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IPS reduces net loss substantially to S\$0.4 million for FY2015 as restructuring initiatives gain traction

- Revenue remained stable at S\$50.0 million despite challenging industry landscape while growth in Vietnam and India picked up momentum

Singapore, 26 February 2016 – Catalist-listed International Press Softcom Limited (the “Group” or “IPS”), a leading provider of supply-chain solutions, print and media products, announced today its results for the full year ended 31 December 2015 (“FY2015”).

FINANCIAL SNAPSHOT

Description (S\$'000)	FY2015	FY2014	% change
Turnover	49,975	50,647	(1.3)
Loss, net of tax	(435)	(10,427)	(95.8)
Loss attributable to owners of the Company	(436)	(6,788)	(93.6)
Loss per share (cents)	(0.10)	(1.54)	(93.6)

The Group’s turnover fell marginally by 1.3% year-on-year (“yoy”) to S\$50.0 million mainly due to the dormancy status of Avantouch in FY2015. This decline in revenue, however, was partially offset by a 4.3% yoy growth in the Group’s core business in software contract manufacturing (“SCM”).

Loss after tax for FY2015 was substantially lower at S\$0.4 million, as compared to S\$10.4 million for FY2014. Of which, other operating income contributed S\$2.3 million, mainly derived from higher rental income, higher foreign exchange gains and more services provided to existing customers. Excluding the one-off expenses of S\$8.4 million from Avantouch in the full year ended 31 December 2014 (“FY2014”), loss after tax would still have narrowed by 78.8% yoy from S\$2.0 million.

The Group’s implementation of cost management initiatives resulted in a 36.4% yoy decline of other operating expenses to S\$3.1 million. This was mainly a result of the cessation of Avantouch’s operations and a lower net allowance of inventory obsolescence. Within the

same period, personnel expenses and subcontractor costs also decreased by 12.6% and 68.0% yoy to S\$10.3 million and S\$1.1 million respectively.

GEOGRAPHICAL PERFORMANCE

Turnover (S\$'000)	FY2015	FY2014	% Change
Singapore	16,656	15,240	9.3
Malaysia	4,150	4,020	3.2
People's Republic of China ("PRC")	9,619	13,134	(26.8)
India	13,878	12,124	14.5
Australia	2,032	3,511	(42.1)
Vietnam	3,640	2,618	39.0
Total	49,975	50,647	(1.3)

The overall improvement to turnover for FY2015 was a result of operations in Singapore, Malaysia, India and Vietnam as follows:

- Turnover from the Singapore operations increased 9.3% yoy to S\$16.7 million, with continued growth in sales volume
- Turnover from the Group's Malaysia operations grew marginally by 3.2% yoy to S\$4.2 million despite difficult economic conditions
- Turnover from the Group's Indian operations increased 14.5% yoy to S\$13.9 million, driven by increase in orders from both new and existing customers
- Turnover from the Group's Vietnam operations grew 39.0% yoy to S\$3.6 million due to continued strong growth in orders from new and existing customers

The increase was however offset by the operations in PRC and Australia as follows:

- Turnover from the Group's PRC operations declined 26.8% yoy to S\$9.6 million largely due to the cessation of Avantouch's operations and the weakening demand in view of a slowdown in China's economy
- Turnover from the Group's Australia operations fell 42.1% yoy to S\$2.0 million due to weakening demand as a result of a weakening Australian economy and currency depreciation of 10.2% in FY2015

"As a result of the Group's efforts to streamline costs and generate efficiencies within the organisation, we were able to enjoy substantial cost savings for FY2015. However in view of less favorable global conditions headlined by a slowdown in the PRC and Australia, our business continue to experience headwinds."

- **Mr. Kevin Low, Managing Director of IPS**

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About International Press Softcom Limited

International Press Softcom Limited (IPS) was incorporated in Singapore on 30 August 1972. The Company is a leading provider of supply chain solutions, print and media products which include material procurement, inventory management, logistics management and order fulfillment; printing, packaging and software replication.

IPS supplies to global technology companies and operates from facilities located in Singapore, Malaysia, China, Australia, India and Vietnam with strategic alliances in the US and Europe.

IPS has been listed on the Catalist Board (formerly known as SESDAQ) under the Singapore Exchange since 13 August 1999.

Issued for and on behalf of International Press Softcom Limited
By Financial PR Pte Ltd

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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.

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