 767,041 | 149,009 | 439,325 | 2,054,899 |
| Accumulated depreciation and impairment losses | | | | | |
| At 1 July 2023 | 545,556 | 752,514 | 88,876 | 189,098 | 1,576,044 |
| Depreciation for the year | 49,838 | 3,028 | 17,848 | 64,160 | 134,874 |
| Disposals/Write-off | (14,120) | - | (1,740) | (68,515) | (84,375) |
| At 30 June 2024 | 581,274 | 755,542 | 104,984 | 184,743 | 1,626,543 |
| Depreciation for the period | 30,140 | 1,749 | 9,120 | 31,461 | 72,470 |
| Disposals/Write-off | (12,549) | - | - | - | (12,549) |
| At 31 December 2024 | 598,865 | 757,291 | 114,104 | 216,204 | 1,686,464 |
| Carrying amounts | | | | | |
| At 1 July 2023 | 98,089 | 7,507 | 51,366 | 251,422 | 408,384 |
| At 30 June 2024 | 91,792 | 11,499 | 42,908 | 183,816 | 330,015 |
| At 31 December 2024 | 100,659 | 9,750 | 34,905 | 223,121 | 368,435 |

During the period 1H-2025, the Group acquired assets amounting to S\$110,890 (1H-2024: S\$31,573) and disposed and wrote off assets amounting to S\$12,549 (1H-2024: S\$71,961).

13. Trade and other payables

| | Group | | Company | |
|-------------------------------|-------------------------|-------------------------|-----------------------|-----------------------|
| | Unaudited | Audited | Unaudited | Audited |
| | As at 31.12.2024 | As at 30.06.2024 | As at 31.12.2024 | As at 30.06.2024 |
| | S\$ | S\$ | S\$ | S\$ |
| Trade payables | 997,987 | 1,765,947 | - | - |
| Bills payable | - | 353,552 | - | - |
| Other payables | 318,924 | 395,376 | 87,285 | 20,036 |
| Amounts due to: | | | | |
| – Subsidiary (non-trade) | - | - | 1,034 | 169 |
| – Related parties (non-trade) | 53,266 | 53,266 | 53,266 | 53,266 |
| Accruals | 467,136 | 625,010 | 50,666 | 91,976 |
| | <u>1,837,313</u> | <u>3,193,151</u> | <u>192,251</u> | <u>165,447</u> |
| Deposit received | - | - | 37,800 | 37,800 |
| | <u>1,837,313</u> | <u>3,193,151</u> | <u>230,051</u> | <u>203,247</u> |

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

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

14. Loans and borrowings

| | Group | | | |
|---|-----------------------|-----------------|-------------------------|-----------------|
| | Unaudited | | Audited | |
| | As at 31.12.2024 | | As at 30.06.2024 | |
| | Secured | Unsecured | Secured | Unsecured |
| | S\$ | S\$ | S\$ | S\$ |
| <u>Amount repayable in one year or less or on demand</u> | | | | |
| Bank borrowings | 652,295 | - | 1,228,980 | - |
| Lease liabilities | 11,270 | - | 11,006 | - |
| | <u>663,565</u> | <u>-</u> | <u>1,239,986</u> | <u>-</u> |
| <u>Amount repayable after one year</u> | | | | |
| Bank borrowings | - | - | 174,403 | - |
| Lease liabilities | 2,902 | - | 8,604 | - |
| | <u>2,902</u> | <u>-</u> | <u>183,007</u> | <u>-</u> |
| | <u>666,467</u> | <u>-</u> | <u>1,422,993</u> | <u>-</u> |

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

Details of collaterals

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

15. Share Capital

| | Group and Company | | | |
|--|-------------------------------|-----------------------------|-------------------------------|-----------------------------|
| | Unaudited As at 31.12.2024 | Audited As at 30.06.2024 | Unaudited As at 31.12.2024 | Audited As at 30.06.2024 |
| | Number of ordinary shares | | S\$ | S\$ |
| Issued and fully paid ordinary shares, with no par value: | | | | |
| Total number of issued shares | 486,000,000 | 486,000,000 | 9,405,906 | 9,405,906 |
| Less: Treasury shares | (1,155,900) | (1,155,900) | (89,353) | (89,353) |
| Total number of issued shares excluding treasury shares | <u>484,844,100</u> | <u>484,844,100</u> | <u>9,316,553</u> | <u>9,316,553</u> |

There was no change in the Company's issued share capital during 1H-2025. There were no outstanding convertibles and subsidiary holdings held by the Company as at 31 December 2024 and 31 December 2023. The number of shares held as treasury shares as at 31 December 2024 and 31 December 2023 is 1,155,900 treasury shares. The percentage of the aggregate number of treasury shares held against the total number of shares outstanding, excluding treasury shares, that is listed as at 31 December 2024 and 31 December 2023 is 0.24%.

F. Other Information Required by Listing Rule Appendix 7C

1. Review

The condensed interim consolidated statements of financial position of IPS Securex Holdings Limited and its subsidiaries as at 31 December 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company's auditors.

2. Review of performance of the Group

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

The Group's revenue decreased by approximately S\$0.8 million or 14.1% from S\$5.9 million in 1H-2024 to S\$5.1 million in 1H-2025.

Security Solutions Business: 1H-2025

Revenue from the Security Solutions Business decreased by approximately S\$0.3 million or 7.9% from S\$3.7 million in 1H-2024 to S\$3.4 million in 1H-2025. This was mainly attributable to a decrease in revenue from providing integrated security solutions in Singapore of S\$0.2 million due to slower project delivery in accordance with the schedules of certain customers at their request, a decrease in sales of security products to customers in Rest of Southeast Asia⁽¹⁾ of S\$0.2 million, and partially offset by an increase in sales of security products to customers in East Asia⁽²⁾ of S\$9,000, and in Singapore of S\$60,000.

Maintenance and Leasing Business: 1H-2025

Revenue from the Maintenance and Leasing Business decreased by approximately S\$0.5 million or 24.0% from S\$2.3 million in 1H-2024 to S\$1.7 million in 1H-2025. This was mainly attributable to a lower demand for maintenance support services by customers in Singapore of S\$0.1 million, and a decrease in revenue from the provision of maintenance support services to customers in Rest of Southeast Asia⁽¹⁾ of S\$0.4 million due to the expiry of a maintenance contract.

Cost of sales

Cost of sales decreased by S\$18,000 or 0.6% in 1H-2025 as compared to 1H-2024. Cost of sales from the Maintenance and Leasing Business decreased by approximately S\$0.2 million or 22.6% from S\$0.7 million in 1H-2024 to S\$0.5 million in 1H-2025 due to the expiry of a maintenance contract with a customer in the Rest of Southeast Asia⁽¹⁾ and a lower demand for maintenance support services by customers in Singapore, and partially offset by an increase in cost of sales from Security Solutions Business of S\$0.1 million or 5.6% from S\$2.4 million in 1H-2024 to S\$2.6 million in 1H-2025 mainly due to cost incurred for the implementation of projects with revenue expected to be recognised upon project completion.

Gross profit

Gross profit decreased by approximately S\$0.8 million or 28.8% from S\$2.8 million in 1H-2024 to S\$2.0 million in 1H-2025 as a result of the factors discussed above.

Gross margin decreased from 47.7% in 1H-2024 to 39.5% in 1H-2025 due to lower margins from the Security Solutions Business and cost incurred for the implementation of projects with revenue expected to be recognised upon project completion.

Notes:

⁽¹⁾ "Rest of Southeast Asia" includes Malaysia, Brunei, Indonesia, Philippines and Timor Leste.

⁽²⁾ "East Asia" includes China, South Korea and Japan.

2. Review of performance of the Group

Other income

Other income decreased by approximately S\$4,000 or 11.6% from S\$32,000 in 1H-2024 to S\$28,000 in 1H-2025. This was mainly due to a decrease in government grants and subsidies of S\$3,000 and write-back of impairment of trade receivables of S\$1,000.

Administrative expenses

Administrative expenses increased by approximately S\$0.2 million or 8.6% from S\$2.6 million in 1H-2024 to S\$2.8 million in 1H-2025. This was mainly due to an increase in employees' remuneration and benefit expenses of S\$0.1 million, due to an increase in headcount for projects, an increase in distribution expenses of S\$34,000 mainly due to higher sales commission paid relating to certain projects and exhibition expenses of S\$12,000, an increase in depreciation of S\$6,000 and office related expenses of S\$30,000 mainly due to IT computer enhancements.

Other operating expenses

Other operating expenses increased by approximately S\$7,000 or 20.9% from S\$37,000 in 1H-2024 to S\$44,000 in 1H-2025. This was mainly due to an increase in allowance for inventories obsolescence of S\$20,000; an increase in inventories written-off of S\$1,000; and partially offset by a decrease in bank charges of S\$14,000.

Other losses

Other losses increased by S\$5,600 or 1,707.6% from S\$300 in 1H-2024 to S\$5,900 in 1H-2025. This was mainly due to the loss on disposal of club membership

Finance income

Finance income increased by approximately S\$3,000 or 64.8% from S\$5,000 in 1H-2024 to S\$8,000 in 1H-2025. This was mainly due to an increase in 1H-2025 of a net foreign exchange gain of S\$3,000, which arose from the settlement of trade payables denominated in United States dollars due to the depreciation of United States dollar against the Singapore dollar in 1H-2025.

Finance costs

Finance costs decreased by approximately S\$19,000 or 57.4% from S\$33,000 in 1H-2024 to S\$14,000 in 1H-2025. This was mainly due to the net decrease in interest expense of S\$19,000 due to lower utilisation of credit facilities.

Tax expense

Tax expense decreased by approximately S\$21,000 from a tax expense of S\$6,000 in 1H-2024 to a tax credit of S\$15,000 in 1H-2025. The decrease in tax expense was mainly due to tax refund of S\$17,000 from the claim of loss-carry back relief and decrease in withholding tax expenses of S\$2,000.

Review of the Group's financial position

Current assets

Current assets decreased by approximately S\$3.1 million from S\$11.1 million as at 30 June 2024 to S\$8.0 million as at 31 December 2024. The decrease in current assets was mainly due to:

- (i) a decrease in inventories of S\$0.2 million arising from utilization of parts and components for projects undertaken during 1H-2025 of S\$0.2 million for the Security Solutions Business and an allowance for inventories obsolescence of S\$39,000;
- (ii) a decrease in contract assets of S\$0.1 million mainly attributable to an increase in billing upon the completion of integrated security solutions projects;
- (iii) a decrease in trade and other receivables of S\$2.9 million mainly due to receipt of payment from customers and other receivables of S\$3.0 million and a lower sales made on credit terms towards the end of 1H-2025, a decrease in prepayment for the purchase of parts for maintenance support services of S\$0.2 million, partially offset by an increase in prepayment for rental of exhibition hall of S\$32,000, an increase in prepayment for insurance premiums of S\$14,000, an increase in professional fees of S\$25,000; an increase in prepayment for miscellaneous expenses of S\$4,000; and an increase in deposits placed with suppliers for the purchase of security products of S\$0.2 million;

partially offset by:

- (iv) an increase in cash and cash equivalents of S\$0.1 million.

Non-current assets

Non-current assets increased by approximately S\$31,000 from S\$872,000 as at 30 June 2024 to S\$903,000 as at 31 December 2024. The increase in non-current assets was due to the purchase of plant and equipment of S\$111,000 million and partially offset by depreciation charges on plant and equipment of S\$72,000 and disposal of club membership with the book value of S\$8,000.

Current liabilities

Current liabilities decreased by approximately S\$2.0 million from S\$4.7 million as at 30 June 2024 to S\$2.7 million as at 31 December 2024. The decrease in current liabilities was mainly due to:

- (i) a decrease in contract liabilities of S\$0.1 million mainly due to delivery of services for which consideration had been received in advance;
- (ii) a decrease in bank borrowings of S\$0.6 million arising from the repayment of bank borrowings;
- (iii) a decrease in trade and other payables of S\$1.4 million mainly attributable to a decrease in amount payable to trade suppliers of S\$0.8 million, a decrease in trade financing facilities of S\$0.4 million, a decrease in other payables of S\$76,000 which comprised mainly GST payables and payables for staff reimbursements, a decrease in accrual of operating expenses of S\$0.2 million; and partially offset by an increase in accrual of project cost for integrity security solutions projects of S\$39,000.

Non-current liabilities

Non-current liabilities decreased by approximately S\$0.2 million from S\$0.2 million as at 30 June 2024 to S\$4,000 as at 31 December 2024. This was due to repayment of bank borrowings of S\$0.2 million and payment of lease liabilities of S\$6,000.

Capital and reserves

Capital and reserves decreased by approximately S\$0.8 million from S\$7.0 million as at 30 June 2024 to S\$6.2 million as at 31 December 2024. This was due to net loss recognised in 1H-2025 of S\$0.8 million.

Review of the Group's cashflows

Net cash generated from operating activities

In 1H-2025, the net cash from operating activities was approximately S\$1.4 million, which consisted mainly of operating cash outflow before working capital changes of S\$0.7 million, net working capital inflow of S\$2.1 million, and income tax received of S\$15,000.

The net working capital inflow arose mainly from the following:

- (i) a decrease in trade and other receivables of S\$2.9 million mainly due to receipt of payment from customers and other receivables of S\$3.0 million and a lower sales made on credit terms towards the end of 1H-2025, a decrease in prepayment for the purchase of parts for maintenance support services of S\$0.2 million partially offset by an increase in prepayment for rental of exhibition hall of S\$32,000, an increase in prepayment for insurance premiums of S\$14,000, an increase in professional fees of S\$25,000; an increase in prepayment for miscellaneous expenses of S\$4,000; and an increase in deposits placed with suppliers for purchasing of security products of S\$0.2 million;
- (ii) a decrease in inventories of S\$0.2 million arising from utilization of parts and components for the Security Solutions Business during the period;
- (iii) a decrease in contract assets of S\$0.1 million mainly attributable to an increase in billing upon the completion of integrated security solutions projects;

partially offset by:

- (iv) a decrease in trade and other payables of S\$1.0 million mainly attributable to a decrease in amount payable to trade suppliers of S\$0.8 million, a decrease in other payables of S\$76,000 which comprised mainly GST payables and payables for staff reimbursements, a decrease in accrual of operating expenses of S\$0.2 million; and partially offset by an increase in accrual of project cost for integrity security solutions projects of S\$39,000; and
- (v) a decrease in contract liabilities of S\$0.1 million mainly due to delivery of services for which consideration had been received in advance.

Net cash used in investing activities

Net cash used in investing activities amounted to approximately S\$0.1 million in 1H-2025 mainly arising from the purchase of plant and equipment of S\$111,000 and partially offset by sales proceeds from disposal of club membership of S\$2,000.

Net cash used in financing activities

Net cash used in financing activities amounted to approximately S\$1.3 million in 1H-2025. This was mainly due to the repayment of trade financing facilities of S\$0.3 million, repayment of bank borrowings of S\$0.7 million, payment of lease liabilities of S\$5,000, interest paid of S\$20,000; increase in net restricted cash pledged of S\$0.2 million; partially offset by a withdrawal of fixed deposit of S\$18,000.

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

Not applicable.

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

The Group recorded a net loss after tax of the Group for 1H-2025 mainly due to a decrease in revenue in 1H-2025.

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

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

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

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

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

5. Dividend Information

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

No.

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for 1H-2025 as the Group incurred a loss for 1H2025 and continues to operate prudently to seek to retain cash in the current economic environment.

7. Interested person transactions

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

| | Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under Shareholders' Mandate pursuant to Rule 920 of the Catalist Rules) | |
|--|---|------------------------|
| <u>Provision of group services (such as finance, corporate secretarial, human resources, warehouse operation cost and rental expense) by:-</u> | 1H-2025 S\$ | 1H-2024 S\$ |
| IPS Realty Pte Ltd | 108,000 | 108,000 |
| IPS Group Pte. Ltd. | 38,604 | 38,604 |

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

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

9. Negative confirmation by the Board pursuant to Rule 705(5)

The board of Directors (the “Board”) hereby confirms that, to the best of its knowledge, nothing has come to the attention of the Board, which may render the unaudited financial statements of the Group for 1H-2025 to be false or misleading in any material aspect.

By Order of the Board

Ong Beng Chye
Non-Executive Director and Non-Independent Chairman
12 February 2025