



International Press Softcom Limited

(Incorporated in the Republic of Singapore-197201169E)
 26 Kallang Avenue, Singapore 339417, Republic of Singapore
 Tel: 6298 3800•Fax: 6297 1668
 Web: www.ipsoftcom.com

UNAUDITED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 JANUARY TO 30 JUNE 2015

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2015 TO 30 JUNE 2015

	Note	Group		%+/-
		S\$'000		
		1H2015	1H2014	
Turnover		25,570	23,379	9.4
Other operating income	1	808	412	96.1
Changes in stocks of finished goods and work in progress		17	(62)	nm
Raw materials and consumables used	2	(15,747)	(12,534)	25.6
Personnel expenses		(5,198)	(5,447)	-4.6
Depreciation and amortisation	3	(998)	(1,237)	-19.3
Rental, property tax and utilities		(1,266)	(1,290)	-1.9
Freight, travelling and transportation expenses		(1,278)	(1,301)	-1.8
Repair and maintenance expenses		(284)	(256)	10.9
Royalties	4	(85)	(33)	157.6
Subcontractor costs	5	(567)	(947)	-40.1
Other operating expenses	6	(1,669)	(2,256)	-26.0
Financial expense – net	7	(152)	(103)	47.6
Loss before tax		(849)	(1,675)	-49.3
Tax expense	8	(263)	(450)	-41.6
Loss, net of tax		(1,112)	(2,125)	-47.7
Loss attributable to:				
- Owners of the Company		(1,099)	(1,725)	-36.3
- Non-controlling interests	9	(13)	(400)	-96.7
		(1,112)	(2,125)	-47.7

NM : not meaningful

NOTES TO THE CONSOLIDATED INCOME STATEMENT

The Group had announced in FY2014 that it had scaled down the operations of its partially-owned subsidiary, Avantouch Systems Pte Ltd (“Avantouch”) in October 2014, with the cessation of its operations by end of FY2014.

Note 1

Other operating income was higher at S\$0.8 million, or 96.1% up year-on-year (“yoy”) mainly due to the additional rental income generated by the Company that started in September 2014.

Note 2

Raw materials and consumables used was higher at S\$15.7 million, or 25.6% higher yoy due to the increase in turnover with margin mix products.

Note 3

Depreciation and amortisation was 19.3% lower yoy at S\$1.0 million due to the use of reducing balance method for the depreciation of fixed assets and no amortisation of intangible assets and depreciation of fixed assets due to the cessation of Avantouch’s operations.

Note 4

Royalties was 157.6% higher yoy at S\$0.1 million mainly due to the increase in DVD sales by the Group's wholly-owned subsidiary in India.

Note 5

Subcontractor costs declined 40.1% yoy to S\$0.6 million largely due to cessation of Avantouch's operations.

Note 6

Other operating expenses was 26.0% lower yoy at S\$1.7 million largely due to cessation of Avantouch's operations.

Note 7

Net financial expenses was 47.6% higher yoy at S\$0.2 million mainly due to lower interest income earned from bank deposits.

Note 8

Lower **tax expense** in the six months ended 30 June 2015 ("1H2015") was largely due to lesser profit generated by subsidiaries in China and Australia.

Note 9

Lower **minority interest** in 1H2015 was largely due to cessation of Avantouch's operations.

Loss from operations is stated after charging/(crediting) the following:

	Group	
	S\$'000	
	1H2015	1H2014
Bad debts written off	16	6
Bad debts recoverable	(5)	-
Allowance for doubtful trade receivables	11	18
Allowance for doubtful trade receivables written back	(1)	(5)
Allowance for inventory obsolescence	65	186
Allowance for inventory obsolescence written back	(50)	(28)
Inventories written off	105	32
Write back of inventories written off	(8)	-
Fixed assets written off	18	5
Gain on disposal of fixed assets	(4)	(4)
Interest income	(58)	(106)
Interest expense	210	209
Exchange gain, net	(192)	(167)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD 1 JANUARY 2015 TO 30 JUNE 2015	Group	
	S\$'000	
	1H2015	1H2014
Loss net of tax	(1,112)	(2,125)
Other comprehensive income:		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Foreign currency translation	(230)	(423)
Other comprehensive income for the financial period, net of tax	(230)	(423)
Total comprehensive Income for the financial period, net of tax	(1,342)	(2,548)
Total comprehensive income attributable to:		
- Owners of the Company	(1,299)	(2,036)
- Non-controlling interests	(43)	(512)
	(1,342)	(2,548)

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

1(b)(i) **BALANCE SHEETS**

	Group			Company	
		30/06/2015	31/12/2014	30/06/2015	31/12/2014
	Note	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets					
Fixed assets		40,050	40,002	33,762	34,213
Intangible assets	10	2,400	2,806	-	-
Investment in subsidiaries		-	-	15,905	15,916
Other investment	11	434	-	-	-
Deferred tax assets		736	726	-	-
Current assets					
Inventories		4,316	4,817	1,581	1,941
Trade receivables		11,051	11,332	4,538	4,035
Other receivables and deposits	12	1,670	2,730	258	279
Prepayments		236	266	52	60
Amounts due from subsidiaries (non-trade)		-	-	4,788	5,156
Tax recoverable		389	349	-	-
Cash and bank balances	13	6,031	7,302	1,169	1,592
		23,693	26,796	12,386	13,063
Current liabilities					
Trade and other payables	14	7,708	8,844	2,777	2,625
Accruals	15	2,346	3,024	1,234	1,433
Amounts due to subsidiaries (non-trade)		-	-	235	378

	Group				Company	
		30/06/2015	31/12/2014	30/06/2015	31/12/2014	
	Note	S\$'000	S\$'000	S\$'000	S\$'000	
Interest-bearing bank loans	16	3,495	3,037	400	-	
Non-interest bearing loan	16	377	332	-	-	
Provision for taxation	17	103	406	-	-	
Amount due to holding company (loan)		701	695	701	695	
		14,730	16,338	5,347	5,131	
Net current assets		8,963	10,458	7,039	7,932	
Non-current liabilities						
Deferred tax liabilities		(973)	(976)	(725)	(725)	
Amount due to a director of a subsidiary	18	-	(64)	-	-	
Net assets		51,610	52,952	55,981	57,336	
Equity attributable to owners of the Company						
Share capital		49,549	49,549	49,549	49,549	
Reserves	19	4,606	5,905	6,432	7,787	
		54,155	55,454	55,981	57,336	
Non-controlling interests		(2,545)	(2,502)	-	-	
Total equity		51,610	52,952	55,981	57,336	

NOTES TO THE BALANCE SHEET

Note 10

The Group's **intangible assets** decreased 14.5% yoy to S\$2.4 million due to the transfer of Avantouch's intangible assets as consideration for a 15.0% stake investment in a China company and the translation differences arising from goodwill denominated in indian rupees.

Note 11

Other investment mainly related to 15.0% interest in a China company by Avantouch through the transfer of intangible assets as consideration.

Note 12

The Group's **other receivables and deposits** was 38.8% lower yoy to S\$1.7 million largely due to the realisation of Avantouch's receivables in 1H2015 after the cessation of its operations.

Note 13

The decrease in the Group's **cash and bank balances** was attributed largely to the purchase of freehold factory building in Australia and higher tax paid in 1H2015.

Note 14

	Group		Company	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	6,471	7,337	2,484	2,327
Other payables	1,237	1,507	293	298
Trade and other payables	7,708	8,844	2,777	2,625

The Group's **Trade Payables** was 11.8% lower yoy to S\$6.5 million mainly due to the lower level of stocks held as at 30 June 2015. Group's **Other payables** decreased 17.9% yoy to S\$1.2 million largely due to the decrease in output tax payable by the Group's subsidiary in Vietnam.

Note 15

The Group's **accruals** was 22.4% lower yoy to S\$2.3 million in line with lower other operating expenses.

Note 16

The Group level **borrowings** increased due to the short term financing undertaken by the Company for the purpose of working capital and the drawdown of loans by the Indian subsidiaries.

Note 17

The Group's **provision for taxation** was 74.6% lower yoy to S\$0.1 million due to higher tax paid in 1H2015 and lower tax expense for 1H2015 largely due to lesser profit generated by subsidiaries in China and Australia.

Note 18

The **amount due to a director of a subsidiary** was fully settled in 1H2015.

Note 19

The Group's overall **reserves** fell 22.0% yoy to S\$4.6 million largely due to the Group's losses.

1(b)(ii) Aggregate amount of the group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 30/06/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,495	377	3,037	332

The Group's unsecured borrowing comprised mainly of a non-interest bearing loan due to a minority shareholder of a subsidiary.

Amount repayable after one year

As at 30/06/2015		As at 31/12/2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collateral

The Group's secured borrowings comprised of bank loans of Company and Indian subsidiaries and are secured over the mortgage of the Company's leasehold factory building, guarantees and other securities.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(c) CONSOLIDATED STATEMENT OF CASH FLOW

	Group	
	1H2015	1H2014
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before tax	(849)	(1,675)
Adjustments for:		
Depreciation of fixed assets	998	1,162
Amortisation of intangible assets	-	75
Gain on disposal of fixed assets	(4)	(4)
Fixed assets written off	18	5
Interest income	(58)	(106)
Interest expense	210	209
Bad debts written off	16	6
Bad debts recoverable	(5)	-
Allowance for doubtful trade receivables	11	18
Allowance for doubtful trade receivables written back	(1)	(5)
Allowance for inventory obsolescence	65	186
Allowance for inventory obsolescence written back	(50)	(28)
Inventories written off	105	32

	Group	
	1H2015	1H2014
	S\$'000	S\$'000
Write back of inventories written off	(8)	-
Currency realignment	(163)	(277)
Operating cash flows before working capital changes	285	(402)
<u>(Increase)/decrease in:</u>		
Inventories	403	(987)
Trade receivables	259	327
Other receivables, deposits and prepayments	1,086	(34)
<u>Increase/(decrease) in:</u>		
Trade and other payables	(1,057)	994
Accruals	(678)	(168)
Cash flows generated from/(used in) operations	298	(270)
Interest received	61	99
Interest paid	(203)	(203)
Tax paid	(602)	(466)
Tax recoverable	(3)	(116)
Net cash flows used in operating activities	(449)	(956)
Cash flows from investing activities		
Purchase of fixed assets	(1,234)	(448)
Additions to intangible assets	-	(515)
Proceeds from disposal of fixed assets	5	8
Net cash flows used in investing activities	(1,229)	(955)
Cash flows from financing activities		
Repayment of interest-bearing bank loans	-	(43)
Proceeds from interest-bearing bank loans	429	-
Proceed from non-interest bearing loan from minority shareholder of a subsidiary	42	-
Issuance of new shares to non-controlling shareholders by a subsidiary	-	201
Repayment of amount due to a director of a subsidiary	(64)	-
Net cash flows generated from financing activities	407	158
Net decrease in cash and cash equivalents	(1,271)	(1,753)
Cash and cash equivalents at beginning of year	7,302	9,786
Cash and cash equivalents at end of financial period (Note A)	6,031	8,033

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

A. Cash and cash equivalents

	30/06/2015	30/06/2014
	S\$'000	S\$'000
Cash and bank balances	4,429	5,051
Fixed deposits	1,602	2,982
	<u>6,031</u>	<u>8,033</u>

- 1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

1(d)(i) STATEMENT OF CHANGES IN EQUITY

	Share capital	Revaluation reserve	Translation reserve	Restricted reserve	Other reserves	Accumulated losses	Equity attributable to owners of Company, total	Non-controlling interests	Equity, total
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2015	49,549	22,402	(3,227)	942	2,556	(16,768)	55,454	(2,502)	52,952
Loss for the financial period	-	-	-	-	-	(1,099)	(1,099)	(13)	(1,112)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(200)	-	-	-	(200)	(30)	(230)
Other comprehensive income for the financial period, net of tax	-	-	(200)	-	-	-	(200)	(30)	(230)
Total comprehensive income for the financial period	-	-	(200)	-	-	(1,099)	(1,299)	(43)	(1,342)
At 30 June 2015	49,549	22,402	(3,427)	942	2,556	(17,867)	54,155	(2,545)	51,610
At 1 January 2014	49,549	22,402	(3,227)	943	2,359	(9,981)	62,045	848	62,893
Loss for the financial period	-	-	-	-	-	(1,725)	(1,725)	(400)	(2,125)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(311)	-	-	-	(311)	(112)	(423)
Other comprehensive income for the financial period, net of tax	-	-	(311)	-	-	-	(311)	(112)	(423)
Total comprehensive income for the financial period	-	-	(311)	-	-	(1,725)	(2,036)	(512)	(2,548)
<u>Changes in ownership interests in subsidiaries that do not result in a loss of control</u>									
Changes in ownership interests in subsidiaries that do not result in a loss of control	-	-	-	-	(18)	-	(18)	259	241
Total changes in ownership interests in subsidiaries	-	-	-	-	(18)	-	(18)	259	241
At 30 June 2014	49,549	22,402	(3,538)	943	2,341	(11,706)	59,991	595	60,586

(d)(i) STATEMENT OF CHANGES IN EQUITY (Cont'd)

The Company	Share capital S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2015	49,549	22,173	341	(14,727)	57,336
Loss for the financial period, represents total comprehensive income for the financial period	-	-	-	(1,355)	(1,355)
At 30 June 2015	49,549	22,173	341	(16,082)	55,981
At 31 January 2014	49,549	22,173	341	(4,997)	67,066
Loss for the financial period, represents total comprehensive income for the financial period	-	-	-	(1,713)	(1,713)
At 30 June 2014	49,549	22,173	341	(6,710)	65,353

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share capital

There have been no changes in the Company's issued share capital since the end of the previous period reported on.

There were no outstanding options or convertibles as at the end of the current financial period and corresponding period of the immediately preceding financial year.

There were no treasury shares of the Company as at the end of the current financial period and corresponding period of the immediately preceding financial year.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares, excluding treasury shares, as at the end of the current financial period was 439,222,000 (31 December 2014: 439,222,000)

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. There were no treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period compared to the audited annual financial statements for the financial year ended 31 December 2014, except for the adoption of certain revised Financial Reporting Standards ("FRS") and Interpretations to FRS ("INT FRS") that became effective for the annual period beginning on or after 1 January 2015.

The adoption of the revised FRS and INT FRS has not resulted in any substantial changes to the Group's and Company's accounting policies and had no material effect on the Group's financial statements for the current financial period reported on.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to paragraph 4 above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	1H2015	1H2014
Loss per ordinary share for the financial period attributable to owners of the Company		
- (a) on weighted average number of ordinary shares on issue	(0.25) cents	(0.39) cents
- (b) on a fully diluted basis	(0.25) cents	(0.39) cents
- Weighted average number of ordinary shares outstanding	439,222,000	439,222,000

The basic and fully diluted loss per share were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2015 and 30 June 2014.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the respective financial period	12.33 cents	12.63 cents	12.75 cents	13.05 cents

The net asset value per ordinary share is calculated based on the 439,222,000 (FY2014: 439,222,000) ordinary shares outstanding at the end of the respective financial periods.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

GROUP FINANCIAL PERFORMANCE REVIEW

Turnover

1H2015 vs 1H2014

Turnover by geographical segment

	Turnover		
	1H2015	1H2014	
	S\$'000	S\$'000	% +/-
Singapore	8,734	6,929	26.0
Malaysia	2,040	1,963	3.9
People's Republic of china	5,046	6,103	-17.3
India	7,047	5,331	32.2
Australia	1,054	1,965	-46.4
Vietnam	1,649	1,088	51.6
Total	25,570	23,379	9.4

The Group's turnover increased 9.4% yoy in 1H2015, with growth driven by both the software contract manufacturing ("SCM") and commercial packaging ("CP") business segments.

For 1H2015, the SCM business accounted for 81.7% of Group's turnover, while the CP business accounted for the remaining 18.3%.

The operations that recorded improvement in turnover for 1H2015 were as follows:

- Turnover from the Singapore operations increased 26.0% yoy to S\$8.7 million, with continued growth in sales volume from a major customer.
- Turnover from the Group's Malaysia operations remained relatively stable with a 3.9% yoy growth to S\$2.0 million despite difficult economic conditions.
- Turnover from the Group's Indian operations increased 32.2% yoy to S\$7.0 million, driven by increase in orders from both new and existing customers.
- Turnover from the Group's Vietnam operations grew 51.6% yoy to S\$1.6 million due to the sales to new customers and continued export growth from existing customers.

The increase was, however offset by the results of the following:

- Turnover from the Group's Australia operations fell 46.4% yoy to S\$1.0 million as a result of weakening sales due to a slowdown in the Australian economy.
- Turnover from the Group's China operations declined 17.3% yoy to S\$5.0 million largely due to the cessation of Avantouch's operations and the weakening demand in a slower domestic China market.

Profitability

1H2015 vs 1H2014

The Group's loss after tax narrowed 47.7% yoy to S\$1.1 million in 1H2015. Loss per share attributable to owners of the Company was 0.25 Singapore cents in 1H2015 (1H2014: 0.39 Singapore cents). Excluding the loss from Avantouch in 1H2014 (which had ceased operations at the end of FY2014), the Group's loss after tax would reduce by 15.4% from 1H2014 to 1H2015.

Other operating income increased 96.1% yoy to S\$0.8 million in 1H2015 mainly due to the rental income generated by the Company.

While the Group's turnover increased 9.4% yoy to S\$25.6 for 1H2015, raw materials and consumables used grew by 25.6% yoy to S\$15.7 million due to the sale of lower margin sales mix.

Depreciation was 14.1% lower yoy to S\$1.0 million for 1H2015 due to reducing balance method for depreciation of fixed assets.

Tax expense for 1H2015 was 41.6% lower yoy to S\$0.3 million due to lesser profit generated by the Group's subsidiaries operating in China and Australia.

The financial results of the main companies in the Group for 1H2015 were as follows:

1. The Group's Singapore operations reduced its loss after tax by 25.0% yoy to S\$1.8 million for 1H2015, largely due to the increase in turnover and rental income contributions started in September 2014.
2. The Group's Malaysia operations remained stable as it recorded profit after tax of S\$0.4 million for both 1H2015 and 1H2014.
3. Avantouch contributed a loss after tax of S\$0.8 million to the Group in 1H2014. It ceased operations at the end of FY2014.
4. The Group's India operations recorded a profit after tax of S\$0.2 million in 1H2015 as compared to S\$0.1 million in 1H2014 due to improved turnover and stable monetary condition.
5. The Group's Vietnam operations recorded a profit after tax of S\$0.1 million in 1H2015, reversing a loss after tax of S\$0.1 million in 1H2014 due to increase in turnover. In addition, the printing division that was in the setup phase at the start of FY2014 was fully operational in 1H2015.

The above was partially negated by the financial results of the following companies in the Group:

1. The Group's wholly-owned China operations recorded a 83.3% yoy decline in net profit after tax to S\$0.1 million in 1H2015 due to slower sales and low cost margin sales mix.
2. The Group's Australia operations recorded a breakeven results in 1H2015 as compared to a profit after tax of S\$0.3 million in 1H2014 due to slower sales.

Financial Position and Cash Flow

In 1H2015, the Group generated positive cash flows from operations of S\$0.3 million, reversing a cash outflow of S\$0.3 million for 1H2014. The Group had a net cash used in operations of S\$0.4 million in 1H2015 mainly as a result of bank interest and tax paid.

The Group however utilised S\$1.2 million for investing activities in 1H2015 mainly for capital expenditure as such the purchase of a freehold factory building in Australia amounting to S\$0.6 million as part of the Group's future cost saving initiatives.

Due to the cessation of Avantouch's operations as at the end of FY2014, there was no addition to intangible assets for 1H2015.

Net cash generated from financing activities was S\$0.4 million for 1H2015, largely from the drawdown of loans.

As a result of the above, the Group's cash and cash equivalents stood at S\$6.0 million as at 30 June 2015, registering a S\$1.3 million decline from 31 December 2014.

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

The current results are in line with the Company's discussion that the Group is positive about its growth prospect in Vietnam and India as presented in Note 10 of the unaudited results announcement dated 26 February 2015. However, when the demand in Australia appeared to be stabilizing last year, the turnover had slowed down in 1H2015 due to the weak Australian dollar against the United States Dollar.

10. A 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's priority remains in guiding the business back to profitability and had made headway with restructuring and cost management initiatives. This included the cessation of loss-making Avantouch business as at end of FY2014 and the purchase of a freehold factory building in Australia. The improvements in operations were represented with the Group's ability to generate positive cash flow from operations in 1H2015.

While outlook is expected to remain challenging, the Group continues to prospect selectively for growth opportunities in the various geographical regions it operates in. Looking ahead, the Group is encouraged by the potential in Vietnam and India as these markets continue to register strong growth in 1H2015.

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

None.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

Not applicable.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the six months ended 30 June 2015.

13. **If the group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

Name of interested person	Nature of transaction	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Rules of Catalist)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Rules of Catalist (excluding transactions less than \$100,000)
None	None	Nil	Nil

No general mandate for IPT has been previously obtained and there was no IPT requiring disclosure under Rule 905 for the six months ended 30 June 2015.

14. **Negative confirmation pursuant to Rule 705(5)**

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE RULES OF CATALIST

We, Low Song Take and Low Ka Choon Kevin, being two of the Directors of International Press Softcom Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of Directors of the Company which may render the unaudited interim financial results for the six months ended 30 June 2015 to be false or misleading in any material aspects.

On behalf of the Board of Directors

Low Song Take
Director
Singapore, 12 August 2015

Low Ka Choon Kevin
Director
Singapore, 12 August 2015

BY ORDER OF THE BOARD

Teh Eng Chai
Company Secretary
12 August 2015

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.