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IPS posted a stable revenue of S\$23.4 million in 1H2014

- **Loss before tax narrowed by 1.6% to S\$1.7 million despite lower other operating income and higher depreciation**
- **Promising growth in demand in Australia, India and Vietnam**

Singapore, 14 August 2014 – Catalyst-listed International Press Softcom Limited (“The Group” or “IPS”), a leading provider of supply-chain solutions, print and media products, announced today its results for the six months ended 30 June 2014 (“1H2014”).

FINANCIAL SNAPSHOT

Description (S\$'000)	1H2014	1H2013	% change
Turnover	23,379	23,182	0.8
Loss before tax	(1,675)	(1,703)	-1.6
Loss, net of tax	(2,125)	(2,064)	3.0
Loss attributable to owners of the parent	(1,725)	(1,539)	12.1
Loss per share (cents)*	(0.39)	(0.35)	11.4

The Group’s turnover increased 0.8% year-on-year (“yoy”) to S\$23.4 million in 1H2014 due mainly to higher sales from the software contract manufacturing (“SCM”) business. In line with the higher turnover, the Group’s loss before tax narrowed by 1.6% to S\$1.7 million.

The improved 1H2014 performance came about despite a S\$0.6 million drop in other operating income to S\$0.4 million due to one-off disposal gains in 1H2013 and a S\$0.2 million increase in depreciation to S\$1.2 million as a result of higher depreciation due to the valuation of the Group’s Singapore leasehold property in December 2013. Adjusting for these two items, the Group would have posted a 34.8% reduction in net loss before tax from S\$2.3 million in 1H2013 to S\$1.5 million in 1H2014.

For 1H2014, the SCM business accounted for 94.4% of Group turnover, while Avantouch, the electronic marketing business, accounted for the remaining 5.6%.

GEOGRAPHICAL PERFORMANCE

Description (S\$'000)	1H2014	1H2013	% Change
Singapore	6,929	7,421	-6.6
Malaysia	1,963	2,317	-15.3
PRC	6,103	7,433	-17.9
India	5,331	4,360	22.3
Australia	1,965	1,004	95.7
Vietnam	1,088	647	68.2
Total	23,379	23,182	0.8

The decline in turnover of the Group's operations in Singapore, Malaysia and China in 1H2014 from 1H2013 was mainly due to:

- Turnover from the Group's Singapore operations fell by 6.6% yoy to S\$6.9 million as a result of the closure of the printing operations in 2013.
- Turnover from the Group's Malaysia operations fell 15.3% yoy to S\$2.0 million as a result of lower demand for media products.
- Turnover from the Group's operations in China fell 17.9% yoy to S\$6.1 million due to weakening demand for its print and media products. The lower turnover from Avantouch was mainly due to the reduction in loyalty points business in 1H2014 and a major retrofitting exercise to allow bank/credit card transactions via its kiosks.

The decline was mitigated by the results from the operations in Australia, India and Vietnam.

- Turnover from the Group's Australia operations grew 95.7% yoy to S\$2.0 million due to growth in demand for consumer electronics resulting in more new clients and larger orders.
- Turnover from the Group's India operations rose 22.3% yoy to S\$5.3 million due to orders from new and existing customers. A robust performance by majority-owned printing subsidiary, Scantrans (India) Pvt Ltd ("Scantrans") was a key factor leading to the improved results.
- The Group's turnover for the Vietnam operations grew by 68.2% yoy to S\$1.1 million in 1H2014. The higher turnover was due to the introduction of new products. Despite recording a growth in turnover, the Group's Vietnam operations incurred a net loss after tax of S\$0.1 million in 1H2014 as compared to breakeven results in 1H2013. This was due mainly to higher start-up expenditure incurred for investment in new printing capabilities.

"Despite the uncertain political and economic conditions that may negatively affect our business, we are optimistic about the growth prospects in Australia, Vietnam and India. In the meantime, the Group will continue to adopt a prudent cost and cash flow management

strategy to mitigate any business uncertainties while working towards growing our financial performance.”

- Mr Kevin Low, Managing Director of IPS

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About International Press Softcom Limited

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

IPS supplies to global technology companies and operates from facilities located in Singapore, Malaysia, China, Australia, India and Vietnam with strategic alliances in the US and Europe. Its list of customers includes OEMs such as Apple Computer, Dell, Hewlett Packard, and independent software vendors like Microsoft.

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

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

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

This announcement has not been examined or approved by the SGX-ST and 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.

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