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GST Reg No: M90367530Y0Y

Issuer: IPS Securex Holdings Limited

Stock code: 42N

Meeting details:

Date: 27 October 2026

Time: 9.30 a.m.

Venue: Seletar Country Club, Heron Room Level 2, 101 Seletar Club Road, Singapore 798273

Q1. The group's revenue increased by approximately \$9.4 million, or 83.8%, from \$11.3 million in FY2025 to \$20.7 million in FY2026. However, cost of sales rose by 88.3% or by approximately \$6.3 million to \$13.4 million, mainly due to higher direct material costs. As a result, gross profit margin decreased from 36.7% to 35.2%. The annual report also attributes the weaker margin to lower customer demand for higher-margin maintenance support services. To better understand the group's products and services, shareholders can refer to the project references on pages 18 to 29 of the annual report.

4B. Profit or loss and reconciliation

	Group	
	2026	2025
	\$	\$
<u>Revenue by segment</u>		
Security solutions	18,608,817	7,942,074
Maintenance and leasing	2,127,294	3,340,701
	20,736,111	11,282,775
<u>Gross profit by segment</u>		
Allocated amounts:		
– Security solutions	5,798,950	1,667,607
– Maintenance and leasing	1,232,977	2,222,556
	7,031,927	3,890,163
Unallocated amounts:		
– Other income	34,796	63,584
– Allowance for expected credit loss – (loss)/reversal	(200)	7,439
– Administrative expenses	(6,688,274)	(5,429,885)
– Other operating expenses	(31,210)	(15,773)
– Net finance costs	(29,635)	(5,742)
	317,404	(1,490,214)

(Source: company annual report; emphasis added)

The breakdown of revenue and gross profit by segment is shown in Note 4 and reproduced above.

- (i) **What are the group's key ongoing projects under the maintenance and leasing segment, and what are their respective contract values, remaining contract periods and expected revenue contributions? Looking ahead, what specific opportunities are in the pipeline to secure additional projects and customers?**

In his statement to shareholders, the CEO also highlighted his focus on building a stronger recurring income base to create a more balanced and sustainable business model.

- (ii) **What percentage of FY2026's revenue could be considered recurring? What recurring revenue mix is management targeting over the next three years, and which services or customer segments are expected to drive the increase?**

In addition, the group provides critical services such as smart pump monitoring, cloud-based CCTV solutions, and drone threat detection, where service failures or operational mishaps may result in financial loss or claims.

- (iii) **What contractual protections, insurance coverage and operational controls does management have in place to mitigate these risks? How does the board assess whether the existing safeguards are adequate relative to the potential financial exposure?**

Q2. Despite reporting a profit of \$317,404 for FY2026, the group recorded net cash outflows from operating activities of \$56,551. As at 30 June 2026, cash and cash equivalents stood at \$2.13 million, following receipt of a \$0.3 million loan from a related party.

- (i) Contract assets increased by \$1.5 million, and stood at \$2.10 million as at 30 June 2026. **What accounted for the \$1.5 million increase in contract assets, and to what extent does it reflect normal billing and certification timing rather than delays in billing and customer acceptance?**

CONTRACT ASSETS

	Group	
	2026	2025
	\$	\$
At beginning of year	212,534	270,402
Consideration for work completed but not billed	2,095,641	638,540
Transferred to trade receivables	(577,564)	(696,408)
At end of year	1,730,611	212,534

- (ii) **What was the specific purpose of the \$300,000 loan from the related party, and why were the group's existing cash resources considered insufficient? How was the interest rate of 4.84% determined, and what comparable market rates or alternative financing options did the board consider before approving the transaction?**

The range of fixed interest rates per annum paid were as follows:

	Group	
	2026	2025
	% p.a.	% p.a.
Bank loans (secured)	2.50	2.50
Loans from a related party (unsecured)	4.84	—
Lease liabilities	5.25	4.75

During the reporting year, a related party of the Company provided unsecured short-term loans totalling \$300,000 to a subsidiary of the Company. The loans bear interest at a fixed rate with accrued interest of \$2,919 (2025: Nil) during the reporting year. The loans mature within 91 to 154 days (2025: Nil) from the dates of drawdown.

- (iii) **Who was the related party that provided the loan? Has the company assessed whether the transaction constitutes an interested person**

transaction under the Catalist Rules, and, if so, whether the applicable announcement and disclosure requirements, including Rule 907 where relevant, have been met?

Q3. On 16 January 2026, SGX RegCo issued a Regulator’s Column on forward guidance, in which the regulator strongly encouraged issuers to provide meaningful forward-looking disclosures.

SGX RegCo noted that forward-looking information consistently ranks highly among the information sought by investors, including institutional investors and research analysts, particularly regarding anticipated earnings and management’s strategy for achieving those outcomes. The regulator also clarified that forward guidance does not require auditor sign-off and that issuers are not expected to update guidance immediately for every change in circumstances. Issuers should nevertheless make timely announcements in accordance with existing listing rules relating to material information and price-sensitive developments.

SGX RegCo also highlighted that forward guidance should be viewed as a means for companies to signal confidence, build credibility with investors, and potentially support long-term shareholder value, rather than as a compliance exercise.

The Regulator’s Column can be accessed here:

<https://www.sgxgroup.com/media-centre/20260116-regulators-column-forward-guidance-why-it-matters-and-how-get-it>

- (i) Given SGX RegCo’s encouragement of forward guidance and its view that such disclosures can enhance investor confidence and credibility, has the board considered providing forward guidance for FY26/27 on the group’s performance, outlook, key operating assumptions, and strategic priorities? If not, why not?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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