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UNAUDITED INTERIM FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2017 TO 30 JUNE 2017

- 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 (unaudited)		
		S\$'000		
		1H2017	1H2016	%+/-
Turnover	1	16,461	21,560	-23.6
Other operating income	2	491	813	-39.6
Changes in stocks of finished goods and work in progress	3	(174)	254	NM
Raw materials and consumables used	3	(8,861)	(12,302)	-28.0
Personnel expenses		(4,946)	(4,992)	-0.9
Depreciation		(1,042)	(1,067)	-2.3
Rental, property tax and utilities		(1,144)	(1,172)	-2.4
Freight, travelling and transportation expenses		(1,111)	(1,264)	-12.1
Repair and maintenance expenses	4	(323)	(250)	29.2
Royalties	5	-	(78)	-100
Subcontractor costs	6	(403)	(558)	-27.8
Other operating expenses	7	(1,535)	(2,405)	-36.2
Loss on voluntary liquidation of subsidiary	8	(268)	-	100.0
Financial expense – net	9	(102)	(131)	-22.1
Loss before tax		(2,957)	(1,592)	85.7
Tax expense	10	(101)	(142)	-28.9
Loss, net of tax		(3,058)	(1,734)	76.4
Loss attributable to:				
- Owners of the Company		(3,011)	(1,654)	82.0
- Non-controlling interests		(47)	(80)	-41.2
		(3,058)	(1,734)	76.4

NM : not meaningful

NOTES TO THE CONSOLIDATED INCOME STATEMENT

One of the Group's wholly-owned subsidiary incorporated in China, namely IP Softcom (Xiamen) Co., had completed its member's voluntary liquidation ("Liquidation") in April 2017 as part of the Group's corporate restructuring.

Note 1

Group's **turnover** fell 23.6%, year-on-year ("yoy") to S\$16.5 million largely due to the cessation of a supply chain project to a major customer in May 2016 ("Ceased Project") and weaker performance in the existing supply chain management segment.

Note 2

Other operating income was lower at S\$0.5 million, or 39.6% down yoy largely due to the Ceased Project and the absence of one-off interest waiver from a supplier granted to the Group's partially-owned Indian subsidiary in 1H2016.

Note 3

Raw materials and consumables used (S\$8.9 million), and **changes in stocks of finished goods and work in progress** (S\$0.2 million) was lower at S\$9.0 million, or 25.0% lower yoy due to lower turnover in 1H2017.

Note 4

Repair and maintenance expenses was higher at S\$0.3 million, or 29.2% higher yoy due to higher frequency of repairs and servicing on print related machines.

Note 5

No **royalty** was recorded in 1H2017 due to the end of an agreement in Dec 2016.

Note 6

Subcontractor costs was 27.8% lower yoy at S\$0.4 million largely due to the lower business activities by the Indian subsidiaries.

Note 7

Other operating expenses was lower at S\$1.5 million, or 36.2% down were mainly attributed to lower business activities, cost management measures undertaken by the Group and lower foreign exchange loss in 1H2017.

Note 8

One-off **Loss on voluntary liquidation of subsidiary** was mainly related to the realisation of translation differences arising from the Liquidation.

Note 9

Net financial expenses was 22.1% lower yoy mainly due to higher interest income earned on short-term fixed deposits.

Note 10

Lower **tax expense** in the six months ("6M") ended 30 June 2017 ("1H2017") was largely due to under performing Malaysian subsidiary and reversal of overprovision in prior years by the Indian subsidiary.

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

	Note	Group	
		1H2017	1H2016
		S\$'000	
Bad debts written off		1	40
Allowance for doubtful trade receivables		-	11
Allowance for doubtful trade receivables written back		(5)	(4)
Allowance for inventory obsolescence		42	48
Allowance for inventory obsolescence written back		(34)	(66)
Inventories written off		85	50
Write back of inventories previously written off		-	(5)
Fixed assets written off		1	21
on disposal of fixed assets		(2)	9
Interest income	9	(55)	(29)
Interest expense	9	157	160
Exchange loss, net		232	609

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	Group	
	S\$'000	
	1H2017	1H2016
Loss, net of tax	(3,058)	(1,734)
Other comprehensive income:		
<u>Items that may be reclassified subsequently to profit or loss</u>		
Foreign currency translation	(78)	(260)
Other comprehensive income for the financial period, net of tax	(78)	(260)
Total comprehensive Income for the financial period, net of tax	(3,136)	(1,994)
Total comprehensive income attributable to:		
- Owners of the Company	(3,102)	(2,109)
- Non-controlling interests	(34)	115
	(3,136)	(1,994)

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	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
	(unaudited)	(audited)	(unaudited)	(audited)
Note	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Fixed assets	38,715	39,337	32,040	32,320
Intangible assets	2,423	2,400	-	-
Investment in subsidiaries	11	-	12,654	13,301
Investment securities	-	-	-	-
Other receivables and deposits	1,036	1,057	-	-
Deferred tax assets	667	676	-	-
Current assets				
Inventories	2,786	2,454	101	97
Trade receivables	12	7,152	6,317	1,492
Other receivables and deposits	1,214	1,218	335	356
Prepayments	251	223	60	64
Amounts due from subsidiaries (non-trade)	-	-	4,196	4,168
Tax recoverable	617	573	-	-
Cash and bank balances	13	5,248	8,024	1,200
		17,268	18,809	7,394
				7,107
Current liabilities				
Trade and other payables	14	6,483	5,475	602
Accruals	2,061	2,118	953	1,016
Amounts due to subsidiaries	-	-	32	30

	Note	Group		Company	
		30/06/2017	31/12/2016	30/06/2017	31/12/2016
		(unaudited) S\$'000	(audited) S\$'000	(unaudited) S\$'000	(audited) S\$'000
(non-trade)					
Amount due to directors of company	15	145	145	145	145
Interest-bearing bank loans	15	3,009	3,183	-	-
Non-interest bearing loan	15	369	366	-	-
Provision for taxation	16	105	175	-	-
Amount due to holding company (loan)		727	720	727	720
		12,899	12,182	2,459	2,420
Net current assets		4,369	6,627	4,935	4,687
Non-current liabilities					
Deferred tax liabilities		371	372	-	-
Net assets		46,839	49,725	49,629	50,308
Equity attributable to owners of the Company					
Share capital		49,549	49,549	49,549	49,549
Reserves	17	81	2,933	80	759
		49,630	52,482	49,629	50,308
Non-controlling interests		(2,791)	(2,757)	-	-
Total equity		46,839	49,725	49,629	50,308

NOTES TO THE BALANCE SHEET

Note 11

The Company's *investment in subsidiaries* fell 4.9% yoy to S\$12.7 million mainly due to the capital returned on liquidation and the settlement of an intercompany loan to Australia.

Note 12

The Group's *Trade Receivables* was 13.2% higher yoy to S\$7.2 million largely due to an one-off goods and services tax ("GST") charged to a major customer by the Malaysian subsidiary and the settlement date to be in August 2017. On top of that, collection from existing customers was slower and longer.

Note 13

The Group's Cash and Bank Balances fell mainly due to the losses from operations, repayment of interest bearing bank loans and capital expenditures.

Note 14

	Group		Company	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables	5,227	4,231	216	209
Other payables	1,256	1,244	386	300
Trade and other payables	6,483	5,475	602	509

The Group's *Trade Payables* was 23.5% higher yoy at S\$5.2 million largely due to higher stocks held as at 30 June 2017 and managing supplier payments by extending credit terms.

Note 15

The Group level *borrowings* fell 4.6% mainly due to the repayment of interest-bearing bank loans and translation differences.

Note 16

The Group's *provision for taxation* was 40.0% lower yoy at S\$0.1 million due to lower tax expense recorded in 1H2017.

Note 17

The Group's and Company's overall **reserves** fell 97.2% to S\$0.1 million and 89.5% to S\$0.1 million yoy respectively largely due to the losses for the current financial period.

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 30/06/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
3,009	514	3,183	511

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

Amount repayable after one year

As at 30/06/2017		As at 31/12/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	-

Details of any collateral

As at 30 June 2017 and 31 Dec 2016, the Group's secured borrowings comprised of interest-bearing bank loans of its Indian subsidiaries and are secured over the mortgage of the Company's leasehold factory building, guarantees and other securities.

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

1(c) CONSOLIDATED STATEMENT OF CASH FLOW

	Group	
	1H2017	1H2016
	S\$'000	S\$'000
Cash flows from operating activities		
Loss before tax	(2,957)	(1,592)
Adjustments for:		
Depreciation of fixed assets	1,042	1,067
(Gain)/loss on disposal of fixed assets	(2)	9
Fixed assets written off	1	21
Interest income	(55)	(29)
Interest expense	157	160
Bad debts written off	1	40
Allowance for doubtful trade receivables	-	11
Allowance for doubtful trade receivables written back	(5)	(4)
Allowance for inventory obsolescence	42	48
Allowance for inventory obsolescence written back	(34)	(66)
Inventories written off	85	50
Write back of inventories previously written off	-	(5)
Loss on voluntary liquidation of subsidiary	268	-
Currency realignment	(14)	40
Operating cash flows before working capital changes	(1,471)	(250)
Changes in working capital:		
(Increase)/decrease in inventories	(418)	1,752
(Increase)/decrease in trade receivables	(832)	1,762
Decrease in other receivables, deposits and prepayments	1	75
Increase/(decrease) in trade and other payables	1,028	(1,786)
Decrease in accruals	(57)	(46)
Cash flows (used in)/generated from operations	(1,749)	1,507
Interest received	51	13
Interest paid	(151)	(153)

	Group	
	1H2017	1H2016
	S\$'000	S\$'000
Tax paid	(207)	(369)
Net cash flows (used in)/ generated from operating activities	<u>(2,056)</u>	<u>998</u>
Cash flows from investing activities		
Purchase of fixed assets	(523)	(401)
Proceeds from disposal of fixed assets	14	5
Net cash flows used in investing activities	<u>(509)</u>	<u>(396)</u>
Cash flows from financing activities		
Repayment of interest-bearing bank loans	(204)	(279)
Net cash flows used in financing activities	<u>(204)</u>	<u>(279)</u>
Net (decrease)/increase in cash and cash equivalents	(2,769)	323
Effect of exchange rate changes on cash and cash equivalents	(7)	(104)
Cash and cash equivalents at beginning of year	8,024	5,363
Cash and cash equivalents at end of financial period (Note A)	<u>5,248</u>	<u>5,582</u>

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

A. Cash and cash equivalents

	30/06/2017	30/06/2016
	S\$'000	S\$'000
Cash and bank balances	4,325	4,312
Fixed deposits	923	1,270
	<u>5,248</u>	<u>5,582</u>

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

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

	Share capital	Revaluation reserve	Translation reserve	Restricted reserve	Other reserves	Accumulated losses	Equity attributable to owners of Company, total	Non-controlling interests	Equity, total
The Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2017	49,549	23,240	(4,129)	942	2,568	(19,688)	52,482	(2,757)	49,725
Loss for the financial period	-	-	-	-	-	(3,011)	(3,011)	(47)	(3,058)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(91)	-	-	-	(91)	13	(78)
Other comprehensive income for the financial period, net of tax	-	-	(91)	-	-	-	(91)	13	(78)
Total comprehensive income for the financial period			(91)	-	-	-	(3,102)	(34)	(3,136)
<u>Contributions by and distribution to owners</u>									
Realization of reserves upon voluntary liquidation of subsidiary	-	-	250	(429)	-	429	250	-	250
Total contributions by and distribution to owners	-	-	250	(429)	-	429	250	-	250
Total transactions with owners in their capacity as owners	-	-	250	(429)	-	429	250	-	250
At 30 June 2017	49,549	23,240	(3,970)	513	2,568	(22,270)	49,630	(2,791)	46,839
At 1 January 2016	49,549	23,109	(3,737)	942	2,563	(17,210)	55,216	(2,556)	52,660
Loss for the financial period	-	-	-	-	-	(1,654)	(1,654)	(80)	(1,734)
<u>Other comprehensive income</u>									
Foreign currency translation	-	-	(455)	-	-	-	(455)	195	(260)
Other comprehensive income for the financial period, net of tax	-	-	(455)	-	-	-	(455)	195	(260)
Total comprehensive income for the financial period	-	-	(455)	-	-	(1,654)	(2,109)	115	(1,994)
At 30 June 2016	49,549	23,109	(4,192)	942	2,563	(18,864)	53,107	(2,441)	50,666

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

The Company	Share capital S\$'000	Revaluation reserve S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2017	49,549	22,173	341	(21,755)	50,308
Loss for the financial period, represents total comprehensive income for the financial period	-	-	-	(679)	(679)
At 30 June 2017	49,549	22,173	341	(22,434)	49,629
At 31 January 2016	49,549	22,173	341	(14,707)	57,356
Loss for the financial period, represents total comprehensive income for the financial period	-	-	-	(1,378)	(1,378)
At 30 June 2016	49,549	22,173	341	(16,085)	55,978

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State 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 31/12/16	439,222,000	21,961
As at 30/06/17	439,222,000	21,961

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

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

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

The total number of issued shares, excluding treasury shares, as at the end of the current financial period was 439,222,000 (31 December 2016: 439,222,000)

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 qualifications or emphasis of a matter).

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

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 are consistent with those disclosed in the audited annual financial statements for the year ended 31 December 2016, except for the adoption of certain revised Financial Reporting Standards ("FRS") and interpretations to FRS ("INT FRS") that became effective for the annual period beginning on or after 1st January 2017.

The adoption of the revised FRS and INT FRS has not resulted in any substantial changes to the Group's and Company's accounting policies and had no material effect in 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	
	1H2017	1H2016
Loss per ordinary share for the financial period attributable to owners of the Company		
- (a) on weighted average number of ordinary shares on issue	(0.69) cents	(0.38) cents
- (b) on a fully diluted basis	(0.69) cents	(0.38) cents
- Weighted average number of ordinary shares outstanding	439,222,000	439,222,000

The basic and fully diluted loss per share were the same as there were no potentially dilutive ordinary shares in issue as at 30 June 2017 and 30 June 2016.

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	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Net asset value per ordinary share based on the total number of issued shares excluding treasury shares as at the respective financial period	11.30 cents	11.95 cents	11.30 cents	11.45 cents

The net asset value per ordinary share is calculated based on the 439,222,000 (FY2016: 439,222,000) ordinary shares outstanding at the end of the respective financial periods.

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

- (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.**

GROUP FINANCIAL PERFORMANCE REVIEW

Turnover

1H2017 vs 1H2016

The Group recorded a 23.6% year-on-year ("yoy") decrease in revenue to S\$16.5 million for the six months ended 30 June 2017 ("1H2017") due to the lacklustre demand in the Group's supply chain management ("SCM") segment.

Turnover by geographical segment

	Turnover		
	1H2017	1H2016	
	S\$'000	S\$'000	% +/-
Singapore	1,300	5,823	-77.7
Malaysia	1,812	1,812	-
People's Republic of China	4,123	3,838	7.4
India	6,408	7,144	-10.3
Australia	529	819	-35.4
Vietnam	2,289	2,124	7.8
Total	16,461	21,560	-23.6

On a geographical basis, the Group's operations which reported a decline in turnover for 1H2017 were as follows:

1. Turnover from the Group's Singapore operations fell 77.7% yoy to S\$1.3 million mainly due to the cessation of a supply chain project for a major customer in May 2016.
2. Turnover from the Group's Australia operations fell 35.4% yoy to S\$0.5 million due to a continual decline in overall demand from customers.
3. Turnover from the Group's India operations fell 10.3% yoy to S\$6.4 million due to a decline in orders from customers including those affected by uncertainty from the demonetisation of Indian rupee and the introduction of goods and services tax.
4. Despite a weaker exchange rate in 1H2017, down 5.3% as compared to 1H2016, turnover from the Group's Malaysia operations remained stable at S\$1.8 million.

The decline in revenue from the above geographical regions was partially offset by growth from operations in Vietnam and China:

1. Turnover from the Group's Vietnam operations increased 7.8% yoy to S\$2.3 million due to growth in sales to new and existing customers.
2. Turnover from the Group's China operations increased 7.4% yoy to S\$4.1 million due to growth in sales from new customers.

Profitability

1H2017 vs 1H2016

For 1H2017, the Group recorded a net loss after tax of S\$3.1 million as compared to a net loss after tax of S\$1.7 million for 1H2016 largely due to lower business activities. The Group recorded a loss per share attributable to owners of the Company amounting 0.69 Singapore cents for 1H2017 (1H2016: 0.38 Singapore cents).

The Group recorded a S\$0.3 million loss on the voluntary liquidation of one of its wholly-owned subsidiaries in China. This loss on the voluntary liquidation was mainly attributable to translation differences.

The Group's other operating income declined 39.6% yoy to S\$0.5 million for 1H2017. The decline was mainly due to the Ceased Project in May 2016 and the absence of one-off interest waiver from a supplier granted to the Group's partially-owned Indian subsidiary in 1H2016.

Raw materials and consumables used decreased 28.0% yoy to S\$8.9 million as a result of lower turnover for 1H2017 and a change in sales mix.

Despite the decline in business activity, repair and maintenance expenses increased 29.2% yoy to S\$0.3 million due to a higher frequency of repairs and servicing of print related intensive machines. Correspondingly, this led to an increase in spare parts for machines mainly for print facilities operating in Vietnam and India.

The key financial results of the Group's operations for 1H2017 were as follows:

1. The Group's Singapore operations reported a 36.3% yoy increase in losses after tax to S\$2.7 million for 1H2017 mainly due to the Ceased Project.
2. As turnover declined 10.3% yoy in India, the Group's operations in India recorded a loss after tax of S\$0.2 million for 1H2017. This was partially offset by foreign exchange gains for 1H2017 as compared to foreign exchange losses for 1H2016.
3. While turnover improved in Vietnam for 1H2017, the Group's Vietnam operations broke even in both for 1H2017 and 1H2016. This was primarily due to an increase in personnel expenses, machine repair and maintenance costs as well as sales related expenses.
4. The Group's Malaysia operations broke even for 1H2017 as compared to a net profit after tax of S\$0.1 million for 1H2016 due to weaker exchange rates and sales mix with lower margins.
5. The Group's Australia operations broke even for both 1H2017 and 1H2016 despite lower business activities in 1H2017.
6. Due to a decline in higher margin orders, the Group's China operations reported a decrease in net profit to S\$0.2 million for 1H2017.

Financial Position

The Group's total net assets decreased 5.8% yoy to S\$46.8 million as at 30 June 2017. The Group's net current assets declined 34.1% yoy to S\$4.4 million as at 30 June 2017.

Non-current assets

Total non-current assets (excluding deferred tax assets) for the Group declined marginally to S\$42.2 million as at 30 June 2017, primarily due to the depreciation charge on fixed assets.

Current assets

The Group's current assets decreased S\$1.5 million or 8.2% yoy from S\$18.8 million as at 31 December 2016 to S\$17.3 million as at 30 June 2017. The decrease in current assets was largely due to a decrease in cash and cash equivalents, offset by an increase in inventories, an increase in trade receivables due to slower collection and one-off billing to a customer for goods and services tax undercharged by the Malaysian subsidiary.

Current liabilities

The Group's current liabilities increased S\$0.7 million from S\$12.2 million as at 31 December 2016 to S\$12.9 million as at 30 June 2017. The increase was largely due to trade payables, which saw an increase of S\$1.0 million, in line with higher stocks. The Group's borrowings fell 4.6% yoy mainly due to the repayment of interest-bearing bank loans and translation differences.

Non-current liabilities

The Group's deferred tax liabilities remained stable at S\$0.4 million as at 30 June 2017.

Cashflows

For 1H2017, the Group generated negative net cashflows from operations amounting S\$2.1 million, as compared to cash inflows of S\$1.0 million for 1H2016. This was largely due to the increase in losses recorded by the Group.

On the other hand, the Group utilised S\$0.5 million for investing activities in 1H2017 due to the payment of capital expenditure for subsidiaries in India, Vietnam and Singapore (lift upgrading).

Net cash used in financing activities amounted to S\$0.2 million for 1H2017 mainly due to repayment of interest-bearing bank loans.

As a result of the above, the Group's cash and cash equivalents stood at S\$5.2 million as at 30 June 2017, down S\$2.8 million from 31 December 2016.

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 outlook for the global economic landscape continues to be characterised by uncertainty and volatility. Against this backdrop, the tepid macroeconomic environment should continue to impact the Group's performance.

Despite the potential headwinds in the second half of the year, the Group remains committed to seeking further growth opportunities within the region while adopting a prudent approach in relation to business operations. Additionally, the Group will continue to streamline costs in order to adopt a leaner business model.

11. If a decision regarding dividend has been made:

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

None.

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

Not applicable.

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

Not applicable.

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

Not applicable.

(d) The date the dividend is payable

Not applicable.

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

Not applicable.

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

No dividend has been declared or recommended for the six months ended 30 June 2017.

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 did not obtain a general mandate from shareholders of IPTs.

There was no IPT of S\$100,000 and above for 1H2017.

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

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

We, Low Song Take and Low Ka Choon Kevin, being two of the Directors of International Press Softcom Limited (the "Company"), do hereby confirm on behalf of the Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of Directors of the Company which may render the unaudited interim financial results for the six months ended 30 June 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Low Song Take
Director
Singapore, 11 August 2017

Low Ka Choon Kevin
Director
Singapore, 11 August 2017

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) 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 7.7 of the Catalist Rules in accordance with Rule 720(1) of the Catalist Rules.

BY ORDER OF THE BOARD

Teh Eng Chai
Company Secretary
11 August 2017

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

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

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).