

INTERNATIONAL PRESS SOFTCOM LIMITED

(Company Registration No.: 197201169E)
(Incorporated in the Republic of Singapore)

RESPONSES TO QUESTIONS RECEIVED FOR INTERNATIONAL PRESS SOFTCOM LIMITED'S ANNUAL GENERAL MEETING ("AGM") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 ("FY2019") AND EXTRAORDINARY GENERAL MEETING IN RELATION TO THE PROPOSED DISPOSAL OF THE PROPERTY LOCATED AT 26 KALLANG AVENUE

The board of directors ("Board" or "Directors") of International Press Softcom Limited ("Company", and together with its subsidiaries, "Group") refers to the publishing of its annual report and related documents on the SGXNET on 4 May 2020. As at 10.30 am on 20 May 2020, the Company has received the following questions from a shareholder, which substantively relate to the following and to which the Company wishes to provide its responses:

1. *Pre pandemic the company has been making losses for the past 6 consecutive years. With no end in sight of the pandemic prospects look bleak for the future. I see the company will continue to bleed for the next few years. How do the Board and the independent directors see the wellbeing of the company in the next few years. To ride the storm and the uncertainties ahead what do **independent directors** say to consider the following:*

- a) *divesting/winding up of non-viable businesses there is no point in flogging dead horses*

Company's response

The Board is continuously assessing the viability of those businesses that are not profitable. For instance, the Group had, in 2018, shut down our Australian operations after a review on the non-viability of the business.

- b) *drastically cutting costs: reduction in director fees and salaries of management staff*
- c) *cut in headcounts including early retirement of non performing directors /management staff*

Company's response

The need to undertake any cost cutting measures is an ongoing assessment. The Group has taken active steps such as several rounds of downsizing and cost reduction measures throughout the last few years for example in 2018 there was a 50% reduction in Director Fee. The proposed sale of the Property is also part of our cost reduction efforts in light of its underutilisation and as announced on 15 May 2020, is expected to reap estimated annual cost savings of up to S\$1.1 million.

- d) *corporate restructuring: privatisation/delisting save administrative costs as only about 13% of the outstanding shares are held by the public mostly minor shareholders. Major shareholders of the company are family members. Privatisation is not far off. Delisting saves costs and unless there is hope for a MnA.*

Company's response

We have been constantly considering all options.

- e) *Of the EOGM I have read company's response to SGX queries. There is merit to suspend sale of property as the consideration of 26m is way below the valuation at 35.5m. After the pandemic costs of construction of building will be shooting up in view of higher labour and material costs. Other options should be looked into tying over this period.*

Company's response

The Board stands by the reasons as given in the response to SGX queries.

BY ORDER OF THE BOARD

Teh Eng Chai

Company Secretary

Date: 22 May 2020

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") in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).