IPS Securex Holdings Limited
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Media Release

IPS Securex's FY2015 net profit grew 102.3% to S$2.3 million

- **Revenue increased by 25.9% to S$15.7 million in FY2015 with revenue increases in both its Security Solutions Business and Maintenance and Leasing Business**
- **Gross profit went up 7.6% from S$6.0 million in FY2014 to S$6.5 million in FY2015; net profit margin improved to 14.4% in FY2015 from 9.0% in FY2014**
- **Proposes Final Dividend of 0.75 cent per ordinary share**

SINGAPORE, 20 August 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 financial year ended 30 June 2015 ("FY2015") reached S$2.3 million, a 102.3% increase from the previous corresponding full year ended 30 June 2014 ("FY2014").

Commenting on the FY2015 results, Mr Kelvin Lim (林青宋), Executive Director and Chief Executive Officer of IPS Securex said: ***"We are pleased to announce that we have registered significant growth in our revenue and net profit for both our Security Solutions and Maintenance and Leasing Businesses for the year. Moving forward, barring any unforeseen circumstances, we remain positive for a better year ahead."***

Dividend

The Board is recommending a Final Dividend of 0.75 cent per ordinary share for FY2015 which is subject to shareholders' approval at the Annual General Meeting to be convened at a later date.

FY2015 Financial Highlights

In S$'million unless otherwise stated	FY2015	FY2014	Change (%)
Revenue	15.7	12.4	25.9
Gross Profit	6.5	6.0	7.6
Gross Profit Margin	41.2%	48.2%	(7.0) ppt
Profit before income tax	2.6	1.6	61.9
Net Profit	2.3	1.1	102.3

The Group's FY2015 revenue increased by approximately 25.9% to S$15.7 million, with the Security Solutions Business and the Maintenance and Leasing Business recording revenue increases of approximately S$1.7 million and S$1.5 millions respectively.

The 19.8% increase in revenue for the Group's Security Solutions Business from S$8.5 million in FY2014 to S$10.1 million in FY2015 was mainly attributable to the increased demand for integrated security solutions by customers in Singapore and the rest of Southeast Asia(1); an increase in customer demand for Acoustic Hailing Systems in Indochina(2); and the supply of parts for Border Security Equipment to customers in the rest of Southeast Asia. This was partially offset by the lesser demand for Acoustic Hailing Systems by customers in Singapore and the rest of Southeast Asia, and for the sale of security products related to the SIT project as it was nearing completion.

Revenue from the Group's Maintenance and Leasing Business increased by approximately 38.7% from S$4.0 million in FY2014 to S$5.5 million in FY2015. This increase was mainly due to maintenance support services fees to customers in Indochina and the rest of Southeast Asia attributable to contracts entered into in the second half of FY2014; lease and maintenance fees earned for contracts with HDB entered into in the second half of FY2014 and first half of FY2015; an ad-hoc replacement of a component in a security system for a public sector customer in Singapore; and consultancy fees earned for an airport project.

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

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

The Group's gross profit increased by approximately 7.6% from S$6.0 million in FY2014 to S$6.5 million in FY2015, with gross profit margin decreasing from 48.2% in FY2014 to 41.2% in FY2015. The decrease in gross profit margin was mainly due to lower margins secured from the Security Solutions Business in the second half of FY2015.

Administrative expenses fell from S$4.7 million in FY2014 to S$4.4 million in FY2015, mainly due to the absence of IPO-related expenses of S$1.1 million , which partially offsetted the increase in distribution and marketing expenses, increase in ongoing compliance fees and professional fees for the share placement and share split exercises, and increase in directors and employees' remuneration and benefit expenses.

Overall, the Group recorded a net profit of S$2.3 million for FY2015.

Healthy Financial Position

As at 30 June 2015, the Group had net assets of approximately S$11.8 million, compared to S$8.2 million as at 30 June 2014. Cash and cash equivalents as at 30 June 2015 stood at S$4.8 million as compared to S$4.5 million as at 30 June 2014.

Looking Ahead

The Group is seeing more interest for cargo scanning equipment and will continue to market this product to various border control agencies in the Asia Pacific. The Group's PepperBall brand of non-lethal countermeasure technology products ("PepperBall Products") has also gained market momentum with several queries from across the region and a letter of intent ("LOI") announced on 29 April 2015 to supply PepperBall Products to a government body in Southeast Asia.

The Group has been appointed by United Tactical Systems, LLC ("UTS"), which owns all rights, titles and interests in the "PepperBall" trademark and trade name in the United States, as the exclusive master distributor of the PepperBall products within the Asia Pacific.

Furthermore, the Group is developing unique solutions such as combining acoustic hailing devices with radar technology to focus on bird strike deterrence and is concurrently marketing these two products to military air bases and commercial airports around the Asia Pacific.

Also, following the successful pilot run of the Group's Secured Virtual Healthcare Systems and Solutions (the "SVHSS") as announced on 20 April 2015, the Group is planning to reach out to more nursing homes across Singapore to market the SVHSS in FY2016.

Baring any unforeseen circumstances, the Board of Directors remains positive about the business outlook for FY2016.

End.

Note to Media: This media release is to be read in conjunction with the results 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 17 countries in the Asia Pacific including Singapore, Cambodia, Brunei, Vietnam, Indonesia, Malaysia, Thailand, Myanmar, Philippines, Laos, China (Hong Kong and Macau), Australia, India, Sri Lanka, Japan, South Korea and Taiwan.

Over the years, IPS Securex has received several sales, business and branding awards and 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, the Asia Pacific Brands Award in 2014 and the Merit Award for Best Investor Relations (First-Year Listed Companies) at the Singapore Corporate Awards 2015.

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 media 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 media release.

This media 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. The contact persons for the Sponsor are Mr Khong Choun Mun, Managing Director, Equity Capital Markets and 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.