



International Press Softcom Limited

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

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2020 TO 30 JUNE 2020

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

(i) CONSOLIDATED INCOME STATEMENT

	Note	Group		%+/-
		S\$'000		
		1H2020 (Unaudited)	1H2019 (Unaudited)	
Revenue		9,772	14,041	-30.4
Other operating income	1	685	440	55.7
Changes in stocks of finished goods and work in progress		(97)	(62)	56.5
Raw materials and consumables used		(5,211)	(7,330)	-28.9
Personnel expenses		(3,633)	(4,002)	-9.2
Depreciation		(747)	(1,135)	-34.2
Rental, property tax and utilities		(354)	(797)	-55.6
Freight, travelling and transportation expenses		(564)	(1,132)	-50.2
Repair and maintenance expenses		(186)	(199)	-6.5
Subcontractor costs		(309)	(514)	-39.9
Other operating expenses		(1,152)	(1,408)	-18.2
Financial expense – net	2	(311)	(239)	30.1
Loss before tax		(2,107)	(2,337)	-9.8
Income tax expense		(49)	(43)	14.0
Loss, net of tax		(2,156)	(2,380)	-9.4
Loss attributable to:				
- Owners of the Company		(2,029)	(2,348)	-13.6
- Non-controlling interests	3	(127)	(32)	296.9
		(2,156)	(2,380)	-9.4

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 1

Other operating income was higher largely due to the government grant to help keep businesses afloat during the COVID-19 crisis and the foreign exchange gain recorded by the Group.

Note 2

Current **net financial expenses** was higher mainly due to higher interest expense on lease liabilities recorded by the Group.

Note 3

Higher **loss attributable to non-controlling interests** in 1H2020 was largely due to higher losses incurred by the Group's partially-owned subsidiary in India.

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

	Group	
	S\$'000	
	1H2020	1H2019
	(Unaudited)	(Unaudited)
Bad debts written off	-	53
Impairment loss on trade receivables	188	152
Reversal of impairment loss on trade receivables	(26)	(91)
Allowance for inventory obsolescence	68	54
Write-back of allowance for inventory obsolescence	(69)	(102)
Other receivables written off	-	36
Inventories written off	34	51
Property, plant and equipment written off	20	1
Loss/(gain) on disposal of property, plant and equipment	8	(4)
Interest income	(12)	(16)
Interest expense on borrowings	155	158
Finance cost on lease liabilities	168	97
Exchange (gain)/loss, net	(17)	63

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Group	
	S\$'000	
	1H2020	1H2019
	(Unaudited)	(Unaudited)
Loss, net of tax	(2,156)	(2,380)
Other comprehensive income:		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Foreign currency translation	186	(106)
Other comprehensive income for the financial period net of tax	186	(106)
	(1,970)	(2,486)
Total comprehensive income attributable to:		
- Owners of the Company	(1,875)	(2,459)
- Non-controlling interests	(95)	(27)
	(1,970)	(2,486)

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

1(b)(i) BALANCE SHEETS

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Note	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment		3,287	3,623	73
Intangible assets		857	914	-
Investment in subsidiaries		-	-	7,975
Other receivables and deposits	4	578	931	-

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Note	S\$'000	S\$'000	S\$'000	S\$'000
Deferred tax assets	705	703	-	-
	5,427	6,171	8,048	8,015
Current assets				
Inventories	1,493	1,813	132	151
Trade receivables	4,971	7,043	188	238
Contract assets	115	90	-	-
Other receivables and deposits	4	1,110	396	324
Prepayments	454	368	58	55
Amounts due from subsidiaries (non-trade)	-	-	1,125	1,012
Tax recoverable	219	228	-	-
Cash and cash equivalents	4,412	2,998	597	719
	12,774	13,666	2,496	2,499
Non-current assets classified as held for sale	32,804	32,829	30,566	30,566
	45,578	46,495	33,062	33,065
Current liabilities				
Trade and other payables	4,623	4,985	399	402
Lease liabilities	472	580	-	-
Accruals	1,674	2,036	667	891
Amounts due to subsidiaries (non-trade)	-	-	115	115
Loan due to holding company	5	208	208	306
Amount due to directors of Company	5	820	820	687
Interest-bearing bank loans	5	3,494	1,000	2,000
Non-interest bearing loan	5	317	-	-
Provision for taxation	120	177	-	-
	11,728	14,025	3,209	4,401
Liabilities directly associated with assets held for sale	6	7,495	7,495	5,013
	19,223	19,038	10,704	9,414
Net current assets	26,355	27,457	22,358	23,651
Non-current liabilities				
Deferred tax liabilities	(143)	(147)	-	-
Lease liabilities	(574)	(446)	-	-
Net assets	31,065	33,035	30,406	31,666
Equity attributable to owners of the Company				
Share capital	52,619	52,619	52,619	52,619
Reserves	(18,581)	(16,706)	(22,213)	(20,953)
	34,038	35,913	30,406	31,666
Non-controlling interests	(2,973)	(2,878)	-	-
Total equity	31,065	33,035	30,406	31,666

NOTES TO THE BALANCE SHEET

Note 4

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
Other receivables and deposits	S\$'000	S\$'000	S\$'000	S\$'000
Current	1,110	1,126	396	324
Non-current	578	931	-	-
Total	1,688	2,057	396	324

The Group's non-current **other receivables and deposits** was 37.9% lower yoy mainly due to the realisation of VAT claim by the Group's wholly-owned subsidiary in Vietnam.

Note 5

	Group		Company	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019
	S\$'000	S\$'000	S\$'000	S\$'000
Loan due to holding company	208	306	208	306
Amount due to directors of company	820	687	820	687
Interest-bearing bank loans	3,494	4,928	1,000	2,000
Non-interest bearing loan	317	326	-	-
Total	4,839	6,247	2,028	2,993

The Group's and Company's **borrowings** decreased by 22.5% and 32.2% respectively, largely due to the repayment of interest bearing loans from holding company and banks used for working capital purposes, offset by the increase in the amount due to directors of the Company for FY2019 director fees approved at the Company's Annual General Meeting held on 27 May 2020.

Note 6

The Group's and the Company's **liabilities directly associated with assets held for sale** was higher largely due to the 10% commitment fees received (net of incidental expenses) on the sale of the Company's Singapore leasehold property approved at the Extraordinary General Meeting held on 27 May 2020.

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

Amount repayable in one year or less, or on demand

As at 30/06/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,494	1,345	4,928	1,319

Amount repayable after one year

As at 30/06/2020		As at 31/12/2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collateral

The secured loans and borrowings pertained to secured interest-bearing bank loans by the Company and Indian subsidiaries over the mortgage of the Company's leasehold factory building, standby letter of credit issued by UOB Bank and other securities.

The Group's unsecured borrowings comprised mainly of a non-interest bearing loan due to a non-controlling shareholder of a subsidiary, an interest bearing loan from the holding company and amount due to directors of the Company.

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

1(c) CONSOLIDATED STATEMENT OF CASH FLOW

	Group	
	1H2020	1H2019
	S\$'000	S\$'000
	(Unaudited)	(Audited)
Cash flows from operating activities		
Loss before tax	(2,107)	(2,337)
Adjustments for:		
Depreciation	747	1,135
Loss/(gain) on disposal of property, plant and equipment	8	(4)
Property, plant and equipment written off	20	1
Interest income	(12)	(16)
Interest expense on borrowings	155	158
Finance cost on lease liabilities	168	97
Bad debts written off	-	53
Impairment loss on trade receivables	188	152
Reversal of impairment loss on trade receivables	(26)	(91)
Other receivables written off	-	36
Allowance for inventory obsolescence	68	54
Write-back of allowance for inventory obsolescence	(69)	(102)
Inventories written off	34	51
Unrealised exchange loss	93	19
Operating cash flows before working capital changes	(733)	(794)
<u>Changes in working capital:</u>		
Decrease in inventories	287	256
Decrease in trade receivables and contract assets	1,892	1,186
Decrease in other receivables, deposits and prepayments	301	623
Decrease in trade and other payables and contract liabilities	(345)	(726)
Decrease in accruals	(362)	(733)
Increase in amount due to directors of company	133	146
Cash flows generated from/(used in) operations	1,173	(42)
Interest received	9	2
Interest paid	(317)	(254)
Tax paid	(107)	(200)
Net cash flows generated from/(used in) operating activities	758	(494)
Cash flows from investing activities		
Purchase of property, plant and equipment	(132)	(349)
Proceeds from disposal of property, plant and equipment	6	14
Proceeds from assets held for sale	2,520	-
Net cash flows generated from/(used in) investing activities	2,394	(335)
Cash flows from financing activities		
Proceeds from interest-bearing bank loans	-	1,000
Repayment of interest-bearing bank loans	(1,357)	(205)
Repayment of loan due to holding company	(100)	-
Proceeds from loan from holding company	-	300
Payment of principal portion of lease liabilities	(312)	(62)
Net cash flows (used in)/generated from financing activities	(1,769)	1,033
Net increase in cash and cash equivalents	1,383	204
Effect of exchange rate changes on cash and cash equivalents	31	(1)
Cash and cash equivalents at beginning of year	2,998	3,021
Cash and cash equivalents at end of financial period (Note A)	4,412	3,224

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

A. Cash and cash equivalents

	30/06/2020	31/12/2019
	S\$'000	S\$'000
Cash and bank balances	3,807	2,543
Fixed deposits	605	455
	4,412	2,998

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

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

	Share capital	Translation reserve	Restricted reserve	Other reserves	Accumulated losses	Equity attributable to owners of Company, total	Non-controlling interests	Equity, total
The Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2020	52,619	(326)	512	2,560	(19,452)	35,913	(2,878)	33,035
Loss for the financial period	-	-	-	-	(2,029)	(2,029)	(127)	(2,156)
<u>Other comprehensive income</u>								
Foreign currency translation	-	154	-	-	-	154	32	186
Other comprehensive income for the financial period, net of tax	-	154	-	-	-	154	32	186
Total comprehensive income for the financial period	-	154	-	-	(2,029)	(1,875)	(95)	(1,970)
At 30 June 2020	52,619	(172)	512	2,560	(21,481)	34,038	(2,973)	31,065

	Share capital	Translation reserve	Restricted reserve	Other reserves	Accumulated losses	Equity attributable to owners of Company, total	Non-controlling interests	Equity, total
The Group (Unaudited)	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2019	52,619	(170)	513	2,560	(9,712)	45,810	(2,847)	42,963
Loss for the financial period	-	-	-	-	(2,348)	(2,348)	(32)	(2,380)
<u>Other comprehensive income</u>								
Foreign currency translation	-	(111)	-	-	-	(111)	5	(106)
Other comprehensive income for the financial period, net of tax	-	(111)	-	-	-	(111)	5	(106)
Total comprehensive income for the financial period	-	(111)	-	-	(2,348)	(2,459)	(27)	(2,486)
At 30 June 2019	52,619	(281)	513	2,560	(12,060)	43,351	(2,874)	40,477

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

The Company (Unaudited)	Share capital S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2020	52,619	341	(21,294)	31,666
Loss for the financial period, represents total comprehensive income for the financial period	-	-	(1,260)	(1,260)
At 30 June 2020	52,619	341	(22,554)	30,406
At 1 January 2019	52,619	341	(8,482)	44,478
Loss for the financial period, represents total comprehensive income for the financial period	-	-	(2,213)	(2,213)
At 30 June 2019	52,619	341	(10,695)	42,265

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

	No. of Shares	Share Capital (S\$'000)
As at 31 December 2019 and 30 June 2020	732,036,666	52,619

There were no outstanding options or convertibles as at 30 June 2020 and 30 June 2019.

There were no treasury shares and subsidiary holdings of the Company as at 30 June 2020 and 30 June 2019.

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

The total number of issued shares, excluding treasury shares, as at the end of the current financial period reported on was 732,036,666 (31 December 2019: 732,036,666).

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

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

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. There were no sales, transfers, cancellation and/or use of subsidiary holdings during and as at the end of the current financial period reported on.

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

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

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

Not applicable. The figures have not been audited or reviewed by the Company's auditors.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion (This is not required for any audit issue that is a material uncertainty relating to going concern):

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Not applicable.

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

The accounting policies and methods of computation applied in the preparation of the financial statements for the current financial period reported on are consistent with those disclosed in the audited annual financial statements of the Group for the financial year ended 31 December 2019, except that the Group had adopted the following amendments to the Singapore Financial Reporting Standards (International) ("SFRS(I)") that became effective for annual periods beginning on or after 1st January 2020:

- Amendments to SFRS(I) 3: *Definition of a Business*
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: *Definition of Material*
- Amendments to References to the Conceptual Framework in SFRS(I) Standards

The Group had early adopted the Amendments to SFRS(I) 16 *COVID-19 related rent concessions* which is effective for annual periods beginning on 1st June 2020. The Group applied the practical expedient on rent concessions received from landlords and elected not to assess whether a rent concession is a lease modification. The adoption of the amendments to SFRS(I) 16 *COVID-19 related rent concessions* does not have a material impact to the Group's financial statement for the six months ended 30 June 2020.

Other than the adoption of the Amendments to SFRS(I) 16 *COVID-19 related rent concessions*, the adoption of the other amendments to SFRS(I) above had no material effect on the Group's financial statements for the current financial period reported on.

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

Please refer to paragraph 4 above.

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

	Group	
	1H2020 (Unaudited)	1H2019 (Unaudited)
Loss per ordinary share for the financial period attributable to owners of the Company		
- (a) on weighted average number of ordinary shares on issue	(0.28) cents	(0.32) cents
- (b) on a fully diluted basis	(0.28) cents	(0.32) cents
- Weighted average number of ordinary shares outstanding at the end of the respective financial periods	732,036,666	732,036,666

The basic and fully diluted loss per share were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2020 and 30 June 2019.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:—**

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	Group		Company	
	30/06/2020 (Unaudited)	31/12/2019 (Audited)	30/06/2020 (Unaudited)	31/12/2019 (Audited)
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the respective financial period	4.65 cents	4.91 cents	4.15 cents	4.33 cents

The net asset value per ordinary share is calculated based on the 732,036,666 (FY2019: 732,036,666) ordinary shares outstanding at the end of the current financial period reported on and the immediately preceding financial year.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:—**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Group Performance

Revenue

The six months ended 30 June 2020 ("1H2020") had been a challenging period for the Group. In view of the ongoing uncertain global market conditions coupled with the COVID-19 outbreak, the Group's supply chain management services ranging from sourcing of raw materials to delivery of products was negatively affected and recorded a 30.4% yoy decrease in revenue for 1H2020.

Revenue by geographical segment

	Revenue		
	1H2020	1H2019	
	S\$'000	S\$'000	% +/-
Singapore	770	737	4.5
Malaysia	914	1,601	-42.9
People's Republic of China ("China")	1,800	2,679	-32.8

India	3,549	5,871	-39.6
Vietnam	2,739	3,153	-13.1
Total	9,772	14,041	-30.4

In view of the abovementioned matters, revenue from the Group's operating sites in Malaysia, China, India and Vietnam fell in 1H2020, as a result of the suspension and delay in business activities due to the COVID-19 pandemic ("Pandemic"), while the demand from existing customers continued to be weak. This was partially cushioned by a 4.5% increase in revenue from the Group's Singapore operations due to the stable stream of revenue from support to customers in essential services and an improvement in online platform sales during the Pandemic.

Profitability

The Group's other operating income increased largely due to (i) higher grants or subsidies from various Singapore government support schemes provided to help firms cope with the impact of the Pandemic, and (ii) net foreign exchange gain in 1H2020 mainly due to the appreciation of US dollar against other currencies as compared to a net foreign exchange loss in 1H2019.

Raw materials and consumables used, offset by changes in stocks of finished goods and work in progress, were lower in 1H2020 in line with lower revenue.

Depreciation fell mainly due to no depreciation expense recorded for the Company's Singapore leasehold property which was classified as an asset held for sale in December 2019, offset by the higher depreciation expense for right-of-use assets over the remaining term of the leases.

Rental, property tax and utilities was down largely due to:

- (i) the effect on the adoption of SFRS(I) 16 *Leases* by the Group with effect from 1 January 2019 which resulted in lower rental expense recorded but led to a increase in the depreciation expense as discussed in the foregoing paragraph; and
- (ii) the 30% property tax rebate from the Singapore government as part of the resilience budget announced on 26 March 2020 to help defray operating expense and ease the financial burden brought about by the Pandemic on companies.

The suspension and delay in business activities due to the Pandemic resulted in lower 1H2020 revenue and reduction in all our operating expenses. As a result of the above, despite the lower business activities in 1H2020, the Group's net loss after tax for 1H2020 narrowed from S\$2.4 million in 1H2019 to S\$2.2 million in 1H2020.

Review of Group Financial Position

Non-current assets

Total non-current assets amounted to approximately 10.6% of the Group's total assets as at 30 June 2020. The 12.1% decrease in non-current assets was largely due to the realisation of a VAT claim by the Group's Vietnam subsidiary of approximately S\$0.4 million and the depreciation charges of approximately S\$0.7 million during 1H2020 on the plant and equipment and right-of-use assets. This was partly offset by the capitalisation of an existing lease agreement extended for the Vietnam subsidiary and additions mainly in the form of plant and equipment during 1H2020 of approximately S\$0.4 million.

Current assets

As at 30 June 2020, total current assets amounted to approximately 89.4% of the Group's total assets as at 30 June 2020. The 2.0% decrease in current assets was mainly due to a decrease in inventories, trade receivables and contract assets of approximately S\$2.4 million in total, in line with reduced business activities. This was offset by the increase in cash and cash equivalents of approximately S\$1.4 million.

Non-current liabilities

As at 30 June 2020, total non-current liabilities amounted to approximately 3.6% of the Group's total liabilities as at 30 June 2020. The 20.9% increase in non-current liabilities as at 30 June 2020 (As at 31 December 2019: S\$0.6 million) was mainly due to the increase in lease liabilities from the extension of an existing lease agreement for a further two years for the Vietnam subsidiary, offset by the reclassification of non-current lease liabilities to current liabilities.

Current liabilities

As at 30 June 2020, total current liabilities amounted to approximately 96.4% of the Group's total liabilities as at 30 June 2020. The increase in current liabilities was offset by a decrease in trade and other payables of approximately S\$0.4 million, a decrease in accruals of approximately S\$0.3 million as a result of reduced business activities, a decrease in

lease liabilities of S\$0.1 million and the repayment of interest-bearing bank loans and loan due to the holding company of approximately S\$1.5 million. The decrease was offset by an increase in liabilities directly associated with assets held for sale as discussed in note 6 of paragraph 1(b)(i).

Review of Group Cash flows statement

The Group recorded net cash flows generated from operating activities of approximately S\$0.8 million in 1H2020 as compared to net cash flows used in operating activities of S\$0.5 million in 1H2019, largely due a net off of operating cash outflows of S\$0.7 million and interest and taxes paid of S\$0.4 million against working capital changes of S\$1.9 million in 1H2020.

Group's net cash flows from investing activities was at S\$2.4 million in 1H2020 as compared to net cash outflows of S\$0.3 million in 1H2019, mainly due to the commitment fees received from the leasehold property held for sale as at 31 December 2019 amounting to S\$2.5 million.

Group's net cash flows used in financing activities in 1H2020 was S\$1.8 million as compared to net cash inflows of S\$1.0 million, mainly due to the repayment of interest-bearing bank loans and loan due to holding company. In addition, there were higher repayments of lease liabilities in 1H2020.

As a result of the above, the Group's cash and cash equivalents stood at S\$4.4 million as at 30 June 2020, up S\$1.4 million from 31 December 2019.

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

Not applicable. No forecast or a prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The COVID-19 pandemic is expected to continue to impact the Group's supply chain business and prospects in the second half of 2020.

In particular, the Group's Malaysian subsidiary was impacted by a nationwide Movement Control Order (MCO) announced by the Malaysian government which took effect from 18th March 2020, and subsequently extended to 12th May. Due to the uncertainty of any potential future lockdowns that might be imposed by the government in Malaysia, a major customer of the Group's Malaysian subsidiary has been diverting their purchases to other countries. There is no certainty that these purchases will be resumed to the Group's Malaysian subsidiary going forward. This is expected to significantly affect the Group's supply chain activities in Malaysia in the second half of 2020.

In view of the economic disruptions caused by the Pandemic, the Group will continue to adopt a prudent approach and carefully review its operations to ensure that its operating costs and strategies are aligned with market expectations in the new normal. The Group will make effort in adapting remote working across teams and locations, while continuing to push its business agenda.

In terms of near term liquidity, the Board is of the view that the Group's operating cash flow remains stable and has sufficient unutilised bank facilities to meet its working capital needs.

11. If a decision regarding dividend has been made:

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

None.

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

Not applicable.

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

Not applicable.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for the six months ended 30 June 2020 as the Company is in a loss-making position.

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

The Company does not have a general mandate from shareholders of IPTs. There were no IPTs of S\$100,000 and above for 1H2020.

14. Use of Proceeds from the Rights Issue

As at the date of this announcement, the Company has utilised the net proceeds amounting to S\$2.37 million (after deducting the estimated costs and expense incurred in connection with the rights issue of approximately S\$0.1 million and offsetting a shareholders' loan of S\$0.7 million) ("**Final Net Proceeds**") accrued to the Company from the rights issue completed in July 2018, as follows:

Intended Use of Final Net Proceeds	Amount Allocated (S\$)	Amount utilised (S\$)	Amount unutilised (S\$)
Repayment of outstanding debts	1,000,000	1,000,000	-
Payment of directors' fees	555,000	-	555,000
For general corporate and working capital purposes including but not limited to (i) operating costs and (ii) making strategic investments and/or acquisitions if opportunities arise	812,500	812,500 ⁽¹⁾	-
Total	2,367,500	1,812,500	555,000

This utilisation of the Final Net Proceeds is in accordance with the intended use of the Final Net Proceeds as stated in the Offer Information Statement dated 29 June 2018.

(1) Mainly utilised for payments to suppliers and payment of salaries.

15. Negative confirmation pursuant to Rule 705(5).

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

We, Low Song Take and Low Ka Choon Kevin, being two of the Directors of International Press Softcom Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of Directors of the Company which may render the unaudited interim financial results for the six months ended 30 June 2020 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Low Song Take
Founder Director
Singapore, 12 August 2020

Low Ka Choon Kevin
Director
Singapore, 12 August 2020

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers in the format as set out in Appendix 7H of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

17. Disclosure of acquisition (including incorporations) and sale of shares under Catalist Rule 706A.

During HY2020, the Company did not acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

BY ORDER OF THE BOARD

Teh Eng Chai
Company Secretary
12 August 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).