

INTERNATIONAL PRESS SOFTCOM LIMITED

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

RESPONSES TO QUESTIONS RECEIVED FROM SECURITIES INVESTORS ASSOCIATION (SINGAPORE) (“SIAS”) IN RELATION TO INTERNATIONAL PRESS SOFTCOM LIMITED’S ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The board of directors (“**Board**” or “**Directors**”) of International Press Softcom Limited (“**Company**”, and together with its subsidiaries, “**Group**”) refers to the annual report of the Company for the financial year ended 31 December 2019 (the “**Annual Report**”) and the questions addressed to the Company from SIAS in relation to the Annual Report on 15 May 2020 (“**Questions**”). A full copy and background of the Questions is appended to this announcement. The Company’s responses to the Questions are set out in this announcement.

SIAS Queries	Company’s Responses
<p><u>Question 1</u></p> <p>(i) Would the board be refreshing the group’s mission given the technological changes and innovation in the past 20 years?</p> <p>(ii) What safeguards have the independent directors put in place to ensure that the proceeds, if re-invested into the business, would lead to value creation for all shareholders?</p> <p>(iii) Would the board, especially the independent directors, consider declaring a (substantial) special dividend to reward shareholders?</p>	<p>The Company reviews its mission statement regularly. The Company’s current mission statement of “to be the leading global technology-based provider of value chain services, print and media products for our customers” is still relevant, and does provide for technology changes and innovations over the years.</p> <p>The safeguards put in place by the Board (including the independent directors), are that any investment exceeding S\$1.0 million will require Board’s approval, due diligence and cost benefit analysis to justify such investment.</p> <p>The Board is of the view that the Company is unable to issue any dividend due to its current loss and negative reserve position as at 31 December 2019. The net proceeds from the proposed disposal of its property located at 26 Kallang Avenue (“Proposed Disposal”) 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.</p>
<p><u>Question 2</u></p> <p>(i) Are there clauses in the SPA that would allow the potential buyer to back out of the agreement given the COVID-19 pandemic? Is there a risk that the transaction may be delayed or voided?</p>	<p>There are no clauses in the SPA that would allow the potential buyer to back out specifically due to the COVID-19 pandemic. Consequential to the COVID-19 pandemic and the uncertainties brought by it, there will always be a risk of a delay to the transaction. However, this is a risk that the Company has no control over. There will also be risk that the transaction is voided. As disclosed in the Company’s circular on 4 May 2020, the completion of the sale of the property is subject to, <i>inter alia</i>, conditions to be fulfilled, failing which, are grounds for rescission of the sales and</p>

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<p>(ii) Has management evaluated its financial position and assessed if it has sufficient liquidity to tide it over the pandemic?</p>	<p>purchase agreement.</p> <p>As at 31 December 2019, our external auditor, Ernst & Young LLP, has verified that we have sufficient liquidity and no going concern issues through FY2020. However, the COVID-19 pandemic has brought about many uncertainties which may impact on the Company's ability to continue as a going concern. The Company would however like to highlight that the Proposed Disposal is envisaged to greatly mitigate any liquidity issues that may arise from the COVID-19 pandemic.</p>
<p>Question 3</p> <p>(i) Has the board also evaluated other aspects of diversity on the board, such as age and skillsets (such as modern logistics, drop-shipping, e-commerce, automation, artificial intelligence, social media/marketing etc)?</p> <p>(ii) Has the nominating committee evaluated if the interlinked relationships of the independent directors and the executive director will encourage familiarity and groupthink?</p> <p>(iii) Given that the profile of the current board is fairly homogenous, how does the board ensure that there is no groupthink and that it proactively achieves constructive debate?</p>	<p>The Board has over the years explored opportunities in new areas like Returnable Packaging, E-Commerce, etc. Most recently, the Company has also been looking at Artificial Intelligence and Robotic Process Automation to enhance our internal processes.</p> <p>At the Board composition level, we are open to any new talents should the right candidate be available.</p> <p>Common directorships do not by themselves disqualify and is also not an uncommon occurrence in many other listed companies. The nominating committee ("NC")'s view is that it is more important that a Director brings with him/her relevant and valuable skills, experience and expertise, and have sufficient time to discharge his/her responsibilities to the Board. This has been verified through the appointment interview and yearly appraisals done by the NC. In particular, as per Table 4.5 in the appended SIAS queries, the Board would like to highlight that Mr Loh Yih and Mr Neo Gim Kiong both sit on Ban Leong Technologies Ltd, a public listed IT distributor that brings relevant industry experience for the Company. In addition, Mr Loh Yih, being the Managing Director of Acesian Partners Limited and Mr Neo Gim Kiong, being the Chief Executive Officer of Sen Yue Holdings Limited, also bring valuable management and entrepreneurial expertise to our Board.</p> <p>For the reasons given in (ii) above, the NC is of the view that the Board is not homogeneous, and that there is sufficient diversity of experience, skill sets and expertise to avoid group think. Moreover, with 2 out of the 3 Independent Directors being Managing Director or Chief Executive Officer running public listed companies in their own right, there is always a robust debate on business strategies, and the Board also greatly benefits from their sharing of actual on the ground business conditions and sentiments.</p>

BY ORDER OF THE BOARD

Teh Eng Chai

Company Secretary

Date: 26 May 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.

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