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Media Release

IPS Securex's 1H2015 net profit surged 285.9%

- **IPS Securex declares interim cash dividend of 0.75 Singapore cent per ordinary share**
- **Revenue increased by 52% to S$5.8 million with more than a 61% and 39% increase in Security Solutions Business and Maintenance and Leasing Business, respectively**
- **Gross profit up 60.4% to S$2.9 million and gross margins improved by 2.6 percentage points (1H2014: 47%)**

SINGAPORE, 11 February 2015 – **IPS Securex Holdings Limited** ("IPS Securex" or the "Company" and, together with its subsidiaries, the "Group"), a leading provider of security products and integrated security solutions with an established regional presence in the Asia-Pacific, today announced that its net profit for the half year ended 31 December 2014 ("1H2015") hit approximately S$911,000, a 285.9% increase from the previous corresponding half year ended 31 December 2014 ("1H2014") of approximately S$236,000.

Commenting on the 1H2015 results, Mr Kelvin Lim (林青宋), Executive Director and Chief Executive Officer of IPS Securex said: ***"We have registered significant growth in our revenue and gross profit for both our Security Solutions and Maintenance and Leasing Businesses for 1H2015. Our focus on building our product range by adding new suppliers and more quality security products and solutions has certainly paid off. Our business is gaining traction as seen from the increased demand for our security products and integrated security solutions and we will proactively increase our Asia-Pacific market footprint."***

1H2015 Financial Highlights

In S$'million unless otherwise stated	1H2015	1H2014	Change (%)
Revenue	5.8	3.8	52.0
Gross Profit	2.9	1.8	60.4

Gross Margin	49.6%	47.0%	2.6
Profit before income tax	1.0	0.3	246.0
Net Profit	0.9	0.2	285.9

The Group's 1H2015 revenue increased by 52.0% to S$5.8 million, with the Security Solutions Business and the Maintenance and Leasing Business recording revenue increases of approximately S$1.3 million and S$671,000, respectively.

The 61.9% boost in revenue for the Group's Security Solutions Business from S$2.1 million in 1H2014 to S$3.4 million in 1H2015 was mainly attributable to increased sales of security products and integrated security solutions to customers in Vietnam and Singapore, respectively, and the supply of parts for Border Security Equipment to customers in Malaysia.

The Group's Maintenance and Leasing Business' revenue increased by approximately S$671,000 or 39.5% from S$1.7 million in 1H2014 to S$2.4 million in 1H2015. This increase was largely attributable to the provision of maintenance support services to customers in Thailand and Indonesia and the consultancy fees earned for an airport security project in Ethiopia, both of which began in the second half of the financial year ended 30 June 2014.

Gross profit increased by approximately 60.4% from S$1.8 million in 1H2014 to S$2.9 million in 1H2015, with gross profit margin also improving from 47.0% in 1H2014 to 49.6% in 1H2015. The improvement in gross profit margin was mainly attributable to higher margins secured from both the Security Solutions and Maintenance and Leasing Businesses.

Administrative expenses increased from S$1.7 million in 1H2014 to S$2.1 million in 1H2015 mainly attributable to increases in distribution and marketing expenses, directors' and employees' remuneration and benefit expenses, and on-going compliance fees as a Catalist-listed company.

Overall, the Group recorded a net profit of approximately S$911,000 in 1H2015, a 285.9% increase from approximately S$236,000 in 1H2014.

Healthy Financial Position

As at 31 December 2014, the Group had net assets of approximately S$11.7 million, compared to S$8.2 million as at 30 June 2014. As at 31 December 2014, cash and cash equivalents stood at S$7.0 million compared to S$4.5 million as at 30 June 2014, with the increase mainly due to unutilised net proceeds raised from the Group's share placement exercise the shares of which were issued and allotted on 14 October 2014.

Dividend

The Board of Directors has declared an interim cash dividend of 0.75 Singapore cent per ordinary share.

Looking Ahead

From 1970 to 2013, more than 125,000 cases of transnational and international terrorist incidents have occurred, according to the Global Terrorism Database[1] by the National Consortium for the Study of Terrorism and Responses to Terrorism ("START"). As governments and organisations seek preventative security measures, the Group believes that the demand for security surveillance, products and solutions will rise. The Group believes it is well-positioned to benefit from this increase in demand and has broadened its range of security products and integrated security solutions.

In 1H2015, the Group added new suppliers such as PepperBall Technologies Inc., Accipiter Radar Technologies Inc. and Bio-Nexus Research Pte. Ltd. to its roster of suppliers and allowing the Group to offer an even more comprehensive suite of solutions to its clients. Simultaneously, the Group has also started increasing its market penetration by expanding its distribution rights for some of its products from 10 to 14 countries. This is part of the Group's strategy to become a leading security solutions provider in the Asia-Pacific.

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[1] *Global Terrorism Database is an open-source database including information on terrorist events around the world from 1970 through 2013 (with additional annual updates planned for the future). Link: http://www.start.umd.edu/gtd/*

Furthermore, the Group is starting to move into the co-development and manufacturing of security products. Pursuant to a memorandum of understanding ("MOU") entered into with one of the Company's substantial shareholders on 26 September 2014, the Group is exploring business opportunities in the secured virtual healthcare systems and solutions business. The project for the secured virtual healthcare systems and solutions business is in the preliminary development phase.

Another MOU was signed with Wattre Corporation and United Tactical Systems, LLC on 22 December 2014 for the development, manufacture, marketing and sale of the HyperWhistle. Currently, all concerned parties are working towards the finalisation of a definitive agreement prior to the commencement of the project.

Also, contracts awarded by the Housing and Development Board and SMRT Trains Ltd as previously announced on 29 August 2014 and 23 July 2014, respectively, are expected to have a further impact on the revenue of the Group in the second half of the financial year ending 30 June 2015.

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

End.

Note to Media: This press release is to be read in conjunction with the announcement issued on SGXNET on the same date.

About IPS Securex Holdings Limited (www.ips-securex.com)

IPS Securex is one of Singapore's leading providers of security products and integrated security solutions to commercial entities and government bodies and agencies in Asia-Pacific.

Since 2000, the Group has been providing security products and integrated security solutions for various security requirements including checkpoint security, law enforcement and the protection and surveillance of buildings and critical infrastructure. It is a one-stop security solutions provider - from the supply of a broad range of security products, the design, installation, testing and commissioning of integrated security solutions, to the provision of maintenance support and leasing services to its customers. Carrying over 100 types of security products, the Group has distribution rights for some of its products spanning across 14 countries in the Asia-Pacific including Singapore, Cambodia, Brunei, Vietnam, Indonesia, Malaysia, Thailand, Myanmar, Philippines, Laos, China (Hong Kong and Macau), Australia, India and Sri Lanka.

Over the years, the Group has received several sales, business and branding awards and has built an accomplished reputation in the security products and solutions industry. Some of its awards include the Enterprise 50 Award in 2009, the Singapore SME 500 Company Award in 2010, the Top 100 Singapore Excellence Award (Platinum) in 2013 and the Asia Pacific Brands Award in 2014.

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

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This press release has been prepared by IPS Securex Holdings Limited (the "Company") and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this press release.

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

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