



S i2i Limited
(Formerly known as Spice i2i Limited)
(Co. Reg. No: 199304568R)

150 Kampong Ampat
#05-02 KA Centre
Singapore 368324

Tel: (65) 6441 1213
Fax: (65) 6441 3013

www.si2imobility.com/si2i

NEWS RELEASE

Si2i MAINTAINS FOCUS ON BUSINESS TRANSFORMATION AND COST MANAGEMENT

- *Reported turnover of US\$85.6 million in Q12014*
- *Gross margin increased by 19.6% to US\$ 5.8 million over the same period of FY2013*
- *PAT loss reduced to US\$3.9 million in Q12014 from US\$ 6.3 million (after adjusting a onetime gain of US\$ 7.8 million due to sale of investment in Spice BPO Services Limited) in the same period of FY2013*
- *EBITDA loss reduced to US\$ 2.2 million in Q12014 from US\$ 3.7 million in the same period of FY2013*
- *Continued focus on distribution of operator products and services and growing the ICT business*

Singapore, May 8, 2014 – S i2i Limited (“S i2i”, and together with its subsidiaries, collectively, the “Group”), , today reported a revenue of US\$85.6 million for the three months ended March 31, 2014 (“Q 1,2014”).

Reiterating the Group’s commitment to maintain a sharp focus on profitable business segments and cost management, Mr Dilip Modi, Chairman of S i2i Limited, said, “We are keeping a very sharp focus in the turnaround progress of the Group, led through our business of distribution of operator products and services along with focus on sales of low end 3G smart phones bundled with operator services. While the reported earnings from this segment were lower quarter-on-quarter in USD terms, but actually the business has grown in IDR terms, as it was hit by the currency translation differences”.

Moving forward, the Group will continue to adapt and align its growth efforts with the needs and demands of consumers in its core operating markets. To enhance its market positioning, the Group has put in place a three-pronged growth strategy: To consolidate and grow the distribution of operator products and services in Indonesia which is robust and performing well; re-energise our mobile device business through low-end 3G phones and operator bundles; and to explore opportunities within the Information, Communication and Technology space.

Whilst the company is in the process of turnaround, the Board and management strongly believes that in the long term, the strategy and new direction will yield higher margins, better growth prospects and greater value for all our stakeholders.

Performance Review

The Group reported a turnover of US\$85.6 million for Q1, 2014, compared to US\$115.6 million achieved in the January to March period a year ago. The decrease in revenue was mainly due to lower contributions from mobile device distribution and retail business.

Gross margin for the review quarter was 19.6% higher at US\$5.8 million. This was mainly due to lower cost of goods sold and direct service fees incurred as well as lower commissions and other selling expenses.

The Group's cost containment efforts continued to see results, with operating overheads decreasing to US\$8.7 million in Q1 2014. This compares well against operating overheads of US\$9.0 million a year ago, which included a write back of US\$ 2.3 million in respect of allowance for stock obsolescence. Hence, actually the group has reduced the cost by US\$ 1.4 million net of the write back affected in Q1 2013. For Q1 2014, the Group reported a net loss attributable to owners of the parent of US\$3.8 million. The Group's financial and liquidity conditions remain robust, with net assets of US\$87.4 million and cash and cash equivalents of US\$26.7 million.

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About S i2i Limited (“S i2i”) (www.si2imobility.com/si2i)

Listed on the Main Board of SGX-ST, S i2i Limited is Mobile internet company through the supply and sale of Operator product and services, Information Communication and technology services and its innovative brand of low end smart-phones and other mobile related products. .

ISSUED ON BEHALF OF : S i2i Limited

BY : Citigate Dewe Rogerson, i.MAGE Pte Ltd
55 Market Street
#02-01
SINGAPORE 048941

CONTACT : Ms Chia Hui Kheng / Mr Ng Chung Keat
at telephone

DURING OFFICE HOURS : 6534-5122 (Office)

AFTER OFFICE HOURS : 9690-3841 / 9781-3605 (Handphone)

EMAIL : huikheng.chia@citigatedrimage.com /
chungkeat.ng@citigatedrimage.com

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