



**Securities Investors Association (Singapore)**  
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111  
Tel: (65) 6227 2683 Email: [admin@sias.org.sg](mailto:admin@sias.org.sg)  
[www.sias.org.sg](http://www.sias.org.sg)  
UEN No: S99SS0111B  
GST Reg No: M90367530Y0Y

**Issuer:** IPS Securex Holdings Limited

**Stock code:** 42N

**Meeting details:**

Date: 25 Oct 2024

Time: 9.30 a.m.

Venue: The Singapore Island Country Club (Bukit Location), 240 Sime Road, The Habitat Level 3, Singapore 288303

**Q1.** In the chairman’s statement, it was mentioned that the company subsidiaries are registered under the GSR with the financial grades of S7 and S9 which provide them tendering capacities of up to \$5 million and \$30 million respectively. He further added that the entities are also registered with BCA and its CRS, with various tendering limits.

- (i) **Can the chairman clarify that the registrations mentioned refer to the “Government Supplier Registration (GSR)” and Building and Construction Authority’s “Contractors Registration System (CRS)”?**

**Have there been any changes to the subsidiaries' tendering limits or workheads?**

**Given that this was a business highlight in the chairman’s statement, could the chairman provide more clarity on how this directly impacts the group’s business prospects moving forward?**

Management also showcased two projects involving data centers on pages 18 and 19.

- (ii) **How differentiated are the group's products and services in the data centre space? What portion of the group’s revenue is driven by data centre projects, and how does the company plan to expand this segment profitably? How does management secure new clients in this segment?**

**Q2.** For the financial year ended 30 June 2024, while revenue increased from \$11.5 million to \$13.7 million, the cost of sales barely changed, increasing from \$7.87 million to \$7.91 million. In addition, administrative expenses (mainly salaries and related expenses) increased marginally, from \$5.56 million to \$5.77 million.

IPS SECUREX HOLDINGS LIMITED ■ ANNUAL REPORT 2024

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

Year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Revenue</b>	5	13,687,667	11,543,086
Cost of sales		(7,911,636)	(7,865,350)
<b>Gross profit</b>		5,776,031	3,677,736
Other income and gains	6	293,735	90,104
Administrative expenses	9	(5,772,933)	(5,563,499)
Allowance for expected credit loss – reversal/(loss)	19	3,662	(31,572)
Other losses	6	(327)	–
Other operating expenses		(117,564)	(88,682)
Finance income	7	1,513	576
Finance costs	8	(68,674)	(104,509)
<b>Profit/(loss) before tax</b>		115,443	(2,019,846)
Income tax (expense)/benefit	10	(11,802)	8,555
<b>Total comprehensive income/(loss)</b>		103,641	(2,011,291)
<b>Earnings/(loss) per share</b>		<b>Cents</b>	<b>Cents</b>
Basic and diluted	11	0.02	(0.41)

### 9. ADMINISTRATIVE EXPENSES

Major and selected components include the following:

	Group	
	2024 \$	2023 \$
Employee benefits expense (inclusive of directors' remuneration):		
– Salaries and related expenses	3,778,991	3,707,941
– Defined contribution plan	498,343	439,551
– Staff benefits	32,753	34,452
Depreciation of plant and equipment	134,874	105,484

- (i) **Can management elaborate on how margins differ across the various projects? Which types of projects or sectors tend to command higher margins, and what factors contribute to these variations?**
- (ii) **In addition, what operational efficiencies or technology implementations enabled the group to achieve higher revenue without a proportional increase in salary costs? Is the current workforce fully utilised, are how much more growth can the team support?**

The group continues to be Singapore-centric, with 93% of revenue coming from Singapore.

- (iii) **Could the board provide further clarity on its ambitions for regional expansion? What specific strategies are in place to grow the business outside of Singapore?**

On 19 August 2024, the company announced the award of a security contract with value of \$12.0 million to design, supply and install security systems for completion by February 2026.

- (iv) **Given the relatively large size of a single contract, has the board evaluated the risk management framework? With the recent leadership transition, does the new management team have sufficient bandwidth and expertise to execute this major project effectively?**

The company was the victim of a ransomware incident. As noted in the 2 January 2024 announcement, an unknown party gained unauthorised access to the group's servers and rendered its network inaccessible.

- (v) **Has the board carried out a thorough investigation to determine the cause of the incident? What specific improvements have been made to strengthen the group's cybersecurity protocols and prevent future incidents?**

**Q3.** On 15 August 2024, the company announced that the resignation of executive director and chief executive officer, Mr Kelvin Lim Ching Song<sup>1</sup>, with effect from 30 August 2024.

Mr Boey Teik Heng was appointed the acting chief executive officer of the company on 20 September 2024<sup>2</sup>.

- (i) What has been the total shareholder return for the past 5 and 10 years?**
- (ii) Can the nominating committee (NC) elaborate further on the succession plans for key management personnel? What specific leadership qualities, strategic experience, and industry expertise are prioritised in the search for a new CEO, and what progress has been made in the search process? Is the company still actively looking for a permanent CEO?**

In addition, Mr Ong Beng Chye, who will retire pursuant to Regulation 91 of the company's constitution will seek his re-election at the annual general meeting scheduled to be held on 25 October 2024. If re-elected, the director will be redesignated as non-independent director.

SGX has introduced a 9-year limit on the tenure of independent directors.

As at 30 June 2024, the company has accumulated losses of \$(3.5) million. Equity stood at just \$6.0 million at the end of the financial year. The company has not paid a dividend since 2016.

- (iii) Has the nominating committee (NC) reviewed the current competency matrix of the board and identified any gaps in skills or competencies that need to be addressed in future director appointments?**
- (iv) Can the director help shareholders better understand his past contributions and how has he helped to create long-term, sustainable value for shareholders during his tenure on the board?**
- (v) If re-elected, how will the director contribute as non-executive director? How is he able to provide fresh perspective to the board given his long tenure?**
- (vi) Would the director's redesignation cause the company to not comply with Provision 2.2 of the Code of Corporate Governance 2018?**

---

<sup>1</sup> <https://links.sgx.com/1.0.0/corporate-announcements/E4G69AC6N7ERP58N/bddad3fe40a5de89c44ad0640d25281f2b7a2dd44524885ee6eaf185fd7cebdd>

<sup>2</sup> <https://links.sgx.com/1.0.0/corporate-announcements/2LQ9VP5M5CG07404/acb8f8801b92278e8e3e0452b1519a319a06e2083900a65f5de511fa5577e8be>

- (vii) **Does the director believe his continued appointment on the board hinders the progressive renewal of the board?**

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

Check out the latest questions on the annual reports of listed companies on [SIAS website](#)

Join our mailing list [here](#) to receive latest news and upcoming events.

CONNECT WITH US

