Sixth Quarter & Full-Year Financial Statement and Dividend Announcement for the Period ended 31st December 2013 (Unaudited)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial period:

	Quarter Ended 31 Dec		%	Period Ended 31 Dec (18 Months)	Period Ended 30 Jun (15 Months)	%
	2013	2012 *		2013	2012 *	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Turnover (Note 1)	100,476	156,262	-35.7%	770,586	993,227	-22.4%
Other income (Note 2)	723	898	-19.5%	12,203	17,807	-31.5%
Direct service fees incurred and cost of goods sold (Note 1)	(94,151)	(149,040)	-36.8%	(716,927)	(912,807)	-21.5%
Commissions and other selling expenses (Note 6)	(619)	(3,266)	-81.0%	(10,654)	(21,289)	-50.0%
Personnel costs (Note 7)	(4,871)	(8,966)	-45.7%	(38,914)	(45,920)	-15.3%
Infrastructure costs (Note 8)	(1,024)	(1,463)	-30.0%	(9,134)	(9,958)	-8.3%
Depreciation of property, plant and equipment	(592)	(833)	-28.9%	(4,358)	(5,163)	-15.6%
Amortisation of intangible assets (Note 9)	(1,032)	(1,106)	-6.7%	(6,314)	(10,203)	-38.1%
Marketing expenses (Note 10)	(588)	150	-492.0%	(5,332)	(27,941)	-80.9%
Foreign exchange gain/ (loss) (Note 11)	1	11	-90.9%	1,034	(11,139)	-109.3%
Finance costs	(342)	(999)	-65.8%	(3,580)	(4,989)	-28.2%
Other expenses (Note 12)	(20,065)	(8,308)	141.5%	(43,155)	(146,022)	-70.4%
Share of results of associates	-	(59)	-100.0%	(68)	(50)	36.0%
Loss before taxation	**(22,084)**	**(16,719)**	**32.1%**	**(54,613)**	**(184,447)**	**-70.4%**
Taxation (Note 19)	413	40	932.5%	(1,275)	5,201	-124.5%
Loss for the period from continuing operations	**(21,671)**	**(16,679)**	**29.9%**	**(55,888)**	**(179,246)**	**-68.8%**
Operation related to disposal group classified as held for sale						
Loss for the period from discontinued operations, net of tax (Note 20)	-	(290)	-100.0%	(560)	(8,891)	-93.7%
Net loss for the period	**(21,671)**	**(16,969)**	**27.7%**	**(56,448)**	**(188,137)**	**-70.0%**
Loss attributable to:						
Owners of the parent	(21,649)	(16,951)	27.7%	(56,349)	(187,713)	-70.0%
Non-controlling interest	(22)	(18)	22.2%	(99)	(424)	-76.7%
Total	**(21,671)**	**(16,969)**	**27.7%**	**(56,448)**	**(188,137)**	**-70.0%**

N.M. - Not Meaningful

*- Certain prior period figures have been reclassified to conform with current year's presentation.

Note 1

The decrease in turnover and direct service fees and cost of goods sold for the quarter ended 31st December 2013 ("Q6 2013") and eighteen months financial period ended 31st December 2013 ("FP 2013") was mainly due to lower revenue generated by an industry change noticed in mobility business on account of changing of company strategy of moving away from 2G phones to 3G and smart phones portfolio, as indicated before in previous quarter results, as consumer preference has changed. This change of portfolio resulted in lower revenue as the company will need ramp up time to cater to a new dealer ecosystem, product portfolio, training of stakeholders and implementation which took more time than estimated by the company. In additon, depreciation of local currencies vs US Dollar during July - December 2013 in Indonesia, Malaysia and Thailand has led to significant translation differences against results of corresponding period/s. Demand and margin of Mobility products in major market of Indonesia has also been affected due to increased inflation, reduced GDP and consequent tighter liquidity. The company has also shifted management's focus towards retailing, which is higher margin business and accordingly has moved away from distribution of third party Mobility products under Affinity Group. This change in management's focus has also resulted in a decrease in revenue contributed by the distribution business in Q6 2013 and FP 2013.

Note 2

Other income

	Quarter Ended 31 Dec		%	Period Ended 31 Dec (18 Months)	Period Ended 30 Jun (15 Months)	%
	2013	2012 *		2013	2012 *	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Interest income from bonds, deposits and investment securities	193	113	70.8%	1,009	762	32.4%
Gain on disposal of subsidiaries (Note 3)	-	434	-100.0%	8,307	-	100.0%
Gain on bargain purchase	-	-	-	-	555	-100.0%
Waiver of loan (Note 4)	-	-	-	-	5,000	-100.0%
Reversal of deferred purchase consideration payable (Note 5)	-	-	-	-	10,017	-100.0%
Others	530	351	51.0%	2,887	1,473	96.0%
Total other income	**723**	**898**	**-19.5%**	**12,203**	**17,807**	**-31.5%**

Note 3

As disclosed previously, gain on disposal of subsidiary during FY 2013 arose mainly due to sale of one of its subsidiaries Spice BPO Services Limited ("SBPO") on 24 January 2013. (Please refer to announcement 00033 dated 24th January 2013.)

Note 4

As disclosed previously, the waiver of loan during FP 2012 was related to loan procured by the vendor of Newtel Group to Newtel Corporation Company Limited, a wholly-owned subsidiary of S i2i Limited.

Note 5

As disclosed previously, in accordance with the Supplemental Agreement dated 5th March 2012 to the Share Purchase Agreement between the vendors of Affinity Group and the company, the deferred purchase consideration ceased to be payable. Accordingly, the liability of US$10.0 million had been reversed in FP 2012. For more information with regards to the Supplemental Agreement, refer to announcement no 00158 dated 5th March 2012.

Note 6

The decrease in commissions and other selling expenses was mainly due to decrease in distribution of voice services and sale of mobility products.

Note 7

The decrease in personnel costs in Q6 2013 was mainly due to lower headcount and severance costs provided by Affinity Group in corresponding quarter. The decrease in personnel costs in FP 2013 was mainly due to rationalisation measures adopted by the Group, as part of its initiative to rein in costs. The decrease in FP 2013 was partly offset by provision of US$0.6 million and US$2.3 million towards one-time severance cost to employees of Newtel Group and Affinity Group respectively recognised during the period.

Note 8

The reduction in infrastructure costs in FP 2013 was mainly achieved due to moving of certain offices of the company and its subsidiaries to other locations which is in line with corrective measures adopted by the Group. To achieve the same, we had to absorb one-time write-off of US$1.1 million of non refundable prepaid rentals, in relation to certain shops/ offices neither in use nor intended to be used in future.

Note 9

The decrease in amortisation of intangible assets during FP 2013 was mainly due to lower carrying value of intangible assets consequent to impairment of intangible assets during FP 2012.

Note 10

The marketing expenses during Q6 2013 and FP 2013 were lower mainly due to reworking of company's marketing strategy consequent to shift in its focus from 2G to 3G phones. The credit balance for the corresponding quarter was mainly due to the reversal of over provision of marketing expenses of Affinity Group in December 2012.

Note 11

The foreign exchange movement recognised in Q6 2013 and FP 2013 was mainly due to unrealised and realised foreign exchange gain/ loss incurred on fluctuation of USD against SGD, MYR, THB, IDR and INR.

Note 12

Other expenses include the following:

	Quarter Ended 31 Dec		%	Period Ended 31 Dec (18 Months)	Period Ended 30 Jun (15 Months)	%
	2013	2012 *		2013	2012 *	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Allowance for of doubtful trade debts (Note 13)	(190)	(982)	-80.7%	(1,148)	(4,327)	-73.5%
Allowance for doubtful non-trade debts	-	(94)	-100.0%	(112)	(900)	-87.6%
Allowance for stock obsolescence (Note 14)	(600)	(3,554)	-83.1%	(3,167)	(1,770)	78.9%
Bank charges	(107)	(116)	-7.8%	(740)	(947)	-21.9%
Collection service fees	(104)	(333)	-68.8%	(1,344)	(2,811)	-52.2%
Equipment maintenance	(94)	(134)	-29.9%	(607)	(989)	-38.6%
Equipment rental	(65)	(69)	-5.8%	(339)	(304)	11.5%
Fair value gain/ (loss) on investment securities	117	-	100.0%	(91)	(860)	-89.4%
Freight and postage charges	(23)	(65)	-64.6%	(253)	(358)	-29.3%
Impairment of intangible assets (Note 15)	(16,233)	(518)	3033.8%	(23,350)	(97,262)	-76.0%
(Impairment)/ write back of property, plant and equipment	-	(1)	-100.0%	5	-	100.0%
Gain/ (loss) on disposal of property, plant and equipment	24	19	26.3%	(92)	(782)	-88.2%
Employee termination costs (Note 16)	-	-	-	-	(10,000)	-100.0%
Printing & stationery	(35)	(30)	16.7%	(224)	(313)	-28.4%
Property, plant and equipment written off	-	-	-100.0%	(364)	(11)	N.M.
Loss on disposal of a subsidiary	-	-	-100.0%	(26)	(44)	-40.9%
Professional fees (Note 17)	(633)	(773)	-18.1%	(3,866)	(6,792)	-43.1%
Telecommunication expenses	(171)	(297)	-42.4%	(1,420)	(1,721)	-17.5%
Travelling & entertainment expenses	(515)	(608)	-15.3%	(3,526)	(4,295)	-17.9%
Write-back of allowance for doubtful trade debts	53	71	-25.4%	347	174	99.4%
Write-back of allowance for stock obsolescence	270	34	694.1%	1,781	2,103	-15.3%
Write off of quoted investment securities	-	-	-	-	(58)	-100.0%
Write off of stock	(92)	(5)	N.M.	(581)	(283)	105.3%
Write off of non-trade debts	-	-	-	-	(1)	-100.0%
Write off of trade debts (Note 18)	(104)	(10)	940.0%	(44)	(9,536)	-99.5%
Others	(1,563)	(843)	85.4%	(3,994)	(3,935)	1.5%
Total other expenses	**(20,065)**	**(8,308)**	**141.5%**	**(43,155)**	**(146,022)**	**-70.4%**

N.M. - Not Meaningful

Note 13

The decrease in allowance for doubtful debts during Q6 2013 and FP 2013 was mainly due to higher provisions recognised by the Group for the corresponding quarter Q3 2012 and period FP 2012 based upon then review of collectibility of receivables.

Note 14

The movement in allowance for stock obsolescence was mainly due to the higher provisions recognised for clearance of older mobile handsets in December 2012 by Affinity Group. (Please refer to announcement no 00161 dated 13th March 2013).

Note 15

In accordance with FRS 36 "Impairment of Assets", the Group had carried out impairment testing as at the end of FP 2013. Accordingly, Goodwill in case of Affinity Group had been impaired by US$ 16.2 million (FP 2012 - US$ 23.1 million) to the extent that the Carrying Amounts exceeded the Recoverable Amounts. The impairment charge in respect of Affinity Group had primarily been on account of changing preference of customers for mobility products on the 3G platform rather than the 2G platform, which most of the products of the Affinity Group still were built on. Rationalisation of business operations in China had also resulted in impairment of goodwill amounting to US$0.3 million in respect of 2 subsidiaries namely MSI China and CSL Shenzhen. In light of decrease in solutions based business (including annuity based) in Singapore , over supply, saturation and lack of solution support from vendors leading to lower sales and margin in business , the Group had also impaired Goodwill in case of Cavu Corp. Pte Limited by US$ 6.2 million (FP 2012 - Nil). Overall computing business of the Group is stable.

Note 16

As disclosed previously, in accordance with the Termination Agreement dated 5th March 2012 to the Management Incentive Agreement between the Managers of Affinity Group and the Company, a sum of US$10.0 million was paid as consideration for the Termination Agreement during FP 2012.

Note 17

The decrease in professional fees was mainly due to transactions and related costs incurred with respect to newly acquired subsidiaries in FP 2012 .

Note 18

As disclosed previously, US$8.7 million had been written off in respect of a customer in the quarter ended 31st March 2012.

Note 19

The movement in taxation for FP 2013 was mainly due to reversal of deferred tax liabilities during FP 2012, consequent to impairment of certain intangible assets. This was partially offset by the increase in corporate tax expenses by Affinity Group.

Note 20

Mobile Concepts (M) Sdn Bhd

As disclosed previously, in Q4 2012, the Group had decided to dispose of its investment in Mobile Concept (M) Sdn. Bhd. ("MCM") for a consideration of US$300,000. The disposal of MCM was subsequently completed on 17th July 2012.

The results of MCM for the period ended 17th July 2012 are as follows:

	Quarter Ended 31 Dec		**Period Ended 31 Dec (18 Months)**	**Period Ended 30 Jun (15 Months)**
	2013	**2012**	**2013**	**2012**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Turnover	**-**	**-**	**376**	**9,339**
Other income	-	-	-	37
Direct service fees incurred and cost of goods sold	-	-	(317)	(7,909)
Commissions and other selling expenses	-	-	(5)	(533)
Personnel costs	-	-	(35)	(635)
Infrastructure costs	-	-	(8)	(187)
Depreciation of property, plant and equipment	-	-	(2)	(51)
Marketing expenses	-	-	(1)	(115)
Foreign exchange gain	-	-	4	73
Finance costs	-	-	-	(6)
Other expenses	-	-	(4)	(403)
Profit/ (loss) before taxation	**-**	**-**	**8**	**(390)**
Taxation	-	-	-	-
Profit/ (loss) for the period from operation related to disposal group classified as held for sale, net of tax	**-**	**-**	**8**	**(390)**

The major classes of assets and liabilities of MCM as at 17th July 2012, loss on its disposal and net cash inflow are as follows:

	7/17/2012
	US$'000
Property, plant and equipment	103
Intangible assets	43
Stocks	881
Trade debtors, current	291
Other debtors and deposits, current	116
Cash and cash equivalents	178
Tax recoverable	53
Trade creditors	(721)
Other creditors and accruals, current	(236)
Lease obligations	(68)
Deferred tax liabilities	(24)
Net assets	**616**
Non-controlling interest	(246)
Net assets attributable to owners of the parent	**370**
Fair value adjustment in fixed assets of subsidiary under disposal as at 30th June 2012	(44)
Loss on disposal of a subsidiary	(26)
Less: Cash and cash equivalents	(178)
Net cash	**122**

Spice BPO Services Limited ("SBPO")

In Q2 2013, the Group had decided to dispose of its investment in Spice BPO Services Limited ("SBPO") for a consideration of US$1. The disposal of SBPO was subsequently completed on 24th January 2013. (Please refer to annoucement 00033 dated 24th January 2013.)

The results of Spice BPO for the period ended 31st Dec are as follows:

	Quarter Ended 31 Dec		Period Ended 31 Dec (18 Months)	Period Ended 30 Jun (15 Months)
	2013	2012	2013	2012
	US$'000	US$'000	US$'000	US$'000
Turnover	-	77	306	10,555
Other income	-	17	146	818
Personnel costs	-	(75)	(288)	(8,159)
Infrastructure costs	-	(42)	(212)	(2,771)
Depreciation of property, plant and equipment	-	(26)	(54)	(1,350)
Amortisation of intangible assets	-	(3)	(6)	(130)
Marketing expenses	-	(2)	(2)	(23)
Foreign exchange (loss)/ gain	-	(36)	94	(497)
Finance costs	-	(176)	(397)	(1,112)
Other expenses	-	(24)	(155)	(4,440)
Loss before taxation	-	**(290)**	**(568)**	**(7,109)**
Taxation	-	-	-	(1,392)
Loss for the period from discontinued operations, net of tax	-	**(290)**	**(568)**	**(8,501)**

The major classes of assets and liabilities of SBPO as at 24th January 2013, gain on its disposal and net cash outflow are as follows:

	1/24/2013
	US$'000
Property, plant and equipment	302
Intangible assets	1
Trade debtors, current	590
Other debtors and deposits, current	978
Cash and cash equivalents	902
Tax recoverable	112
Trade creditors	(648)
Other creditors and accruals, current	(859)
Loans and borrowings	(8,781)
Hire Purchase	(24)
Translation reserve	(443)
Net assets attributable to owners of the parent	**(7,870)**
Gain on disposal of a subsidiary	7,870
Less: Cash and cash equivalents	(902)
Net cash	**(902)**

A statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial period.

	Quarter ended 31 Dec		%	Period Ended 31 Dec (18 Months)	Period Ended 30 Jun (15 Months)	%
	2013	2012		2013	2012	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Loss for the period	**(21,671)**	**(16,969)**	**27.7%**	**(56,448)**	**(188,137)**	**-70.0%**
Other comprehensive income:						
Items that may be reclassifed subsequently to profit and						
Foreign currency translation (Note 21)	(701)	(512)	36.9%	(7,823)	(1,940)	303.2%
Net gain on available-for-sale financial assets	3	-	100.0%	44	17	158.8%
Other comprehensive income for the period	**(698)**	**(512)**	**36.3%**	**(7,779)**	**(1,923)**	**304.5%**
Total comprehensive loss for the period	**(22,369)**	**(17,481)**	**28.0%**	**(64,227)**	**(190,060)**	**-66.2%**
Total comprehensive loss attributable to:						
Owners of the parent	(22,350)	(17,463)	28.0%	(64,134)	(189,682)	-66.2%
Non-controlling interest	(19)	(18)	5.6%	(93)	(378)	-75.4%
Total	**(22,369)**	**(17,481)**	**28.0%**	**(64,227)**	**(190,060)**	**-66.2%**

N.M. - Not Meaningful

Note 21

The movement in foreign currency translation was mainly due to movement of SGD, MYR, THB, INR and IDR against USD in Q6 2013 and FP 2013.

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 period.

	Group		Company	
	31 Dec 13	**30 Jun 12**	**31 Dec 13**	**30 Jun 12**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Share capital	410,663	410,663	410,663	410,663
Accumulated losses	(315,193)	(258,843)	(327,207)	(252,528)
Other reserves	(3,550)	(3,595)	(6,720)	(6,765)
Translation reserve (Note 21)	(222)	7,652	33	16
Translation reserve of disposal group classified as held for sale (Note 1(a) 20)	-	(46)	-	-
Equity attributable to the owners of the parent	**91,698**	**155,831**	**76,769**	**151,386**
Non-controlling interest	83	264	-	-
Total Equity	**91,781**	**156,095**	**76,769**	**151,386**
Property, plant and equipment (Note 22)	**6,499**	**12,981**	**394**	**765**
Intangible assets (Note 23)	**40,745**	**69,364**	**501**	**1,554**
Investments in subsidiaries (Note 24)	**-**	**-**	**39,381**	**107,087**
Investment in associates	**-**	**68**	**-**	**144**
Investment securities	**2,747**	**2,760**	**2,747**	**2,760**
Long-term loans and advances to subsidiaries	**-**	**-**	**20,182**	**1,125**
Deferred tax assets	**61**	**539**	**-**	**-**
Trade debtors, non-current	**215**	**525**	**-**	**-**
Tax recoverable, non-current (Note 25)	**3,782**	**7,360**	**-**	
Other debtors and deposits, non-current	**64**	**279**	**-**	**-**
Current assets	**86,566**	**174,330**	**29,506**	**58,555**
Stocks (Note 26)	21,165	33,131	195	49
Trade debtors, current (Note 27)	25,593	49,408	843	2,718
Other debtors and deposits, current (Note 28)	5,730	9,240	810	2,718
Prepayments (Note 29)	4,142	8,376	381	1,011
Due from subsidiaries	-	-	10,602	4,920
Cash and bank deposits pledged	6,424	7,780	3,448	183
Cash and cash equivalents	22,623	61,477	13,227	45,091
Tax recoverable, current	889	711	-	-
Assets directly associated with disposal group classified as held for sale (Note 1(a) 20)	-	4,207	-	1,865
Current liabilities	**41,590**	**103,286**	**15,789**	**20,422**
Trade creditors (Note 30)	11,390	30,654	1,683	6,106
Other creditors and accruals (Note 31)	11,951	18,830	2,705	4,621
Deferred revenue	1,295	2,004	293	638
Lease obligations, current	214	644	21	19
Loans and bank borrowings (Note 32)	15,558	49,591	-	-
Due to subsidiaries	-	-	11,087	8,910
Due to associates	-	128	-	128
Tax payable	1,182	402	-	-
Liabilities directly associated with disposal group classified as held for sale (Note 1(a) 20)	-	1,033	-	-
Net current assets	**44,976**	**71,044**	**13,717**	**38,133**
Non-current liabilities	**7,308**	**8,825**	**153**	**182**
Deferred tax liabilities	5,836	7,167	-	-
Provision for employee benefits	714	1,155	-	-
Lease obligations, non-current	255	503	153	182
Loans and bank borrowings, non-current (Note 18)	503	-	-	-
Net Assets	**91,781**	**156,095**	**76,769**	**151,386**

Note 22
The decrease in property, plant and equipment was mainly due to depreciation of US$4.3 million recognised in FP 2013, disposal of property, plant and equipment of US$0.5 million relating to SBPO in January 2013 and US$0.3 million by Newtel Group.

Note 23
The decrease in intangible assets was mainly due to the amortisation of US$6.3 million recognised in FP 2013 and impairment of certain intangible assets including US$22.5 million on account of Goodwill in case of Affinity Group and Cavu Group. (Also refer to Note 15 above).

Note 24
Consequent to impairment exercise, the company had made provision of US$67.4 million for impairment of its investment in Affinity Group and Cavu Group. The decrease in investment in subsidiaries was also due to the disposal of Mobile Concepts (M) Sdn Bhd ("MCM") on 17th July 2012 and liquidation of MRTC on 10th December 2012 & Spice i2i Middle East FZE on 30th May 2013.

The investment in SBPO, which was disposed off on 24th January 2013, had been fully impaired on 30th June 2012.

Note 25
The decrease in tax recoverable was mainly on account of refund of prepaid taxes of Affinity Group.

Note 26
The decrease in Stocks of US$12.0 million was mainly due to stock reduction of US$13.2 million in Mobility business, which was in line with corresponding lower revenue generated during the year. This was partially offset by an increase in stocks of the Computing business due to higher purchases for fulfilment of orders in hand.

Note 27
The decrease in trade receivables was mainly due to :
1) Decline in revenue of mobility products
2) Repayment of outstanding trade receivables by S Mobility Ltd of US$1.8 million. (Please refer to announcement 00134 dated 3rd December 2012)

This was partially offset by the increase in trade receivables by the computing business due to higher sales.

Note 28
The decrease in other debtors and deposits was mainly due to lower deposits paid to vendors for purchases of mobility products, refund of deposit upon vacating of office space and disposal of SBPO.

Note 29
The decrease in prepayments was mainly due to lower purchases made by the mobility business, resulting also from decrease in revenue from mobility business and write-off of prepaid rental during the current financial period by Affinity Group.

Note 30
The decrease in trade creditors was mainly due to lower purchases made by the mobility business, resulting also from decrease in revenue from mobility business and also on account of disposal of SBPO.

Note 31
The decrease in other creditors and accruals was mainly due to disposal of Spice BPO and lower accruals recognised due to decrease in distribution of voice services and mobility products.

Note 32
The decrease in loans and borrowings was mainly due to disposal of Spice BPO and repayment of US$30.7 million of its loans by Affinity Group. Reduction in loans by Affinity Group was mainly on account of change in the management's focus on the retail and distribution of thrid party Mobility products and lower volumes of its mobility products under Affinity Group.

This was partially offset by the increase in borrowings by the computing business on account of higher transactional sales.

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

Amount repayable in one year or less, or on demand

As at 31/12/2013		As at 30/6/2012	
Secured (US$'000)	Unsecured (US$'000)	Secured (US$'000)	Unsecured (US$'000)
10,734	**5,327**	**41,563**	**8,028**

Details of any collateral

a) Subsidiaries' current assets of US$25.3 million (30/06/2012: US$7.7 million) and property, plant and equipment with carrying amount of US$1.5 million (30/6/2012: US$0.4 million) are pledged as security for bank guarantees, standby letters of credit and other bank services.

b) Corporate guarantees of US$NIL (30/06/2012: US$4.3 million) were given by the Company to enable its subsidiaries to obtain banking facilities.

c) Corporate guarantees of US$7.3million (30/06/2012 : US$9.7 million) were given by the Company to enable a subsidiary to obtain credit facility from suppliers.

d) Corporate guarantees of US$4.6 million (30/06/2012 : US$4.8 million) were given by the subsidiary to enable its subsidiaries to obtain credit facility from various suppliers.

e) Corporate guarantees of US$2.4 million (30/06/2012 : US$2.4 million) were given by the subsidiary to enable its subsidiaries to obtain banking facilities.

f) Trust receipts of US$NIL (30/06/2012 : US$1.3 million) is secured by corporate guarantees given by the Company and two subsidiaries.

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

	Quarter ended		Period Ended 31 Dec (18 Months)	Period Ended 30 Jun (15 Months)
	31 Dec 13	31 Dec 12	31 Dec 13	30 Jun 12
	US$'000	US$'000	US$'000	US$'000
Cash flows from operating activities				
Loss before taxation from continuing operations	**(22,084)**	**(16,719)**	**(54,613)**	**(184,447)**
Loss before taxation from discontinued operations (Note 1(a) 20)	-	(290)	(560)	(7,499)
Total loss before taxation	**(22,084)**	**(17,009)**	**(55,173)**	**(191,946)**
Adjustments for:				
Allowance for doubtful trade debts	190	982	1,148	5,639
Allowance for doubtful non-trade debts	-	94	112	900
Allowance for/ (reversal of) employee benefits	23	(82)	(440)	469
Allowance for stock obsolescence	600	3,554	3,167	1,994
Amortisation of intangible assets	1,032	1,109	6,320	10,334
Impairment of investment in associate	-	-	-	288
Impairment of fixed assets	-	-	-	2,401
Impairment of intangible assets	16,233	518	23,350	97,386
Depreciation of property, plant and equipment	592	859	4,414	6,564
Finance costs	342	1,174	3,978	6,107
Gain on bargain purchase	-	-	-	(555)
(Gain)/ loss on disposal of property, plant and equipment	(24)	(23)	174	(126)
Fair value adjustment in fixed assets of subsidiary under disposal	-	-	-	44
Gain on disposal of a subsidiary	-	-	(8,307)	-
Loss on disposal of a subsidiary	-	-	26	-
Fair value (gain)/ loss on investment securities	(117)	-	90	860
Impairment loss on quoted equity investment	-	-	-	57
Interest income from bonds, deposits and investment securities	(193)	(130)	(1,100)	(933)
Property, plant and equipment written-off	-	-	364	11
Reversal of deferred purchase consideration payable	-	-	-	(10,017)
Share-based payments	-	1	1	(11)
Share of results of associates	-	59	68	50
Waiver of loan	-	-	-	(5,000)
Write-back of allowance for doubtful trade debts	(53)	(71)	(347)	(174)
Write-back of allowance for stock obsolescence	(270)	(34)	(1,780)	(2,103)
Write off of non-trade debts	-	-	-	11
Write off of trade debts	104	10	44	9,544
Write off of stock	92	5	581	283
Translation differences	(1,636)	(870)	(7,399)	(6,877)
Operating loss before working capital changes	**(5,169)**	**(9,854)**	**(30,709)**	**(74,800)**
(Increase)/ decrease in stocks	(1,513)	28,440	10,598	44,156
Decrease/ (increase) in trade debtors	1,554	(1,584)	23,483	30,274
(Increase)/ decrease in other debtors and deposits	(163)	1,235	922	17,716
Decrease in prepayments	2,254	2,468	4,294	13,183
Decrease/ (increase) in amount due from associates	-	16	(128)	60
Decrease in trade creditors	(5,154)	(12,225)	(18,486)	(18,317)
Decrease in other creditors and accruals	(3,532)	(1,427)	(6,199)	(17,101)
Decrease in deferred revenue	(54)	(89)	(709)	(2,033)
Cash (used in)/ generated from operating activities	**(11,777)**	**6,980**	**(16,934)**	**(6,862)**
Interest paid	(342)	(1,174)	(3,978)	(6,107)
Tax received/ (paid)	3,589	(193)	2,240	(3,775)
Net cash (used in)/ generated from operating activities	**(8,530)**	**5,613**	**(18,672)**	**(16,744)**
Cash flows from investing activities				
Interest income received from bonds, deposits and investment securities	156	40	933	821
Acquisition of subsidiary MSI China, net of cash acquired	-	-	(198)	-
Acquisition of subsidiary CSL Shenzhen, net of cash acquired	-	-	(306)	-
Acquisition of subsidiary I-Gate Group, net of cash acquired	-	-	-	77
Acquisition of subsidiary Mobile Concept, net of cash acquired	-	-	-	(1)
Acquisition of subsidiary CSL Multimedia, net of cash acquired	-	-	-	(271)
Acquisition of subsidiary CSL Mobile Care, net of cash acquired	-	-	-	1
Acquisition of subsidiary Affinity Group, net of cash acquired	-	-	-	(94,106)
Acquisition of remaining shares in subsidiary I-Gate Group	-	-	-	(300)
Disposal of subsidiary Mobile Concept, net of cash disposed	-	-	122	-
Disposal of subsidiary Spice BPO, net of cash disposed	-	-	(902)	-
Proceeds from disposal of intangible assets	-	-	32	-
Proceeds from disposal of property, plant and equipment	84	218	3,422	4,277
Purchase of property, plant and equipment	(214)	(138)	(1,041)	(7,397)
Additions to intangible assets	(434)	(72)	(753)	(1,106)
Net cash (used in)/ generated from investing activities	**(408)**	**48**	**1,309**	**(98,005)**
Cash flows from financing activities				
Decrease in cash and bank deposits pledged	3,343	2,202	1,355	9,217
Proceeds from/ (repayment of) loans	7,121	(8,612)	(22,230)	(29,145)
Proceeds from/ (repayment of) from bank borrowings	69	1,481	(130)	835
Net proceeds from rights issue	-	-	-	119,040
Repayment of loan given by a director	-	-	-	(8,459)
Repayment ofobligations under finance leases	(54)	(164)	(654)	(1,858)
Net cash generated from/ (used in) financing activities	**10,479**	**(5,093)**	**(21,659)**	**89,630**
Net increase/ (decrease) in cash and cash equivalents	**1,541**	**568**	**(39,022)**	**(25,119)**
Cash and cash equivalents at beginning of the period	21,082	56,049	61,645	86,764
Cash and cash equivalents at end of the period	**22,623**	**56,617**	**22,623**	**61,645**
Cash and cash equivalents of disposal group classified as held for sale (note 1(a) 20)	**-**	**970**	**-**	**168**
Cash and cash equivalents at the end of the period of the continuing operations	**22,623**	**55,647**	**22,623**	**61,477**

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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial period.

	Equity attributable to the owner of the parent					Non-controlling interest US$'000	Total Equity US$'000
	Share capital US$'000	Accumulated losses US$'000	Other reserves US$'000	Translation reserve US$'000	Total US$'000		
The Group							
Balance as at 1 July 2012	**410,663**	**(258,843)**	**(3,595)**	**7,606**	**155,831**	**264**	**156,095**
Total comprehensive (loss)/ income for the period	-	(34,701)	41	(7,123)	**(41,783)**	(74)	**(41,857)**
Exercise of employee share options	-	-	1	-	**1**	-	**1**
Non-controlling interest arising from business combination	-	-	-	-	-	158	**158**
Disposal of a subsidiary	-	-	-	-	-	(246)	**(246)**
Balance as at 30 Sept 2013	**410,663**	**(293,544)**	**(3,553)**	**483**	**114,049**	**102**	**114,151**
Total comprehensive income/ (loss) for the period	-	(21,649)	3	(705)	**(22,351)**	(19)	**(22,370)**
Balance as at 31 Dec 2013	**410,663**	**(315,193)**	**(3,550)**	**(222)**	**91,698**	**83**	**91,781**
Balance as at 31 March 2011 as previously reported	288,061	(71,383)	1,716	9,552	**227,946**	-	**227,946**
Prior year adjustment*	-	253	-	40	**293**	-	**293**
Balance as at 1 April 2011	288,061	(71,130)	1,716	9,592	**228,239**	-	**228,239**
Total comprehensive (loss)/ income for the period	-	(72,006)	(34)	(1,453)	**(73,493)**	(280)	**(73,773)**
Issuance of shares	122,602	-	-	-	**122,602**	-	**122,602**
Share issue cost	-	-	(3,562)	-	**(3,562)**	-	**(3,562)**
Acquisition of non-controlling interest	-	-	(1,825)	-	**(1,825)**	610	**(1,215)**
Value of employee services received	-	-	(12)	-	**(12)**	-	**(12)**
Translation reserve of disposal company classified as held for sale	-	-	-	(22)	**(22)**	-	**(22)**
Balance as at 31 March 2012	**410,663**	**(143,136)**	**(3,717)**	**8,117**	**271,927**	**330**	**272,257**
Total comprehensive (loss)/ income for the period	-	(115,707)	51	(487)	**(116,143)**	(98)	**(116,241)**
Acquisition of non-controlling interest	-	-	70		**70**	-	**70**
Value of employee services received	-	-	1	-	**1**	-	**1**
Adjustment of non-controlling interest upon finalization of purchase price allocation	-	-	-	-	-	32	**32**
Translation reserve of disposal company classified as held for sale	-	-	-	(24)	**(24)**	-	**(24)**
Balance as at 30 June 2012	**410,663**	**(258,843)**	**(3,595)**	**7,606**	**155,831**	**264**	**156,095**

	Share capital US$'000	Accumulated losses US$'000	Other reserves US$'000	Translation reserve US$'000	Total US$'000
The Company					
Balance as at 1 July 2012	410,663	(252,528)	(6,765)	16	**151,386**
Total comprehensive (loss)/ income for the period	-	(45,210)	41	17	**(45,152)**
Exercise of employee share options	-	-	1	-	1
Balance as at 30 September 2013	**410,663**	**(297,738)**	**(6,723)**	**33**	**106,235**
Total comprehensive (loss)/ income for the period	-	(29,469)	3	-	**(29,466)**
Balance as at 31 Dec 2013	**410,663**	**(327,207)**	**(6,720)**	**33**	**76,769**
Balance as at 1 April 2011	288,061	(84,811)	(3,209)	32	**200,073**
Total comprehensive (loss)/ income for the period	-	(22,433)	(34)	(12)	**(22,479)**
Issuance of shares	122,602	-	-	-	**122,602**
Share issue cost	-	-	(3,562)	-	**(3,562)**
Value of employee services received	-	-	(12)	-	**(12)**
Balance as at 31 March 2012	**410,663**	**(107,244)**	**(6,817)**	**20**	**296,622**
Total comprehensive loss for the period	-	(145,284)	51	(4)	**(145,237)**
Value of employee services received	-	-	1	-	**1**
Balance as at 30 June 2012	**410,663**	**(252,528)**	**(6,765)**	**16**	**151,386**

**This prior year adjustment arose as a result of finalisation of the purchase price allocation in accordance with FRS 103 – Business Combinations.*

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back , 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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 period.

	No. of Shares	
	31 Dec 13	30 Jun 12
Issued shares at the beginning of the period	5,484,980,836	2,742,490,418
Shares issued pursuant to the rights issue exercise in May 2011	-	2,742,490,418
Total issued shares at the end of the period	5,484,980,836	5,484,980,836

The details of the outstanding share options and share awards granted under the Employees' Share Option Schemes and Share Plans respectively are as follows:

	No. of Shares	
	31 Dec 13	30 Jun 12
Options granted under 1999 S i2i Employees' Share Option Scheme II	797,374	1,019,841

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 period.

Total number of issued shares as at 31st Dec 2013 is 5,484,980,836 (30th June 2012 : 5,484,980,836).

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

Not Applicable.

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

The figures have not been audited or reviewed by the auditors.

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

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 Group has adopted the same accounting policies and methods of computation as the audited financial statements for the year ended 30th June 2012, except as disclosed in Para 5, below.

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

The Group has adopted the new or revised Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) that are effective in this financial year. The adoption of these FRS does not have any significant impact on the financial statements.

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			
	Quarter Ended 31 Dec		Period Ended 31 Dec (18 Months)	Period Ended 30 Jun (15 Months)
	2013	2012	2013	2012
Earning per ordinary share for the period after deducting any provision for preference dividends:-				
i) Based on weighted average number of ordinary share in issue (US cent)	(0.39 cent)	(.31 cent)	(1.03 cent)	(3.54 cent)
ii) On a fully diluted basis (US cent)	(0.39 cent)	(.31 cent)	(1.03 cent)	(3.54 cent)

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	
	31 Dec 2013	30 Jun 2012	31 Dec 2013	30 Jun 2012
Net asset backing per ordinary share is calculated based on 5,484,980,836 (30/06/2012 : 5,484,980,836) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (US cent).	1.67 cent	2.84 cent	1.40 cent	2.76 cent

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.**

The Group recorded a turnover of US$100.5 million and US$770.6 million in Q6 2013 and FP 2013 respectively – a decrease of 35.7% and 22.4% over the corresponding quarter and period respectively.The decrease in turnover and direct service fees and cost of goods sold for the quarter ended 31st December 2013 ("Q6 2013") and eighteen months financial period ended 31st December 2013 ("FP 2013") was mainly due to lower revenue generated by an industry change noticed in mobility business on account of changing of company strategy of moving away from 2G phones to 3G and smart phones portfolio, as indicated before in previous quarter results, as consumer preference has changed. This change of portfolio resulted in lower revenue as the company will need ramp up time to cater to a new dealer ecosystem, product portfolio, training of stakeholders and implementation which took more time than estimated by the company.

In additon, depreciation of local currencies vs US Dollar during July - December 2013 in Indonesia, Malaysia and Thailand has led to significant translation differences against results of corresponding period/s. Demand and margin of Mobility products in major market of Indonesia has also been affected due to increased inflation, reduced GDP and consequent tighter liquidity. The company has also shifted management's focus towards retailing, which is higher margin business and accordingly has moved away from distribution of third party Mobility products under Affinity Group. This change in management's focus has also resulted in a decrease in revenue contributed by the distribution business in Q6 2013 and FP 2013.

There was a decrease in overheads mainly due to certain cost cutting measures initiated by the Group in its effort to rein in costs.

There was a foreign exchange gain of US$1,000 and US$1.0 million in Q6 2013 and FP 2013 respectively on account of movement of SGD, MYR, IDR, INR and THB against USD.

The Group had decided to dispose of its investment in Mobile Concept (M) Sdn. Bhd. ("MCM") for a consideration of US$300,000 during the year ended 30th June 2012. The disposal of MCM was completed on 17 July 2012. The Group had decided to voluntarily liquidate its dormant wholly-owned subsidiary, Mediaring TC Inc, a company registered in Japan. The liquidation was completed on 10th December 2012 resulting in a gain of US$0.4 million.

The Group had also decided to dispose of its investment in Spice BPO Services Limited ("SBPO") for a consideration of US$1. The disposal of SBPO had been approved by the shareholders on 25th October 2012. The sale was completed on 24th January 2013 resulting in a gain of US$7.8 million. (Please refer to announcement 00033 dated 24th January 2013.)

The Group had decided to voluntarily liquidate its dormant wholly-owned subsidiary, Spice i2i Middle East FZE, a company registered in Dubai. The liquidation was completed on 30th May 2013. (Please refer to announcement 00089 dated 31st May 2013.)

During FP 2013, the Group carried out impairment testing in accordance with FRS 36. Resultantly, Goodwill in case of Affinity Group, Cavu Group and two entities in China namely MSI China and CSL Shenzhen had been impaired by US$16.2 million (FP 2012 - US$ 23.1 million), US$6.2 million and US$ 0.3 million respectively, to the extent of Carrying Amounts exceeded the Recoverable Amounts.

Resultantly, the Group incurred a loss before tax of US$22.0 million and a loss before tax of US$54.6 million in Q6 2013 and FP 2013 respectively, as against the loss before tax of US$16.7 million and US$184.4 million over the corresponding quarter and period respectively.

Decrease in stocks, trade receivables and trade creditors as at 31 December 2013 was mainly due to change in the management's focus on the retail and distribution of Mobility products under Affinity Group. The decrease in loans and borrowings due to the repayment of major portion of its loans by Affinity Group was mainly on account of change in the management's focus on the retail and distribution of third party Mobility products and lower volumes of its Mobility products under Affinity Group.

Net assets of the Group has decreased to US$91.8 million as at 31 December 2013 from US$156.1 million as at 30 June 2012.

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

There was no forecast or prospect statement disclosed to shareholders previously.

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 Group plans to leverage the low end/local brand smart phone/3G mobile devices demand built on the 3G platform which makes use of social media and data usage easier and more pervasive. This segment also prefers the applications on Android platform which is the key focus platform of the company now. The Group will therefore continue to launch new products that respond to this expected shift in consumer demand. The company is focused on launching and promoting 3G Android phones in the markets of Indonesia, Thailand and Malaysia. The consumers are moving from feature phone usage towards Smart phones/Android based phones at the mid and lower segment of the market base but want fully loaded smartphones with all applications. The reason is an increase of VAS applications on Android platform and data usage being promoted by Operators. The company is also undertaking project based data+mobile bundles in malaysia and Indonesia to align strategy with operators. The company is also revamping its managment team, distribution channels and marketing strategey to align with change in demand and operating conditions. Focus on costs and operating efficiencies continues.

The Group has intensified its focus and efforts for collaboration with operators. The first such endorsement by Operators has happened in Malaysia with jointly marketed Android phones in the Malaysian market. This will significantly enhance the company's brand value in Malaysia. The Group continues to make efforts for such alliances with operators in Singapore, Thailand and Indonesia.

This strategy and direction of focussing on costs, growing profitable revenues with low-end Android smart phones, leverage operator relationships is expected to yield higher margins for the company.

11. **Dividend**

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on? None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend recommended for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared or recommended

13. Utilisation of Rights Issue proceeds

As at 31st Dec 2013*, the net proceeds from the 2011 Rights Issue have been utilised as follows:

	Amount S$'Million
Net Proceeds from 2011 Rights Issue	**146.4**
Less Proceeds utilised for:	
To partially fund the completion of the Proposed Acquisition of Affinity Group	**87.0**
Funding part of the Group's working capital (up to 8th October 2012 - annoucement dated 9th October 2012)	**25.5**
Funding part of the Group's working capital (after 8th October 2012) **	
- Payment to vendors	**11.3**
Security Deposit, Advance Rent and Capital Expenditure for new office premises	**2.3**
Loans to various subsidiaries for working capital	**5.1**
Acquisition of remaining 49% stake in I-Gate Holding Sdn Bhd	**0.4**
Capital Expenditure for new office premises	**1.7**
Termination Payment as referred to in the Company's announcement dated 5 March 2012	**13.1**
Balance of net proceeds from 2011 Rights Issue unutilised	**-**

* As announced by the Company on 2 January 2014 (announcement no. 00075)
** As per revised guidelines effective October 2012

The use of proceeds was in accordance with the stated use.

14. Interested persons transactions disclosure

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) Quarter ended 31 Dec 2013 US$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000) Quarter ended 31 Dec 2013 US$'000
S Mobility Ltd	91	-

There was neither renewal nor new IPT mandate obtained during the Annual General Meeting of the Company held on 25th October 2012.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Operating Segments

a) 'Voice & Data Services' comprising mainly:

i) "PC-Phone" service that allows users to make calls from their PC to any phone in the world;

ii) "GCC" service that offers users the means to make low cost calls via IP infrastructure;

iii) IDD, Mobile VoIP and VoIP telephony services to corporate users and consumers;

iv) "Enterprise" service that allows corporate users to make calls via their existing corporate PABX and internet access;

v) Wholesale traffic terminating services to carriers and service providers; and

vi) "Technology Licensing" service that offers connectivity and interoperatability solutions to telecommunication carriers and wholesale clearing houses.

vii) "ISP" service that offers an extensive portfolio of data services include Broadband, Lease line Access, Private Network, Network Security, Hosted Services and IT Solutions to corporate users and consumers;

viii) Business processing outsourcing (divested since 24th January 2013)

b) 'Computing' comprising mainly:

i) Supply, rental, maintenance and servicing of computer hardware and peripheral equipment; and

ii) Systems integration service related to computer equipment and peripherals, storage systems and networking products.

c) 'Mobility' comprising mainly:

i) Sale of mobile handsets, prepaid vouchers from operators, related products and services.

	2012-13					
	Period Ended 31 Dec 2013 (18 Months)					
	Voice & Data Services (US$'000)	**Computing (US$'000)**	**Mobility (US$'000)**	**Operation related to disposal group classified as held for sale (US$'000)**	**Unallocated Expenses (US$'000)**	**Group (US$'000)**
Turnover - external sales	**25,295**	**64,137**	**681,154**	**682**	**-**	**771,268**
Results:						
Interest income from bonds, deposits and investment securities	578	238	193	91	-	**1,100**
Direct service fees incurred and costs of goods sold	(14,420)	(48,638)	(653,869)	(317)	-	**(717,244)**
Commissions and other selling expenses	(5,434)	(154)	(5,066)	(5)	-	**(10,659)**
Personnel costs	(5,435)	(9,307)	(24,172)	(323)	-	**(39,237)**
Infrastructure costs	(1,672)	(803)	(6,659)	(220)	-	**(9,354)**
Depreciation of property, plant and equipment	(474)	(1,260)	(2,624)	(56)	-	**(4,414)**
Amortization of intangible assets	(873)	(191)	(5,250)	(6)	-	**(6,320)**
Marketing expenses	(113)	(67)	(5,152)	(3)	-	**(5,335)**
Foreign exchange (loss)/ gain	(1,021)	(369)	2,424	98	-	**1,132**
Fair value loss on investment securities	(91)	-	-	-	-	**(91)**
Gain on disposal of subsidiaries	8,307	-	-	-	-	**8,307**
Impairment of intangible assets	(515)	(6,279)	(16,556)	-	-	**(23,350)**
Write back/(impairment) of property plant and equipment	-	-	5	-	-	**5**
Other expenses	(10,001)	(1,678)	(8,801)	(501)	-	**(20,981)**
Profit/ (loss) before taxation	**(5,869)**	**(4,371)**	**(44,373)**	**(560)**	**-**	**(55,173)**
Taxation	1,291	(852)	(1,714)	-	-	**(1,275)**
Profit/ (loss) after taxation	**(4,578)**	**(5,223)**	**(46,087)**	**(560)**	**-**	**(56,448)**
Assets:						
Segment assets	**28,533**	**29,796**	**82,350**	**-**	**-**	**140,679**
Segment liabilities	**5,581**	**16,134**	**27,183**	**-**	**-**	**48,898**
Capital expenditure	**427**	**397**	**970**	**-**	**-**	**1,794**

	2011-12					
	Period Ended 30 Jun 2012 (15 Months)					
	Voice & Data Services (US$'000)*	**Computing (US$'000)**	**Mobility (US$'000)**	**Operation related to disposal group classified as held for sale (US$'000)***	**Unallocated Expenses (US$'000)**	**Group (US$'000)**
Turnover - external sales	**44,660**	**48,621**	**899,946**	**19,894**	-	**1,013,121**
Results:						
Gain on bargain purchase (net)	-	-	555	-	-	**555**
Interest income from bonds, deposits and investment securities	434	174	154	171	-	**933**
Waiver of loan	-	-	5,000	-	-	**5,000**
Reversal of deferred purchase consideration payable	-	-	10,017	-	-	**10,017**
Direct service fees incurred and costs of goods sold	(22,211)	(35,835)	(854,761)	(7,909)	-	**(920,716)**
Commissions and other selling expenses	(13,078)	(15)	(8,196)	(533)	-	**(21,822)**
Personnel costs	(6,719)	(8,598)	(30,603)	(8,794)	-	**(54,714)**
Infrastructure costs	(3,157)	(863)	(5,938)	(2,958)	-	**(12,916)**
Depreciation of property, plant and equipment	(907)	(1,796)	(2,460)	(1,401)	-	**(6,564)**
Amortization of intangible assets	(1,267)	(770)	(8,166)	(130)	-	**(10,333)**
Marketing expenses	(385)	(5)	(27,551)	(138)	-	**(28,079)**
Foreign exchange gain	(4,636)	(211)	(6,291)	(424)	-	**(11,562)**
Fair value loss on investment securities	(860)	-	-	-	-	**(860)**
Termination payment	-	-	(10,000)	-	-	**(10,000)**
Impairment of Intangible Assets	(889)	(3,606)	(92,767)	(123)	-	**(97,385)**
Impairment of property, plant and equipment	-	-	-	(2,401)	-	**(2,401)**
Fair value adjustment in fixed assets of subsidiary under disposal	-	-	-	(44)	-	**(44)**
Other expenses	(7,285)	(4,155)	(27,881)	(2,709)	(2,146)	**(44,176)**
Loss before taxation	**(16,300)**	**(7,059)**	**(158,942)**	**(7,499)**	**(2,146)**	**(191,946)**
Taxation	393	987	3,821	(1,392)	-	**3,809**
Loss after taxation	**(15,907)**	**(6,072)**	**(155,121)**	**(8,891)**	**(2,146)**	**(188,137)**
Assets:						
Investment in associates	**68**	**-**	**-**	**-**	-	**68**
Segment assets	**71,503**	**30,913**	**164,160**	**1,562**	-	**268,138**
Segment liabilities	**18,288**	**10,186**	**82,604**	**1,033**	-	**112,111**
Capital expenditure	**5,218**	**1,729**	**2,334**	**13**	-	**9,294**

*- Certain prior period figures have been reclassified to conform with current year's presentation.

Geographical Segments

The Group has operating offices in three main geographical areas.

i) South East Asia includes the operations in Singapore, Malaysia, Thailand & Indonesia;

ii) South Asia includes the operations in India

iii) Others include the operations in North, South and Central America, UK, China, Japan & Middle East.

	Turnover		Assets		Capital Expenditure	
	Period Ended 31 Dec (18 Months)	Period Ended 30 Jun (15 Months)				
	31 Dec 13	30 Jun 12	31 Dec 13	30 Jun 12	31 Dec 13	30 Jun 12
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Southeast Asia	753,697	980,402	132,197	256,522	1,757	7,333
South Asia	15,336	10,128	6,705	7,707	9	1,940
Others	1,553	2,697	1,777	2,415	28	8
Operations related to disposal group classified as held for sale	682	19,894	-	1,562	-	13
Total	**771,268**	**1,013,121**	**140,679**	**268,206**	**1,794**	**9,294**

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

During FP 2013, revenue of Mobility buisness of the company witnessed decline on account of changing preference of customers for mobility products. However Computing business registered growth during the year. There was a decrease in overheads mainly due to certain cost cutting measures initiated by the Group in its effort to rein in costs. This resulted in containing the losses of Mobility business. The mobility business of the Group is mostly concentrated in South East Asia. The major markets are Malaysia, Thailand, Indonesia.

17. A breakdown of sales.

	Group		Operation related to disposal group classified as held for sale		Group - Net of operations related to disposal group classified as held for sale		
	US$'000		US$'000		US$'000		
	18-month Period Ended	15-month Period Ended	18-month Period Ended	15-month Period Ended	18-month Period Ended	15-month Period Ended	%
	12/31/2013	6/30/2012	12/31/2013	6/30/2012	12/31/2013	30/6/2012	Change
						(Restated^)	
Sales reported for first half year	432,856	429,952	682	9,062	432,174	420,890	2.7%
Loss reported for first half-year	(20,287)	(24,631)	(560)	(1,953)	(19,727)	(22,678)	-13.0%
Sales reported for second half-year	338,412	583,169	-	10,832	338,412	572,337	-40.9%
Loss reported for second half-year	(36,161)	(163,506)	-	(6,938)	(36,161)	(156,568)	-76.9%

Due to the change of financial year end:

'first half' of the 18-month period ended 31 December 2013 comprises 9-month period ended 31 March 2013 and the 'second half' comprises 9-month period ended 31 December 2013.

'first half' of the 15-month period ended 30 June 2012 comprises 6-month period ended 30 September 2011 and the 'second half' comprises 9-month period ended 30 June 2012.

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

No dividend was declared for this financial period and previous financial period.

19. Disclosure of person(s) occupying a managerial position in the issuer or any of its subsidiaries, who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an apprpriate negative statement.

Name	Age	Family relationship with any director, CEO and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
DILIP MODI	40	1. Son of Dr. Bhupendra Kumar Modi, substantial shareholder and past Non-Executive Chairman of S i2i Limited (resigned on 14 Nov 2013) 2. Sibling of Ms. Divya Modi, past Non-Independent Non-Executive Director of S i2i Limited (retired on 25th October 2012)	Non-Independent Non-Executive Chairman (with effect from 14 November 2013)	1. Non independent Non Executive Director to Non Independent Non Executive Vice Chairman (with effect from 21 Dec 2012) 2. Non Independent Non Executive Vice Chairman to Non Independent Non Executive Chairman with effect from 14 November 2013 As a Board member, collectively along with other board members advises the management on strategic direction, performance, resources, corporate planning, major investments, adequacy of internal controls and risk management.
DIVYA MODI	31	1. Daughter of Dr. Bhupendra Kumar Modi, substantial shareholder and past Non-Executive Chairman of S i2i Limited (resigned on 14 Nov 2013) 2. Sibling of Mr. Dilip Modi, Non-Independent Non-Executive Chairman of S i2i Limited	NIL	Non Independent Non executive Director of S i2i Ltd (Retired on 25th October 2012)

20 An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year:

	Period Ended 31 Dec (18 Months) 2013 US$'000	Period Ended 31 Dec (18 Months) 2012 US$'000	% Change
Turnover	**770,586**	**1,152,633**	**-33.1%**
Other income	12,203	18,213	-33.0%
Direct service fees incurred and cost of goods sold	(716,927)	(1,073,080)	-33.2%
Commissions and other selling expenses	(10,654)	(23,919)	-55.5%
Personnel costs	(38,914)	(54,876)	-29.1%
Infrastructure costs	(9,134)	(11,268)	-18.9%
Depreciation of property, plant and equipment	(4,358)	(6,014)	-27.5%
Amortisation of intangible assets	(6,314)	(9,910)	-36.3%
Marketing expenses	(5,332)	(25,358)	-79.0%
Foreign exchange gain/ (loss)	1,034	(8,349)	-112.4%
Finance costs	(3,580)	(5,797)	-38.2%
Other expenses	(43,155)	(151,767)	-71.6%
Share of results of associates	(68)	(109)	-37.6%
Loss before taxation	**(54,613)**	**(199,601)**	**-72.6%**
Taxation	(1,275)	4,818	-126.5%
Loss for the period from continuing operations	**(55,888)**	**(194,783)**	**-71.3%**
Operation related to disposal group classified as held for			
Loss for the period from discontinued operations, net of tax	(560)	(8,529)	-93.4%
Net loss for the period	**(56,448)**	**(203,312)**	**-72.2%**
Loss attributable to:			
Owners of the parent	(56,349)	(202,979)	-72.2%
Non-controlling interest	(99)	(333)	-70.3%
Total	**(56,448)**	**(203,312)**	**-72.2%**

N.M. - Not Meaningful

Other income

	Period Ended 31 Dec (18 Months) 2013 US$'000	Period Ended 31 Dec (18 Months) 2012 US$'000	% Change
Interest income from bonds, deposits and investment securities	1,009	948	6.4%
Gain on disposal of subsidiaries	8,307	434	1814.1%
Gain on bargain purchase	-	48	-100.0%
Waiver of loan	-	5,000	-100.0%
Reversal of deferred purchase consideration payable	-	10,017	-100.0%
Others	2,887	1,766	63.5%
Total other income	**12,203**	**18,213**	**-33.0%**

Other expenses include the following:

	Period Ended 31 Dec (18 Months)	Period Ended 31 Dec (18 Months)	%
	2013	2012	
	US$'000	US$'000	Change
Reversal of/ (allowance for) of doubtful trade debts	(1,148)	(5,334)	-78.5%
Reversal of/ (allowance for) doubtful non-trade debts	(112)	(1,000)	-88.8%
Reversal of/ (allowance for) stock obsolescence	(3,167)	(5,147)	-38.5%
Bank charges	(740)	(1,169)	-36.7%
Collection service fees	(1,344)	(3,285)	-59.1%
Equipment maintenance	(607)	(1,053)	-42.4%
Equipment rental	(339)	(379)	-10.6%
Fair value loss on investment securities	(91)	(860)	-89.4%
Freight and postage charges	(253)	(415)	-39.0%
Impairment of intangible assets	(23,350)	(97,780)	-76.1%
Write back/(impairment) of property, plant and equipment	5	(160)	-103.1%
Loss on disposal of property, plant and equipment	(92)	(736)	-87.5%
Employee termination costs	-	(10,000)	-100.0%
Printing & stationery	(224)	(327)	-31.5%
Property, plant and equipment written off	(364)	(10)	3540.0%
Loss on disposal of a subsidiary	(26)	(69)	-62.3%
Professional fees	(3,866)	(5,565)	-30.5%
Telecommunication expenses	(1,420)	(2,086)	-31.9%
Travelling & entertainment expenses	(3,526)	(4,385)	-19.6%
Write-back of allowance for doubtful trade debts	347	297	16.8%
Write-back of allowance for stock obsolescence	1,781	2,210	-19.4%
Write off of quoted investment securities	-	(58)	-100.0%
Write off of stock	(581)	(253)	129.6%
Write off of non-trade debts	-	(1)	-100.0%
Write off of trade debts	(44)	(9,531)	-99.5%
Others	(3,994)	(4,671)	-14.5%
Total other expenses	**(43,155)**	**(151,767)**	**-71.6%**

N.M. - Not Meaningful

BY ORDER OF THE BOARD

Maneesh Tripathi
Chief Executive Officer

1 March 2014