

CIRCULAR DATED 5 MAY 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your ordinary shares in the capital of International Press Softcom Limited (the “**Company**”) (“**Shares**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with the CDP, you should immediately forward this Circular with the Notice of the Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular 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 Catalyst.

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

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).



INTERNATIONAL PRESS SOFTCOM LIMITED

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

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

**PROPOSED DISPOSAL OF THE PROPERTY LOCATED AT 26 KALLANG AVENUE, SINGAPORE
339417**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	: 24 May 2020 at 11.30 a.m.
Date and time of Extraordinary General Meeting	: 27 May 2020 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the AGM (as defined herein) of the Company to be held at 10.30 a.m. on the same day by way of electronic means)

TABLE OF CONTENTS

DEFINITIONS	1
LETTER TO SHAREHOLDERS	
1. INTRODUCTION	6
2. THE PROPOSED DISPOSAL	7
3. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL	14
4. REQUIREMENTS UNDER CHAPTER 10 OF THE CATALIST RULES	15
5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS	16
6. BOARD'S RECOMMENDATION.....	17
7. DIRECTORS' SERVICE CONTRACTS.....	17
8. EXTRAORDINARY GENERAL MEETING	17
9. ACTION TO BE TAKEN BY SHAREHOLDERS	17
10. DIRECTORS' RESPONSIBILITY STATEMENT	18
11. DOCUMENTS AVAILABLE FOR INSPECTION	18
12. APPENDIX - VALUATION REPORT	19
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	N-1
PROXY FORM	

DEFINITIONS

Unless otherwise stated, the following definitions will apply throughout this Circular:

General

- “AGM”** : The annual general meeting of the Company
- “Authority”** : the Government of the Republic of Singapore, any statutory, competent authority or any relevant government agency of the Republic of Singapore
- “Balance Deposit”** : Has the meaning ascribed to it in Paragraph 2.3(b)
- “Board”** : The board of Directors of the Company
- “Building”** : means the building located at the Property and known as 26 Kallang Avenue, Singapore 339417.
- “Business Day”** : A day (other than Saturdays, Sundays or gazetted public holidays) on which commercial banks are open for business in Singapore
- “Catalist Rules”** : Section B: Rules of Catalist of the Listing Manual, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 5 May 2020 issued by the Company in relation to the Proposed Disposal
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
- “Company”** : International Press Softcom Limited
- “Company Shareholders’ Approval”** : Approval of the shareholders of the Company at a duly convened extraordinary general meeting of the shareholders of the Company to the sale of the Property by the Company to the Purchaser
- “Completion”** : The completion of the sale and purchase of the Property under the terms of the SPA
- “Completion Date”** : Has the meaning ascribed to it in Paragraph 2.5.7
- “Competent Authorities”** : Those authorities whose approval / clearance is required by JTC as a condition to the grant of the JTC Approvals, and **“Competent Authority”** means any one of them
- “Consideration”** : The sale consideration for the Property, being S\$26,000,000.00 (exclusive of GST thereon, where applicable)
- “Constitution”** : The constitution of the Company currently in force
- “Controlling Shareholder”** : A person who (a) holds directly or indirectly 15% or more of the issued share capital of the Company; or (b) in fact exercises control over the Company

DEFINITIONS

“Deposit”	:	Collectively, the Refundable Deposit and the Balance Deposit
“Directors”	:	The directors of the Company for the time being, and each a “Director”
“Dominie”	:	Dominie Press Pte. Ltd.
“Dominie Tenancy Agreement”	:	Any one or more tenancy agreement, licence agreement, or any such other arrangement under which Dominie Press Pte. Ltd. has occupation, possession and/or access to the Property
“EBS Consultant”	:	Such qualified consultant approved by JTC to conduct the Environmental Baseline Study
“Edifice”	:	Edifice International Trading Pte Ltd
“Edifice Notice”	:	Has the meaning ascribed to it in Paragraph 2.5.3(c)
“Edifice Surrender”	:	Has the meaning ascribed to it in Paragraph 2.5.3(c)
“Edifice Tenancy Agreement”	:	The tenancy agreement dated 26 September 2018 entered between Edifice and the Company
“EGM”	:	The extraordinary general meeting of the Company to be held on 27 May 2020 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the AGM (as defined herein) of the Company to be held at 10.30 a.m. on the same day by way of electronic means), notice of which is set out on pages N-1 to N-2 of this Circular
“Encumbrances”	:	Any claim, caveat, mortgage, charge, debenture, pledge, lien, security interest or encumbrance or any other agreement or arrangement having substantially the same economic effect, including any retention of title arrangement, option, right of refusal for purchase, pre-emption right, preferential right or other right to acquire or any other right affecting the title to the Property.
“Environmental Baseline Study”	:	The environmental baseline study of the Property required to be carried out by the JTC, whether pursuant to any JTC Practice Circular(s) or as one of the conditions of the JTC Approval
“FY”	:	Financial year ended or ending on 31 December
“Group”	:	The Company and its subsidiaries
“GST”	:	The goods and services tax at the applicable rate prevailing from time to time levied pursuant to the provisions of the Goods and Services Tax Act (Cap. 117A)
“JTC”	:	The Jurong Town Corporation, a body corporate incorporated under the Jurong Town Corporation Act (Cap. 150) and its successors

DEFINITIONS

- “JTC Approval” and “JTC Approvals”** : Have the meaning ascribed to them in Paragraph 2.5.2
- “JTC Lease”** : The lease issued by JTC in respect of the Property and registered at the Singapore Land Registry as Lease I/95899L
- “JTC Practice Circular”** : Together, the JTC's practice circulars on Environmental Baseline Study (EBS) for Transfer/Assignment of Lease dated 6 August 2001 and 20 September 2002
- “Latest Practicable Date”** : 4 May 2020, being the latest practicable date prior to the printing of this Circular
- “Leaseback Agreement”** : The lease agreement in the form set out in Schedule 2 to the SPA relating to the Leaseback Term to be made between the Purchaser (as landlord) and the Company (as lessee), in respect of the entire premises with a total floor area of 25,790.30 sq ft located on the 2nd storey of the Building to be annexed as Appendix 2 to the Leaseback Agreement
- “Leaseback Term”** : The lease term of twelve (12) months commencing from (and including) Completion to be granted by the Purchaser (as landlord) to the Company (as lessee) with respect to the Property, on the terms and subject to the conditions as set out in the Leaseback Agreement
- “Legal Requisitions”** : The formal enquiries sent to (i) Land Transport Authority (Street Works), (ii) Land Transport Authority (Rapid Transit Systems), (iii) Building and Construction Authority, (iv) Urban Redevelopment Authority, (v) Public Utilities Board, Sewerage Department, (vi) National Environment Agency, Vector Control & Sanitation Department, (vii) National Environment Agency, Pollution Control Department, Central Building Planning Unit and (viii) Inland Revenue Authority of Singapore and shall include the Road Line Plan, Railway Protection Plan and the Drainage Interpretation Plan and all correspondence arising from the original requisitions and plans but shall not extend to any notice, matter, thing or information not contained in or forming part of the replies to such enquiries
- “Listing Manual”** : The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
- “LPS”** : Losses per Share
- “Mechanical and Electrical Equipment”** : All the plant, mechanical and electrical equipment, fixtures and fittings located in or on or which otherwise relate to the Property listed/shown in Annex B of the SPA
- “MOU”** : Has the meaning ascribed to it in Paragraph 1.1
- “Net Proceeds”** : Has the meaning ascribed to it in Paragraph 2.6

DEFINITIONS

“Notice of EGM”	:	The notice of the EGM as set out on pages N-1 to N-2 of this Circular
“NTA”	:	Net tangible assets
“Ordinary Resolution”	:	The ordinary resolution relating to the Proposed Disposal as set out in the Notice of EGM
“Parties”	:	The Company and the Purchaser, and each, a “Party”
“Property”	:	The whole of Lot 1763T of Town Subdivision 17 together with the Building erected thereon and known as 26 Kallang Avenue, Singapore 339417 and where the context so admits, includes the Mechanical and Electrical Equipment
“Proposed Disposal”	:	Has the meaning ascribed to it in Paragraph 1.2
“Proxy Form”	:	The proxy form attached to this Circular
“Purchaser”	:	Storhub 26 Kallang Pte, Ltd., a company incorporated in Singapore with its registered office at 743 Lorong 5 Toa Payoh StorHub Toa Payoh, Singapore 319457
“Rectification Works”	:	Has the meaning ascribed to it in Paragraph 2.5.3(g)
“Refundable Deposit”	:	Has the meaning ascribed to it in Paragraph 2.3(a)
“Settlement Sum”	:	Has the meaning ascribed to it in Paragraph 2.5.3(c)(iii)
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of the Shares in the Company’s register of members, except that, where the registered holder of any Shares is the CDP, the term “Shareholders” shall mean, in relation to such Shares, the persons whose direct securities accounts as maintained with CDP have been credited with such Shares, and any reference to Shares held by the Shareholders shall include Shares standing to the credit of such securities accounts
“Shares”	:	Ordinary shares in the issued share capital of the Company, and “Share” means any of them;
“SPA”	:	Has the meaning ascribed to it in Paragraph 1.2
“Stop Order”	:	Has the meaning ascribed to it in Paragraph 2.5.2
“Substantial Shareholder”	:	A person who holds directly or indirectly 5.0% or more of the issued voting shares in the capital of the Company

DEFINITIONS

“Target Date” : Has the meaning ascribed to it in Paragraph 2.5.2

“Valuation” : Has the meaning ascribed to it in Paragraph 2.4

“Valuation Report” : Has the meaning ascribed to it in Paragraph 2.4

“Valuer” : Has the meaning ascribed to it in Paragraph 2.4

Currencies, Units and Others

“S\$” or “cents” : Singapore dollars and cents respectively

“%” or “per cent.” : Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term “subsidiary” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word or term defined under the Act, the SFA, the Catalyst Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalyst Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

Any reference to Paragraphs in this Circular shall refer to the paragraphs of the Letter of Shareholders.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated. All discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

LETTER TO SHAREHOLDERS



INTERNATIONAL PRESS SOFTCOM LIMITED

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

Directors

Mr Low Song Take (*Founder and Executive Director*)
Mr Tiong Choon Hieng Steven (*Independent Non-Executive Chairman*)
Mr Low Ka Choon Kevin (*Managing Director/Chief Executive Officer*)
Mr Woo Khai San (*Executive Director*)
Mr Woo Khai Chong (*Vice Chairman and Executive Director*)
Mr Neo Gim Kiong (*Lead Independent Director*)
Mr Loh Yih (*Independent Director*)

Registered Office

80 Robinson Road #02-00
Singapore 068898

5 May 2020

To: The Shareholders of International Press Softcom Limited

Dear Shareholders,

PROPOSED DISPOSAL OF THE PROPERTY LOCATED AT 26 KALLANG AVENUE, SINGAPORE 339417

1. INTRODUCTION

- 1.1 On 17 February 2020, the Company announced that it had entered into a non-binding memorandum of understanding with the Purchaser ("**MOU**"), an independent third party, for the sale of the Property, pursuant to which the Company shall dispose of the Property for the Consideration, upon the terms and subject to the conditions of the MOU and the sale and purchase agreement to be entered into. Upon Completion, the Parties shall enter into the Leaseback Agreement for the lease of the entire premises with a total floor area of 25,790.30 sq ft located on the 2nd storey of the Building by the Purchaser to the Company for the Leaseback Term.
- 1.2 On 31 March 2020, the Company entered into a sale and purchase agreement with the Purchaser ("**SPA**"), for the sale of the Property to the Purchaser on the terms and subject to the conditions of the SPA ("**Proposed Disposal**").
- 1.3 The Proposed Disposal constitutes a major transaction within the meaning of the Catalist Rules, and accordingly, the Proposed Disposal is conditional upon the approval of Shareholders being obtained at the EGM. For further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006 of the Catalist Rules, please refer to Paragraph 4 of this Circular.

LETTER TO SHAREHOLDERS

- 1.4 The purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval, for the Proposed Disposal at the EGM to be held on 27 May 2020. This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any person (other than the Shareholder to whom this Circular is despatched by the Company) or for any other purpose.
- 1.5 The SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

2. THE PROPOSED DISPOSAL

2.1 Information on the Purchaser

The Purchaser is a company incorporated in Singapore, and is a wholly owned entity under the StorHub Group of companies and an affiliate of StorHub Holding Pte Ltd. The StorHub Group is principally engaged in the business of operating self-storage facilities, and has 12 storage facilities located across Singapore, providing reliable and secure storage solutions for its customers.

2.2 Information on the Property

The Property is a leasehold property granted by the JTC with a 60-year lease tenure commencing from 16 February 1990. It is a 6-storey custom built factory with a land area of approximately 4,998 square metres and gross floor area of approximately 12,500 square metres.

The Property is currently used as the Group's head office and as a logistic management hub for its warehousing and supply chain activities and is generating a yearly net rental of S\$413,171 (after taking into account the monthly rental received from Edifice of S\$16,000).

2.3 Consideration and Payment Terms

The Consideration for the Proposed Disposal is S\$26.0 million (exclusive of GST). The Consideration was arrived at based on arm's length negotiations and on a willing-buyer and willing-seller basis, after taking into account, amongst others, prevailing market conditions, the current market prices of the properties in the surrounding vicinity of the Property, and the net book value of the Property of approximately S\$25.6 million as at 31 December 2019.

The Consideration will be fully paid in cash by the Purchaser.

As at the Latest Practicable Date, the Purchaser has paid an aggregate amount of S\$2,600,000, comprising:

- (a) the commitment fee of S\$260,000, equivalent to one percent (1%) of the Purchase Price, which had been paid by the Purchaser ("**Refundable Deposit**"); and
- (b) a further sum of S\$2,340,000, equivalent to nine percent (9%) of the Consideration payable under the SPA (together with the GST thereon and on the Refundable Deposit) which had been paid by the Purchaser ("**Balance Deposit**").

The balance of the Consideration together with the GST thereon (less the Deposit and GST paid) shall be payable on Completion Date.

Refund of the Deposit

In the event that the SPA is terminated or rescinded substantially due to the Company's default, the Company shall refund the Deposit to the Purchaser free of interest without demand and the

LETTER TO SHAREHOLDERS

Purchaser shall be entitled to exercise all other rights and remedies available at law or in equity as a result of any loss or damages arising out of the Company's default.

In the event that the SPA is terminated or rescinded substantially due to the Purchaser's default, the Company shall forfeit the Deposit without demand and the Company shall be entitled to exercise all other rights and remedies available at law or in equity as a result of any loss or damages arising out of the Purchaser's default.

In the event that the SPA is terminated or rescinded not due to either the Company's or the Purchaser's default, the Company shall refund the Deposit to the Purchaser free of interest without demand.

2.4 Valuation of the Property

Based on the Group's latest announced audited consolidated financial statements for the FY2019, the net book value of the Property is approximately S\$25.6 million.

The Company had appointed GB Global Pte Ltd (the "**Valuer**"), an independent valuer, to perform a valuation on the Property. Based on the valuation report issued by the Valuer on 23 October 2019 (the "**Valuation Report**"), the open market value of the Property is S\$35.0 million (the "**Valuation**").

The Valuation was carried out on the Property based on its continued existing use and without taking into account any redevelopment potential it may have. The Valuer adopted both the comparable sales approach and income approach in performing the valuation on the Property

In the Comparable Sales method, a comparison and analysis was made with two recent transactions of similar properties, preferably in the vicinity. Appropriate adjustments were made for differences in location, age, tenure, area, design and layout, condition, standard of finishes, date of transaction and the prevailing economic conditions affecting the property market, among others.

In the Income method, the estimated annual rent of the Property was capitalised over the remaining term of the lease at an appropriate rate, after deducting the property tax payable and other outgoings to arrive at the capital value of the Property.

Details of the Property and the Valuation are set out in the Valuation Report as set out in the Appendix to this Circular, a copy of which is available for inspection at the Company's registered office at 80 Robinson Road #02-00, Singapore 068898 during normal business hours for a period of three (3) months from the date of this Circular.

2.5 Salient terms of the SPA

2.5.1 Title

The title to the Property shall be in order, properly deduced, and free from all Encumbrances on Completion. The Property is sold with vacant possession on Completion save in respect of part of the Property (i) leased to Edifice which will be assigned / novated to the Purchaser, and (ii) leased to the Company pursuant to the Leaseback Agreement.

Without prejudice to the agreed rectification works and subject to the warranties under the SPA, the Property is sold on an "as is where is" basis, and subject to the terms and conditions of the JTC Lease. The Purchaser is deemed to purchase the Property with full notice and knowledge of all the terms and conditions contained in the JTC Lease and the same shall not annul the sale nor shall any abatement or compensation be claimed by the Purchaser in respect thereof.

2.5.2 Approval and conditions

LETTER TO SHAREHOLDERS

The Proposed Disposal is subject to the Company obtaining (i) the Company Shareholders' Approval and the (ii) following approvals/confirmation (collectively, the "**JTC Approvals**" and each a "**JTC Approval**"):

- (a) written approval from JTC (as evidenced by a no-objection/in-principle approval letter from the JTC) and, where required by JTC, the Competent Authorities, for the Proposed Disposal; and
- (b) where an application for change of use is required by JTC, written approval from JTC for the change of use of the Property by the Purchaser for the purpose of "general warehousing / self-storage" or such similar usage; and
- (c) written confirmation from JTC on or before Completion (but not earlier than two months prior to Completion) that (i) JTC is not aware of any breaches and/or subsisting breach by the Company of the JTC Lease, and (ii) the Company has, as at the date of such written confirmation, performed and complied in all respects with the terms and conditions contained therein, or such substantially similar confirmation as may be provided by JTC.

Subject to the other provisions of the SPA, each Party shall comply with the terms and conditions imposed on each of them as conditions for the grant of the JTC Approvals (including providing the letter of acceptance of the terms and conditions to JTC within the period prescribed in the JTC Approvals together with all acceptance items as may be required by JTC). In the event any of the JTC Approvals are not obtained within six (6) months from (and including) the date of the SPA ("**Target Date**") or on the expiry of such other extended date as may be mutually agreed to by the Company and the Purchaser in writing or extended pursuant to an agreement to extend the Target Date to take into account the impact of the Stop Order (as defined below) on the Company's ability to fulfil its obligations under Paragraph 2.5.6, provided that such Party serving the notice has not defaulted on, amongst others, its obligations under this Paragraph 2.5.2, either Party shall be entitled at any time after the Target Date (including any such agreed extensions thereto), to rescind the SPA by serving a written notice on the other Party, then the sale and purchase herein shall become null and void, and the Deposit shall be refunded to the Purchaser free of interest and save in respect of any antecedent breach of the SPA, neither Party shall have any further claim or demand against the other for costs, damages, compensation or otherwise arising out of or in connection with the SPA. In exchange for the refund of the Deposit, the Purchaser, shall at the Purchaser's own cost and expense withdraw any caveats and cancel any entries filed by the Purchaser relating to the Property with the Singapore Land Authority.

In the event the Company and/or the Purchaser determines that any of the terms and conditions of any of the JTC Approvals are not reasonably satisfactory, the Company and/or the Purchaser shall be entitled to rescind the SPA.

If the Authority issues any mandatory movement or closure order relating to Coronavirus disease 19 ("**Stop Order**") which substantially impacts the ability of the Company or the Company's EBS Consultant to carry out and complete the Company's obligations under Paragraph 2.5.8 or obtain JTC Approvals by the Target Date, the Parties shall (acting in good faith) enter into discussion to come to an agreement to extend the Target Date to take into account the impact of the Stop Order on the Company's ability to fulfil its obligations under Paragraph 2.5.8 or obtain the JTC Approvals provided always that such extension to the Target Date shall not be for more than eighteen (18) weeks. The Company shall bear and pay all fees (including GST) payable for the application for the JTC Approvals as well as all and any assignment/transfer fee, costs and expenses imposed by JTC in respect of the sale of the Property.

If the inability to obtain the JTC Approvals is wholly due to the Purchaser's default, upon the sale and purchase becoming null and void, the Company shall, for the avoidance of doubt, have the right to forfeit the Deposit and to re-sell the Property without prejudice to the Company's

LETTER TO SHAREHOLDERS

right to exercise all other rights and remedies available at law or in equity as a result of any loss or damages arising out of the Purchaser's default.

2.5.3 Company's conduct pending Completion

The Company undertakes to procure and shall deliver to the Purchaser on entry into the SPA a written undertaking of its majority shareholder, International Press Holdings Pte Ltd, to give its approval for the Proposed Disposal, including but not limited to the grant of International Press Holdings Pte Ltd's approval in respect of the Company Shareholders' Approval. Such written undertaking was given by International Press Holdings Pte Ltd on 31 March 2020.

With effect from the date of the SPA and until Completion or rescission of the SPA (whichever is earlier), the Company shall, amongst others:

- (a) comply with all, its obligations under the JTC Lease (in particular to ensure that current use of the Property does not contravene any restrictions imposed by JTC and/or the Competent Authorities) and with the requirements and orders of JTC and any Authorities;
- (b) continue to perform and observe all of its obligations as landlord under the Edifice Tenancy Agreement;
- (c) in the event the Company receives any notice from Edifice ("**Edifice Notice**") requesting or threatening to terminate and/or determine the term in the Edifice Tenancy Agreement prior to the expiration of the term thereunder ("**Edifice Surrender**"), the Company shall:
 - (i) as soon as practicable, but in any event no later than five (5) Business Days after the Company's receipt of the Edifice Notice, notify the Purchaser of the Edifice Notice;
 - (ii) consult and involve the Purchaser in any negotiations and/or settlement involving Edifice in respect of the Edifice Surrender and such negotiations and/or settlement with Edifice shall be negotiated and conducted in good faith by the Company taking into account the Purchaser's concerns and requests. The costs and expenses of any such negotiation or settlement shall be borne by the Company. In the event the Parties agree to commence litigation proceedings against Edifice to compel Edifice to pay the Settlement Sum, all legal costs and expenses (subject to such quantum as Parties may agree) incurred by the Company shall be first set off from the Settlement Sum prior to any applicable apportionment and payment to the Purchaser.
 - (iii) (in respect of any settlement and/or surrender fee or sum payable by Edifice less any costs incurred in having to comply with the terms of Edifice's reinstatement obligations under the Edifice Tenancy Agreement in the event that Edifice has failed to carry out the same notwithstanding the Company having used commercially reasonable endeavours to ensure such compliance on Edifice's part (whether or not deducted from the security deposit held under the Edifice Tenancy Agreement) arising out of or in connection with the termination of the Edifice Tenancy Agreement under this Paragraph 2.5.3(c) ("**Settlement Sum**")) pay to the Purchaser a portion of the Settlement Sum as computed and apportioned based on the formula set out in the SPA within three (3) Business Days of after the Company's receipt of the Settlement Sum; and
 - (iv) (without prejudice to, amongst others, the other terms in this Paragraph 2.5.3(c)) not prejudice any of the landlord's rights under the Edifice Tenancy Agreement (including waiver of any non-payment of rent or default (save for minor and administrative matters) and, where the Edifice Tenancy Agreement is novated or assigned to the Purchaser on Completion Date in accordance with the terms of

LETTER TO SHAREHOLDERS

this SPA, shall ensure that the Purchaser's right (as landlord) is not prejudiced or adversely affected after assignment or novation of the Edifice Tenancy Agreement is effected on Completion;

- (d) at its own cost and expense rectify and remove any encroachment affecting the Property or as may be required by JTC for the grant of the JTC Approvals and in the event that the Building or any structure on the Property encroaches onto any adjacent land, the Company must at its own cost obtain all necessary licences or permission to regularise such encroachment. If the Company has not complied with such obligation before Completion, the Company shall indemnify the Purchaser against the cost, expenses and liabilities of such rectification, removal or regularisation after Completion. The Purchaser shall further be entitled on Completion to withhold from the Purchase Price an amount equivalent to the estimated sum required to complete the works for the rectification, removal or regularisation of such encroachment, which amount shall be paid to the Company upon the completion by the Company of such works, free of interest;
- (e) at its sole cost and expense terminate the Dominie Tenancy Agreement no later than Completion and to ensure that the tenant under the Dominie Tenancy Agreement complies with the terms of the tenant's reinstatement obligations thereunder. If the Company has not complied with such obligation before Completion, the Company shall indemnify and keep indemnified the Purchaser from and against the cost, expenses, claims and any liabilities arising out of the Company's failure to terminate the Dominie Tenancy Agreement before Completion;
- (f) at its sole cost and expense comply with all requisitions, orders, notices and requirements made prior to Completion by any Authority in respect of the Property. If the Company has not complied with such requirements before Completion, the Company shall indemnify the Purchaser from and against the cost of such compliance after Completion;
- (g) at its own cost and expense carry out and complete to the reasonable satisfaction of the Purchaser all repair and rectification works set out in the SPA ("**Rectification Works**") prior to Completion. In the event the Company is unable to complete such rectification works by Completion Date, the Company shall indemnify and keep the Purchaser fully indemnified against any third party liability or claims which may arise out of or in connection with any uncompleted Rectification Works (whether discovered prior to, on or after the date of the SPA) and all the costs and expenses incurred in connection with or arising from carrying out and completing any of the Rectification Works.

2.5.4 Compulsory acquisition / legal requisitions

The Property is sold subject to there being no acquisition or notice of intended acquisition of the Property in whole or in part by the government or other competent authority. If on or before Completion, the government or other competent authority shall acquire or give notice of acquisition or intended acquisition of the Property or any part of it, the Purchaser has the right to rescind the SPA.

The Property is sold subject to satisfactory replies to the Purchaser's solicitors Legal Requisitions. All legal and administrative fees or otherwise and such other charges arising from or in connection with obtaining such Legal Requisitions shall be borne by the Purchaser. If any of the replies materially adversely affects the Property, the sale and purchase of the Property may be rescinded by the Purchaser.

Upon rescission of the SPA due to the reasons put forth under this Paragraph 2.5.4, the SPA shall become null and void and of no further effect whatsoever, and the Deposit shall be refunded to the Purchaser forthwith without interest, compensation or deduction whatsoever and save in respect of any antecedent breach of this SPA, neither Party shall have any further

LETTER TO SHAREHOLDERS

claim or demand against the other for costs, damages, compensation or otherwise arising out of or in connection with this SPA. In exchange for the refund of the Deposit, the Purchaser shall at the Purchaser's own cost and expense, withdraw any caveats and cancel any entries relating to the Property with the Singapore Land Authority.

2.5.5 Termination of arrangements with Dominie

Pursuant to the Dominie Tenancy Agreement, the Company leases the ground floor of the building located at the Property with a total floor area of 16,745 sq ft to Dominie, a company engaged in the printing business.

Prior to Completion, the Company shall at its sole cost and expense terminate the Dominie Tenancy Agreement and ensure that Dominie complies with the terms of the tenant's reinstatement obligations thereunder. If the Company fails to comply with such obligation before Completion, the Company shall indemnify and keep indemnified the Purchaser from and against the cost, expenses, claims and any liabilities arising out of its failure to terminate the Dominie Tenancy Agreement before Completion. Notwithstanding the aforementioned, as the lease arrangement shall terminate on 30 June 2020, the Company will not be incurring any cost in relation to the termination of the Dominie Tenancy Agreement.

2.5.6 Breach of Warranties

The Purchaser shall be entitled to rescind the SPA by giving written notice to the Company if, prior to Completion, it shall be found that:

- (i) there is a material breach of any of the warranties as set out in the SPA; or
- (ii) any event shall occur, or any matter arises which results or is likely to result in a material breach of any of the warranties, and such event or matter disclosed by the Company to the Purchaser in writing, immediately after it is aware of the same, is not acceptable to the Purchaser (acting in a commercially reasonable manner),

and such breach being capable of remedy or rectification, is not fully rectified, remedied or addressed by the Company to the Purchaser's satisfaction within five (5) Business Days of (i) the Company becoming aware of any such material breach or (ii) the Purchaser's notification of any such material breach (whichever is the earlier).

Upon such rescission, the Deposit shall be refunded to the Purchaser without interest and demand and in exchange, the Purchaser shall at the Purchaser's own cost and expense withdraw any caveats and cancel any entries filed by the Purchaser relating to the Property with the Singapore Land Authority. The Purchaser shall have the right to claim or demand against the Company for any costs, damages, compensation or otherwise arising out of or in connection with any material breach of the warranties and in respect of any antecedent breach(es) of the SPA.

In the event any of the warranties as set out in the SPA are breached, and (i) the Purchaser has not elected to rescind the SPA and has elected to complete the SPA, and (ii) if any such breach of warranty, is capable of remedy or rectification, is not fully rectified, remedied or addressed by the Company to the Purchaser's satisfaction within five (5) Business Days of (A) the Company being aware of such breach or (B) the Purchaser's notification of such breach, the Company shall be liable to the Purchaser for:

- (i) damages arising from the breach; and
- (ii) all costs and expenses incurred by the Purchaser as a result of such breach and any costs which the Purchaser may incur either before or after the commencement of any action arising from or in connection with: (i) any legal proceedings in which the Purchaser claims that any of the warranties has been breached or is incomplete, unfulfilled, untrue, incorrect or misleading and in which judgment is given for the

LETTER TO SHAREHOLDERS

Purchaser; or (ii) the enforcement of any settlement of, or judgment in respect of, such claim.

The Company shall indemnify the Purchaser against all cost, expenses and claims which may be incurred by, made or brought against the Purchaser due to:

- (i) any warranty which is unfulfilled, untrue or incorrect in any respect; or
- (ii) any event or matter disclosed by the Company to the Purchaser which is not acceptable to the Purchaser.

2.5.7 Completion

Subject to the JTC Approvals being obtained, Completion shall take place on the latest of the following dates (the "**Completion Date**"):

- (a) (where the Environmental Baseline Study is not required by the JTC): -
 - (i) the date falling twelve (12) weeks from (and including) the date of the SPA;
 - (ii) the date falling four (4) weeks from (and including) the date of the JTC Approvals;
- (b) (where the Environmental Baseline Study is required by the JTC and shows the presence of contaminants at the Property and decontamination works are required by the JTC to be carried out by the Company) subject to Paragraph 2.5.8, the date falling four (4) weeks from (and including) the date when the JTC confirms that the decontamination works carried out by the Company are satisfactory to the JTC;
- (c) (where the Environmental Baseline Study is required by the JTC and shows the presence of contaminants at the Property but no decontamination works are required to be carried out by the Company) subject to Paragraph 2.5.8, the date falling four (4) weeks from (and including) the date when the JTC confirms that no decontamination works are required to be carried out by the Company,

(as the case may be).

2.5.8 Environmental Baseline Study

Where the Environmental Baseline Study is required by the JTC and shows the presence of contaminants at the Property and the JTC requires decontamination works to be carried out by the Company, the Company shall expeditiously and in a timely manner carry out the requisite decontamination works and shall bear all costs and expenses in connection with the carrying out and completion of such Environmental Baseline Study and the decontamination works. Where the requisite decontamination works are not completed by the Target Date, without prejudice to the Company's obligation to expeditiously and in a timely manner carry out the requisite decontamination works, the Purchaser shall be entitled to rescind the SPA by giving written notice to the Company, and upon such rescission, the Deposit shall be refunded to the Purchaser and save in respect of any antecedent breach of the SPA (which include any breach of the obligation to expeditiously and in a timely manner carry out the requisite decontamination works), neither Party shall have any further claim or demand against the other for costs, damages, compensation or otherwise arising out of or in connection with the SPA.

2.5.9 Leaseback agreement

Subject to JTC Approval, the Purchaser and the Company shall enter into the Leaseback Agreement on Completion provided that neither Party shall be required to enter into the Leaseback Agreement if JTC prohibits the same. Pursuant to the Leaseback Agreement, the Company shall lease from the Purchaser the entire premises with a total floor area of 25,790.30

LETTER TO SHAREHOLDERS

sq ft located on the 2nd storey of the building located at the Property for a monthly rent of S\$34,559.00 for a term of twelve (12) months, commencing from (and including) the Completion Date.

2.6 Rationale for the Proposed Disposal and Use of Net Proceeds

The Board is of the view that the Proposed Disposal of the Property is in the best interest of the Group given that:

- (a) the Property of the Company is currently under-utilised, and the continued under-utilisation of the Property will cause the Company to incur continued losses; and
- (b) the Consideration is guided by the current market conditions and prices of buildings around the Property.

Notwithstanding that the open market valuation conducted as at 23 October 2019 was S\$35.0 million, due to the reasons stated under Paragraphs 2.6(a) and 2.6(b), and considering that five (5) months has passed since the Valuation was conducted and there has been a downturn in market conditions since then, the Board considers the Consideration to be reasonable. The Consideration is equivalent to approximately 102% of the net book value of the Property and accordingly, there is a gain on disposal of the Property of approximately S\$0.45 million.

The Company estimates that there will be net proceeds of S\$25.55 million arising from the Proposed Disposal, being the Consideration less estimated transactional expenses of approximately S\$450,000 (“**Net Proceeds**”). The Net Proceeds shall be used for general working capital of the Group, future acquisitions and investments, and such other needs of the Group as may arise from time to time. The Net Proceeds will be deposited with the Company’s bank(s) pending deployment.

3. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

3.1 General

The pro forma financial effects of the Proposed Disposal as set out below are for illustrative purposes only and do not necessarily reflect the future actual financial position and results of the Group following Completion.

3.2 Financial effects of the Proposed Disposal on the consolidated net tangible asset (“NTA”) per Share

Assuming the Proposed Disposal had been effected on 31 December 2019 (being the end of the latest announced audited financial year for the Group), the pro-forma financial effect of the Proposed Disposal on the Group’s NTA per Share would be as follows:-

As at 31 December 2019	Before the Proposed Disposal	After the Proposed Disposal
Consolidated NTA attributable to the Shareholders of the Company (S\$'000)	34,999	34,996
No. of Shares (excluding treasury shares)	732,036,666	732,036,666

LETTER TO SHAREHOLDERS

Consolidated NTA per Share (Singapore Cents)	4.78	4.78
---	------	------

3.3 Financial effects of the Proposed Disposal on the consolidated losses per share (“LPS”)

Assuming the Proposed Disposal had been effected on 1 January 2019 (being the beginning of the latest announced audited financial year for the Group), the proforma financial effects of the Proposed Disposal on the LPS for FY2019 would be as follows:

FY2019	Before the Proposed Disposal	After the Proposed Disposal
Loss attributable to the Shareholders of the Company (S\$'000)	9,740	9,947
No. of Shares (excluding treasury shares)	732,036,666	732,036,666
LPS (Singapore Cents)	1.33	1.36

4. REQUIREMENTS UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures for the Proposed Disposal, computed on the bases set out in Rule 1006(a) to (e) of the Catalist Rules, based on the Group’s latest announced audited consolidated financial statements for the financial year ended 31 December 2019 are as follows:

Rule 1006 of the Catalist Rules	Bases	Relative Figures (%)
1006(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value ⁽¹⁾	77.6% ⁽¹⁾
1006(b)	Net profits attributable to the assets to be disposed of, compared with the Group’s net losses ⁽²⁾	(4.2%) ⁽²⁾
1006(c)	Aggregate value of the consideration received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares ⁽³⁾	370.0%
1006(d)	Number of equity shares issued by the Company as consideration for an acquisition, compared with the number of equity shares previously in issue	Not applicable as the Proposed Disposal is not an acquisition
1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves	Not applicable as the Company is not a mineral, oil or gas company

LETTER TO SHAREHOLDERS

Notes:

- (1) Based on the carrying amount of the assets and liabilities classified and directly associated with assets held for sale of approximately S\$25.6 million and the net asset value of the Group of approximately S\$33.0 million as at 31 December 2019.
- (2) Computed based on the yearly net rental generated by the Property of S\$413,171 for the period January 2019 to December 2019 and the Group's net loss amounting to S\$9.8 million for FY2019.
- (3) Computed based on the Consideration of S\$26.0 million and the market capitalisation of the Group of approximately S\$7.0 million as at 10 March 2020, being the last trading day for the Shares preceding the date of execution of the SPA. The Group's market capitalisation is computed based on the number of issued Shares of 732,036,666 and the weighted average price of approximately S\$0.0096 per Share on 10 March 2020, being the volume weighted average price for the Shares preceding the date of execution of the SPA.

As the relative figures under Rule 1006(a) and 1006(c) of the Catalist Rules exceed 50%, the Proposed Disposal constitutes a "major transaction" under Rule 1014 of the Catalist Rules and is subject to the approval of the Shareholders in a general meeting. As such, the Company is seeking the approval of Shareholders for the Proposed Disposal as a major transaction at the EGM.

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares of the Company, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders kept by the Company, respectively, as at the Latest Practicable Date are as follows:

Directors	Direct Interest		Deemed Interest	
	No of Shares	%	No of Shares	%
Low Song Take or Leong Shook Wah ⁽¹⁾⁽²⁾	49,236,000	6.73	524,082,564	71.59
Woo Khai Chong ⁽³⁾	24,618,000	3.36	524,082,564	71.59
Woo Khai San ⁽³⁾	24,618,000	3.36	524,082,564	71.59
Low Ka Choon Kevin ⁽¹⁾	12,474,000	1.70	524,082,564	71.59
Substantial Shareholders (other than Directors)				
International Press Holdings Pte Ltd ⁽¹⁾	524,082,564	71.59	-	-

Notes:

- (1) The Company's holding company is International Press Holdings Pte Ltd. Messrs. Low Song Take and Low Ka Choon Kevin are deemed to have an interest in the shares held by Ze Hua Holdings Pte. Ltd. in International Press Holdings Pte Ltd and its subsidiaries. Mr Low Ka Choon Kevin is the son of Mr Low Song Take.
- (2) Leong Shook Wah is the spouse of Low Song Take.
- (3) Messrs. Woo Khai Chong and Woo Khai San are deemed to have an interest in the shares held by Chee Chun Holdings Pte. Ltd. in International Press Holdings Pte Ltd and its subsidiaries. Mr Woo Khai San is the brother of Mr Woo Khai Chong.

LETTER TO SHAREHOLDERS

Save for the Directors' and Controlling Shareholders' shareholding interests and/or directorships in the Company (including Directors who are controlling shareholders who shall be providing the undertaking to vote in favour of the Proposed Disposal), none of the Directors or Controlling Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Disposal.

6. BOARD'S RECOMMENDATION

The Board, having considered several factors including the Consideration, the terms of the SPA, the rationale for the Proposed Disposal and all other relevant facts set out in this Circular, are collectively of the opinion that the Proposed Disposal is in the best interests of the Company and Shareholders, and accordingly recommend that Shareholders vote in favour of the Proposed Disposal to be proposed at the EGM.

7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-3 of this Circular, will be held by way of electronic means at 11.30 a.m. for the purpose of considering and, if thought fit, passing, with or without any modifications, the Ordinary Resolution as set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

- 9.1 The EGM will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- 9.2 Due to the current Covid-19 restriction orders in Singapore, a member will not be able to attend the EGM in person. Instead, alternative arrangements have been put in place to allow shareholders to participate at the EGM by (a) watching the EGM proceedings via "live" webcast or listening to the EGM proceedings via "live" audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM. Shareholders who wish to watch the "live" webcast of the EGM or listen to the "live" audio feed of the EGM proceedings and/or submit questions in advance of the EGM, are to download the pre-registration form from the Company's website at the URL www.ipsoftcom.com or the SGX's website at the URL: <https://www.sgx.com/securities/company-announcements> and submit the completed and signed form to the Company in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company, by 10.30 a.m. on 20 May 2020.
- 9.3 A shareholder (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such shareholder wishes to exercise his/her/its voting rights at the EGM. The shareholder must complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the business address of the Company at 26 Kallang Avenue, Singapore 339417, not less than seventy-two (72) hours before the time fixed for the EGM.
- 9.4 A Depositor shall not be regarded as a Shareholder and shall not be entitled to appoint the Chairman of the Meeting to attend the EGM and to speak and vote thereat on his behalf unless his name appears on the Depository Register as at seventy-two (72) hours before the EGM.

LETTER TO SHAREHOLDERS

10. DIRECTORS' RESPONSIBILITY STATEMENT

- 10.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.
- 10.2 Where information contained in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Robinson Road #02-00, Singapore 068898 during normal business hours for a period of three (3) months from the date of this Circular:

- (a) the SPA;
- (b) the Valuation Report; and
- (c) the Constitution.

Yours faithfully

For and on behalf of
The Board of Directors of
INTERNATIONAL PRESS SOFTCOM LIMITED

Low Ka Choon Kevin
Managing Director / CEO

GB GLOBAL:

FORMAL VALUATION REPORT



**26 Kallang Avenue
International Press Building
Singapore 339417**

GB Global Pte Ltd
60 Paya Lebar Road #07-55 Paya Lebar Square Singapore 409051
Tel: 6909 7665 / 9853 4912 Fax: +65 6725 0933

APPENDIX – VALUATION REPORT

GB GLOBAL ::

Our Ref: GBC201910/133-International

23 October 2019

International Press Softcom Limited
26 Kallang Avenue
Singapore 339417

Attention: Johnny Teh

Dear Sir,

FORMAL VALUATION OF 26 KALLANG AVENUE INTERNATIONAL PRESS BUILDING SINGAPORE 339417

1. PURPOSE OF VALUATION

We have been instructed by **International Press Softcom Limited** to prepare this valuation report for the purpose of determining the open market value of the subject property in accordance with FRS 113 for audit purposes. This valuation report is confidential to and for use only by **International Press Softcom Limited** and for specific purpose to which it refers.

The term 'Open Market Value' is intended to mean the best price at which an interest in a property might reasonably be expected to be sold at the date of valuation assuming: -

- a) a willing seller; a willing buyer
- b) that prior to the date of valuation, there has been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and the completion of the sale;
- c) that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- d) that no account is to be taken of an additional bid by a purchaser with special interest; and
- e) that both parties to the transaction have acted knowledgeably, prudently and without compulsion.

APPENDIX – VALUATION REPORT



2. DETAILS OF PROPERTY

- i) Type of Property : A single-user detached 6-storey industrial development
- ii) Age of Property : Circa 1990s
- iii) Land Area : Approximately 4,998 square metres (53,803 square feet)
- iv) Floor Area : Approximately 12,500 square metres (134,549 square feet)

3. TITLES AND TENURE

- i) Legal Description : TS17-1763T
- ii) Tenure : Leasehold 60 years from 16/02/1990
- iii) Other Details : Title search and any other searches with regards to proposed road, drainage or public schemes have not been applied for and/or made available to us. We recommend that they be carried out through your solicitors.

4. LOCATION AND CHARACTERISTICS OF LOCALITY

The subject property is located at Kallang Ave in the central region of Singapore. The immediate neighborhood comprises a mix of industrial, commercial and residential developments.

Developments in the area include Pico Creative Building, V Hotel Lavender, Jalan Besar Sports & Recreation Centre, Swimming Complex and Stadium, Citylights condominium, hostels and hotels, community centre, hawker centre, etc. Amenities nearby include Lavender Food Square, coffee shops, food courts and cafes etc.

Public transport is available along Lavender Street and from Lavender MRT and Kallang MRT station. It is also accessible via Nicoll Highway, the Pan Island Expressway, Kallang Paya Lebar Expressway, East Coast Parkway and Central Tampines Expressway.

5. TOWN PLANNING

- 2014 Master Plan : Business 1
- Permissible Gross Plot Ratio : Maximum 2.5



6. DESCRIPTION OF PROPERTY

The subject property is a single-user detached 6-storey industrial development.

The property is constructed of reinforced concrete structure, load bearing brick walls and reinforced concrete flat roof. The upper floors are accessible via the staircase, 1 pellet lift, 1 cargo and 1 passenger lift.

It is sited on a near rectangular land plot that is slightly elevated with a frontage of approximately 105 meters wide along Kallang Avenue and a depth of approximately 52 metres. The open area consists of car and lorry parking.

7. OCCUPANCY

The subject property is occupied as at date of inspection.

APPENDIX – VALUATION REPORT



8. GENERAL ACCOMMODATION AND FINISHES

- i) Accommodation : 1st-storey: Reception area, loading and unloading bays
2nd-storey: Reception area, meeting room, general office, conference room, operation, multiple room,
3rd-storey: Operation, office
4th-storey: Operation, office, toilet
5th-storey: Lift lobby, operation, office
6th-storey: Operation, pantry, toilet, small office, rooftop
M floor: Loading area, office
- ii) Finishes : Floor : Epoxy paint, cement screed, granite, carpet, vinyl sheet, ceramic tiles, coated flooring, vinyl tiles
Walls : Emulsion paint finish, plasterboard, wallpaper, timber wood, glass, ceramic tiles,
Ceiling : Plasterboard, rock stone, and emulsion paint finish, board soundproof
- iii) Fittings : Aluminum framed glass windows, timber/glass door, metal gate, ceiling air conditioner, downlight, basin counter, split unit air conditioner, metal roller shutter for hosting, wall fan, split unit air conditioner, cabinet, feature wall, etc.
- iv) Services : All main utility and Telecoms services are available

9. FLOOR AREA

The total floor area is approximately 12,499.72 square metres, as provided by the applicant.

Breakdown:

1 st storey	:	2,215.21 sq m
2 nd storey	:	2,396.54 sq m
3 rd storey	:	2,391.73 sq m
4 th storey	:	2,365.95 sq m
5 th storey	:	2,414.20 sq m
6 th storey + roof terrace:		716 sq m

10. DATE OF INSPECTION

The property was inspected on 22 October 2019

11. CONDITION OF PROPERTY

The production areas of the property are generally in average condition, typical of industrial properties. The office and administrative accommodation are in good condition and well maintained.

Note: Our inspection was an external survey and it was not a structure survey of the building or a testing of its service installations.

12. BASIS OF VALUATION

The valuation is carried out on the subject property in its continued existing use without taking into account any redevelopment potential it may have.

The valuation is based on the information provided to us. In the event that the given information is revised subsequently, a revaluation is necessary.

13. METHOD OF VALUATION

We have adopted the both the Comparable Sales approach and Income approach to provide a counter check to the valuation analysis.

Comparable Sales Method

In the Comparable Sales method, a comparison and analysis is made with recent transactions of similar properties, preferably in the vicinity. Appropriate adjustments are made for differences in location, age, tenure, area, design and layout, condition, standard of finishes, date of transaction and the prevailing economic conditions affecting the property market, among others.

Comparable Sales Used as below

Address	Land Area (sq ft)	Transacted Price (\$)	Contract Date	Tenure
39 Mactaggart Road	14,348	11,300,000	11/9/2019	99 yrs fr 1964
42 Kallang Place	15,737	1,620,000	18/7/2019	60 yrs fr 1970

APPENDIX – VALUATION REPORT

GB GLOBAL ::

Income Method

In the Income method, the estimated annual rent of the property is capitalized over the remaining term of the lease at an appropriate rate, after deducting the property tax payable and other outgoings to arrive at the capital value of the property.

14. VALUATION

In view of the aforementioned and having taken into consideration the prevailing market conditions and relevant factors, we are of the opinion that the value of the subject property with vacant possession and free from all encumbrances is as follows: -

Date of Valuation : 22 October 2019

Open Market Value : S\$35,000,000/-
Singapore Dollars Thirty-Five Million only

Notes:

1. We have made no investigation of, and assume no responsibility for titles to, or liabilities against, the property appraised.
2. We certify that we have neither present nor prospective interest in the property appraised or in the value reported.

For and On Behalf of
GB GLOBAL PTE LTD



Yick Keng Hang
Managing Director, MSISV
Appraiser's Licence No. AD041-2002007E

Enclosures: Location Map, Site Map, Photographs, Limiting Conditions

Location Map



Site Map



GB GLOBAL:

Photographs



GB GLOBAL::



APPENDIX – VALUATION REPORT

GB GLOBAL::



LIMITING CONDITIONS

These are the general principles upon which our Valuations and Reports are normally prepared; they apply unless we have specifically mentioned otherwise in the body of the report.

- 1. VALUATION STANDARDS**
All valuations and appraisals works are carried out in accordance with the Singapore Institute of Surveyors and Valuers (SISV) Valuation Standards and Guideline and consistent with the International Valuation Standards (IVS), and all codes, standards and requirements of professionalism have been met.
- 2. USE AND PURPOSE**
This valuation report is restricted to the use of our client or person(s) to whom this valuation report is specifically addressed to and for the specific purpose stated therein and to be used within a reasonable time. We disclaim any liability should it be used by other person(s) or for any other purpose(s) or beyond a reasonable time.
- 3. CONFIDENTIALITY**
Neither the whole or any part of this valuation report or any reference to it may be included in any document, circular or statement or be published in any way without our prior written consent to the form and context in which it may appear. We shall bear no responsibility for any unauthorized inclusion or publication.
- 4. SOURCE OF INFORMATION**
Where it is stated in the Report that information has been supplied to the Valuer by another party or obtained by the Valuer from any enquiries, searches or investigations made from any government or statutory bodies, this information is believed to be reliable. The Valuer accepts no responsibility if this should prove not to be so.
- 5. TITLE AND LEASES**
We do not normally read leases or document of title and, where appropriate, we recommend that lawyer's advice on these aspects should be obtained. We assume, unless informed to the contrary, that all documentation is satisfactorily drawn and that good title can be shown and there are no encumbrances, restrictions, easements or other outgoings of an onerous nature which would have an effect on the value of the interest under consideration.
- 6. TOWN PLANNING AND OTHER STATUTORY REGULATIONS**
Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes. No requisition on road or drainage proposals has been made.
- 7. STRUCTURAL SURVEYS**
We do not normally carry out structural survey, nor do we test the building services, nor have we inspected those parts of the property which are inaccessible. We cannot express an opinion about or advise upon the condition of uninspected parts and this Report should not be taken as making any implied representation or statement about such parts. We will not be able to report that the building is free from rot, infestations or other hidden defects.
- 8. SITE CONDITIONS**
We do not normally carry out investigations on site in order to determine the suitability of the ground conditions and services for the existing and new development, nor have we undertaken any archaeological, ecological or environmental surveys. Unless we are otherwise informed, our valuations are on the basis that these aspects are satisfactory and that, where development is proposed, no extraordinary expenses or delays will be incurred during the construction period.
- 9. PLANS AND MAPS**
Any sketch, plan or map in this report is for identification purposes only and should not be treated as certified copies of areas or other particulars contained therein.
- 10. INSURANCE VALUE**
Our opinion of the insurance value is our assessment of the reinstatement cost for insurance purposes and it comprises the total cost of completely rebuilding the property to be insured, together with allowances for inflation, demolition and debris removal, professional fees, the prevailing G.S.T (goods and services tax) and, if applicable, compliance with the current regulations and by-laws.
- 11. COURT OR TRIBUNAL APPEARANCE**
The report was prepared on the basis that we are not required to give testimony or appear in court or any other tribunal or to any government agency by reason of this valuation report or with reference to the property in question unless prior arrangements have been made and we be properly reimbursed.

NOTICE OF EXTRAORDINARY GENERAL MEETING



INTERNATIONAL PRESS SOFTCOM LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of International Press Softcom Limited (“**Company**”) will be held by way of electronic means on 27 May 2020 at 11.30 a.m. (or such time immediately following the conclusion or adjournment of the AGM of the Company to be held at 10.30 a.m. on the same day) for the purpose of considering and, if thought fit, passing, with or without modifications, the following ordinary resolution:

Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meanings as ascribed to them in the circular dated 5 May 2020 issued by the Company.

ORDINARY RESOLUTION: THE PROPOSED DISPOSAL

THAT:

- (a) approval be and is hereby given, for the purpose of Chapter 10 of the Catalist Rules, to the Company for the disposal of the whole of Lot 1763T of Town Subdivision 17 together with the building(s) erected thereon and known as 26 Kallang Avenue, Singapore 339417 (“**Property**”), including all the plant, mechanical and electrical equipment, fixtures and fittings located in or on or which otherwise relate to the Property (“**Proposed Disposal**”), for a cash consideration of S\$26,000,000 on such terms and subject to the conditions of the sale and purchase agreement dated 31 March 2020 entered into between the Company and Storhub 26 Kallang Pte. Ltd. (“**SPA**”); and
- (b) the Directors of the Company and each of them be and are hereby authorised to take such steps, approve all matters, implement, execute, perfect or give effect to complete and do all such acts and things (including executing all such documents as may be required) for the purposes of giving effect to or facilitating the Proposed Disposal with full power to assent to any condition, amendment, alteration, modification or variation (including to the SPA) as may be required or as they or he may in their/his absolute discretion consider necessary, desirable or expedient in the interests of the Company to complete the transactions contemplated in the Proposed Disposal and to give effect to this Ordinary Resolution.

By Order of the Board

Low Ka Choon Kevin
Managing Director / CEO
5 May 2020

IMPORTANT: PLEASE READ NOTES OVERLEAF.

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTES:

1. The EGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this notice of EGM (“**Notice**”) will not be sent to members. Instead, this Notice will be sent to members by electronic means via publication on the Company's website at the URL www.ipsoftcom.com. This Notice will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

2. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the EGM in person.** Instead, alternative arrangements have been put in place to allow members to participate at the EGM by (a) watching the EGM proceedings via “live” webcast or listening to the EGM proceedings via “live” audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM. Shareholders who wish to watch the “live” webcast of the EGM or listen to the “live” audio feed of the EGM proceedings, and/or submit questions in advance of the EGM, are to download the pre-registration form from the Company's website at the URL www.ipsoftcom.com or on the SGX website at the URL <https://www.sgx.com/securities/company-announcements> and submit the completed and signed form to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's business address at 26 Kallang Avenue, Singapore 339417; or
 - (b) if submitted electronically, be submitted via email to the Company at agm@ipsoftcom.com,in either case, by 10.30 a.m. on 20 May 2020.

Please note that shareholders will not be able to ask questions at the EGM “live” during the webcast and the audio feed, and therefore shareholders should pre-register their participation in order to submit their questions in advance of the EGM.

The Management and the Board of Directors of the Company will endeavour to address all substantial and relevant questions received from members prior to the EGM by publishing the responses to those questions on SGX website at the URL <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL www.ipsoftcom.com. Where substantial and relevant questions submitted by members are unable to be addressed prior to the EGM, the Company will address them at the EGM.

3. **A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.** This proxy form may be accessed at the Company's website at the URL www.ipsoftcom.com, and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 pm on 15 May 2020.

4. The Chairman of the Meeting, as proxy, need not be a member of the Company.

5. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's business address at 26 Kallang Avenue, Singapore 339417; or
 - (b) if submitted electronically, be submitted via email to the Company at agm@ipsoftcom.com,

in either case, at least 72 hours before the time appointed for holding the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current Covid-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms and pre-registration forms by post, members are strongly encouraged to submit completed proxy forms and pre-registration forms electronically via email.

6. The Circular to Shareholders dated 5 May 2020 in relation to the Proposed Disposal, this Notice of EGM dated 5 May 2020, the Proxy Form in respect of the EGM, and the pre-registration form may be accessed at the Company's website at the URL www.ipsoftcom.com and on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

PERSONAL DATA PRIVACY

By submitting a proxy form appointing the Chairman of the Meeting as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman of the Meeting as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.

INTERNATIONAL PRESS SOFTCOM LIMITED

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

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

Alternative Arrangements for Extraordinary General Meeting

1. The Extraordinary General Meeting is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of the Notice of Extraordinary General Meeting will not be sent to members. Instead, the Notice of Extraordinary General Meeting will be sent to members by electronic means via publication on the Company's website at the URL www.ipsoftcom.com. The Notice of Extraordinary General Meeting will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.
2. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Extraordinary General Meeting in person.** Alternative arrangements have been put in place to allow members to participate at the Extraordinary General Meeting by (a) watching the Extraordinary General Meeting proceedings via "live" webcast or listening to the Extraordinary General Meeting proceedings via "live" audio feed, (b) submitting questions in advance of the Extraordinary General Meeting, and/or (c) voting by proxy at the Extraordinary General Meeting.
3. **A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting if such member wishes to exercise his/her/its voting rights at the Extraordinary General Meeting.**
4. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the Meeting as a member's proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting,**

CPF/SRS Investors

5. CPF/SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 15 May 2020.

Personal Data

6. By submitting an instrument appointing a proxy(ies) and/or representative(s), a member accepts and agrees to the personal data privacy terms set out in the Notes to this Proxy Form.

*I/We _____ (name) _____ (NRIC No./ Passport No./Registered No.) of _____ (Address) being a member(s) of International Press Softcom Limited (the "**Company**"), hereby appoint the **Chairman of the Meeting** as *my/ our proxy, to attend, speak and vote for *me/ us and on *my/ our behalf, at the Extraordinary General Meeting of the Company to be convened and held by way of electronic means on **Wednesday, 27 May 2020 at 11.30 a.m.** (or such time immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.30 a.m. on the same day and at the same place) and at any adjournment thereof in the following manner:

*Delete as appropriate

Ordinary Resolution	Number of votes For	Number of votes Against	Abstain
To approve the Proposed Disposal			

The resolution put to vote at the Extraordinary General Meeting shall be decided by poll.

If you wish the Chairman of the Meeting as your proxy to cast all your votes **For** or **Against** a resolution, please indicate with "X" in the **For** or **Against** box in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** in the **For** or **Against** box in respect of that resolution. If you wish the Chairman of the Meeting as your proxy to **Abstain** from voting on a resolution, please indicate with "X" in the **Abstain** box in respect of that resolution. Alternatively, please indicate the number of shares that the Chairman of the Meeting as your proxy is directed to abstain from voting in the **Abstain** box in respect of that resolution. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____, 2020

Total Number of Shares held (see Note 1):

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Signature(s) of Member(s) / Common Seal
of Corporate Member

NOTES:

1. If the member has shares entered against his name in the Depository Register (maintained by The Central Depository (Pte) Limited), he should insert that number of shares. If the member has shares registered in his name in the Register of Members (maintained by or on behalf of the Company), he should insert that number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. **Due to the current COVID-19 restriction orders in Singapore, a member will not be able to attend the Extraordinary General Meeting in person. A member (whether individual or corporate) must appoint the Chairman of the Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Extraordinary General Meeting if such member wishes to exercise his/her/its voting rights at the Extraordinary General Meeting.** This proxy form may be accessed at the Company's website at the URL www.ipssoftcom.com, and the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

Where a member (whether individual or corporate) appoints the Chairman of the Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the Meeting as proxy for that resolution will be treated as invalid.

CPF or SRS investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 pm on 15 May 2020.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.
4. The instrument appointing the Chairman of the Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company's business address at 26 Kallang Avenue, Singapore 339417; or
 - (b) if submitted electronically, be submitted via email to the Company at agm@ipssoftcom.com,

in either case, at least 72 hours before the time appointed for holding the Extraordinary General Meeting.

A member who wishes to submit an instrument of proxy must first download, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointer or by his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing the Chairman of the Meeting as proxy is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. The Company shall be entitled to reject an instrument appointing the Chairman of the Meeting as proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject an instrument appointing the Chairman of the Meeting as proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as proxy to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of the Chairman of the Meeting as proxy for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines.