Fourth Quarter & Full-Year Financial Statement and Dividend Announcement for the Year ended 31st December 2014 (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 year:

	Quarter Ended 31 Dec		%	Period Ended 31 Dec (12 Months)	Period Ended 31 Dec (18 Months)	%
	2014	2013		2014	2013	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Turnover (Note 1)	94,479	99,477	-5.0%	361,755	769,587	-53.0%
Cost of goods sold and direct service fees incurred (Note 2)	(87,946)	(93,114)	-5.6%	(335,679)	(711,282)	-52.8%
Commissions and other selling expenses (Note 3)	(166)	(619)	-73.2%	(1,196)	(10,654)	-88.8%
Gross margin	**6,367**	**5,744**	**10.8%**	**24,880**	**47,651**	**-47.8%**
Other income - operating (Note 4)	595	530	12.3%	2,192	2,743	-20.1%
Operating expenses (Note 5)	(8,687)	(10,338)	-16.0%	(33,062)	(75,967)	-56.5%
EBITDA - Operating- from continuing operations	**(1,725)**	**(4,064)**	**-57.6%**	**(5,990)**	**(25,573)**	**-76.6%**
Other income - non operating (Note 14)	-	-	N.M.	2,068	8,451	**-75.5%**
Other expenses - non operating (Note 17)	(38,974)	(17,824)	N.M.	(39,028)	(25,758)	51.5%
Interest income from deposits and investment securities (Note 20)	116	193	-39.9%	652	1,009	-35.4%
Finance costs (Note 21)	(181)	(342)	-47.1%	(1,090)	(3,580)	-69.6%
Depreciation of property, plant and equipment (Note 22)	(346)	(590)	-41.4%	(1,700)	(4,356)	-61.0%
Amortisation of intangible assets	(1,123)	(1,032)	8.8%	(4,298)	(6,314)	-31.9%
Share of results of associates	-	-	-	-	(68)	-100.0%
Loss before taxation	**(42,233)**	**(23,659)**	**78.5%**	**(49,386)**	**(56,189)**	**-12.1%**
Taxation (Note 23)	4,934	413	1094.7%	5,137	(1,275)	N.M.
Loss for the period from continuing operations	**(37,299)**	**(23,246)**	**60.5%**	**(44,249)**	**(57,464)**	**-23.0%**
Operation related to disposal group classified as held for sale						
Loss for the period from discontinued operations, net of tax (Note 24)	-	-	-	-	(560)	-100.0%
Net loss for the period	**(37,299)**	**(23,246)**	**60.5%**	**(44,249)**	**(58,024)**	**-23.7%**
(Loss)/profit attributable to:						
Owners of the parent	(37,252)	(23,224)	60.4%	(44,344)	(57,925)	-23.4%
Non-controlling interest (Note 25)	(47)	(22)	N.M.	95	(99)	-196.0%
Total	**(37,299)**	**(23,246)**	**60.5%**	**(44,249)**	**(58,024)**	**-23.7%**

N.M. - Not Meaningful

* Starting financial year from 1st January 2014 ("FY 2014"), presentation format has been changed: 1) Operating segments have been redefined to facilitate better understanding of current businesses 2) Segment turnover has been shown separately 3) Gross margin and Operating EBITDA have been shown separately. Accordingly, certain prior period figures have been rearranged/reclassified to conform with current year's presentation and improve overall readability of the results. As required by Rule 705 of Listing Manual, we are also presenting the information in the form presented in our annual financial statements for the period ended 31st December 2013. Please refer to item 20 of this announcement. As indicated above, previous financial period was of 18 months ended 31st December 2013 against current financial year of 12 months ended 31st December 2014 and % change is calculated on absolute numbers of both periods.

Note 1

Turnover

	Quarter Ended 31 Dec		%	Period Ended 31 Dec (12 Months)	Period Ended 31 Dec (18 Months)	%
	2014	2013		2014	2013	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Distribution of operator products and services	75,468	76,006	-0.7%	288,699	498,469	-42.1%
ICT distribution and managed services	11,745	10,985	6.9%	39,877	88,433	-54.9%
Mobile devices distribution & retail	7,266	12,486	-41.8%	33,179	182,685	-81.8%
Total (Note 2)	**94,479**	**99,477**	**-5.0%**	**361,755**	**769,587**	**-53.0%**

Note 2

Distribution of Operator products and services in Indonesia grew in local currency terms during the quarter ended 31st December 2014 ("Q4 2014"), however depreciation of approximately 5% in IDR vs US Dollar led to translation differences against results of corresponding period for the quarter ended 31st December 2013 ("Q6 2013"). Demand and margins of Mobile devices and products in major market of Indonesia had also been affected due to severe comptetitive pressures, sharp shift in consumption pattern and challenges in distribution channels in our key markets. Demand and margin in ICT distribution and managed services continues to be under pressure due to increased competition and reduced capital expenditure by industries. In addition, during FP 2013, there were also relatively larger project sales with one of the institutional buyers of ICT distribution and managed services. Revenue from ICT distribution and managed services has marginally improved in Q4 2014 over corresponding quarter Q6 2013.

Note 3

The decrease in commissions and other selling expenses was mainly due to decrease in ICT distribution and managed services and sale of mobile devices.

Note 4

Other operating income mainly includes performance incentive from principals, management support/ services fee, government subsidy and write back of certain prior period payables no longer required.

Note 5

The operating expenses during Q4 2014 and FY 2014 given below showed significant reduction over Q6 2013 and FP 2013 on account of cost control measures undertaken by management.

	Quarter Ended 31 Dec		%	Period Ended 31 Dec (12 Months)	Period Ended 31 Dec (18 Months)	%
	2014	2013		2014	2013	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Personnel costs (Note 6)	(4,911)	(4,871)	0.8%	(18,079)	(38,914)	-53.5%
Infrastructure costs (Note 7)	(788)	(1,024)	-23.0%	(4,069)	(9,134)	-55.5%
Marketing expenses (Note 8)	(256)	(589)	-56.5%	(820)	(5,332)	-84.6%
Other expenses - operating (Note 9)	(2,732)	(3,854)	-29.1%	(10,094)	(22,587)	-55.3%
Total operating overheads	**(8,687)**	**(10,338)**	**-16.0%**	**(33,062)**	**(75,967)**	**-56.5%**

Note 6

The decrease in personnel costs in FY 2014 was mainly due to lower headcount.

Note 7

The reduction in infrastructure costs in Q4 2014 and FY 2014 was mainly due to rationalisation of infrastructure requirements.

Note 8

Marketing expenses during FY 2014 had been in accordance with reducing volume levels/focus on new mobility products.

Note 9

Other expenses- operating include the following:

	Quarter ended 31 Dec		%	Period Ended 31 Dec (12 Months)	Period Ended 31 Dec (18 Months)	%
	2014	2013		2014	2013	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Bank charges	(68)	(107)	-36.4%	(196)	(740)	-73.5%
Collection service fees	(5)	(104)	-95.2%	(258)	(1,344)	-80.8%
Equipment maintenance	(93)	(94)	-1.1%	(355)	(608)	-41.6%
Equipment rental	(50)	(65)	-23.1%	(233)	(340)	-31.5%
Foreign exchange gain/ (loss) (Note 10)	382	1	N.M.	864	1,034	N.M.
Freight and postage charges	(10)	(23)	-56.5%	(70)	(252)	-72.2%
Printing & stationery	(47)	(35)	34.3%	(146)	(224)	-34.8%
Professional fees (Note 11)	(647)	(677)	-4.4%	(2,512)	(3,909)	-35.7%
(Provision)/write back of allowance for doubtful non-trade debts & write off of non-trade debts (Note 12)	(369)	-	N.M.	(387)	(110)	251.8%
(Provision)/write-back of allowance of doubtful trade debts and write off of trade debts (Note 12)	(739)	(324)	128.1%	(832)	(929)	N.M.
(Provision)/write-back of allowance of stock obsolescence and write off of stocks (Note 13)	(348)	(1,417)	-75.4%	(2,693)	(7,570)	-64.4%
Telecommunication expenses	(154)	(171)	-9.9%	(631)	(1,420)	-55.6%
Travelling & entertainment expenses	(341)	(515)	-33.8%	(1,619)	(3,526)	-54.1%
Others	(243)	(323)	-24.8%	(1,026)	(2,649)	-61.3%
Total other expenses - operating	**(2,732)**	**(3,854)**	**-29.1%**	**(10,094)**	**(22,587)**	**-55.3%**

Note 10

The foreign exchange movement recognised in Q4 2014 and FY 2014 was mainly due to unrealised and realised foreign exchange gain/ loss incurred on fluctuation of USD against SGD, MYR, THB, IDR and INR.

Note 11

The professional fees during FY 2014 also included costs incurred with respect to special audit procedures undertaken consequent to emphasis of matters reported by auditors in respect of accounts for the year ended 31st December 2013 (Please refer to announcement dated 25th March 2014) and also expenses incurred for a litigation matter which is now settled.

Note 12

Sale of Specified Assets of mobility subsidiaries of the company in Malaysia ("Spice Malaysia") in the quarter ended 30th June 2014 also included assignment of certain trade receivables. Consequently, write off against such assignment had been recognised under write off of trade debts. Allowances recognised in past in respect of these receivables had been written back. Please also refer to announcement dated 17th June 2014. The values in Q4 2014 and FY 2014 also included allownaces made to adjust recoverable value of trade and non trade debts.

Note 13

The amount mainly represents allowances to adjust carrying value of inventories.

Note 14

Other income- non operating

	Quarter ended 30 Sep		%	Period Ended 31 Dec (12 Months)	Period Ended 31 Dec (18 Months)	%
	2014	**2013**		**2014**	**2013**	
	US$'000	**US$'000**	**Change**	**US$'000**	**US$'000**	**Change**
Gain on disposal of subsidiaries (Note 15)	-	-	-	-	8,307	100.0%
Others (Note 16)	-	-	-	2,068	144	1336.1%
Total other income - non operating	**-**	**-**	-	**2,068**	**8,451**	**-75.5%**

Note 15

As disclosed previously, gain on disposal of subsidiary during FP 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 16

The amount in FY 2014 mainly represents consideration against settlement of certain arbitration proceedings in quarter ended 30th June 2014.

Note 17

Other expenses- non operating include the following:

	Quarter ended 31 Dec		%	Period Ended 31 Dec (12 Months)	Period Ended 31 Dec (18 Months)	%
	2014	**2013**		**2014**	**2013**	
	US$'000	**US$'000**	**Change**	**US$'000**	**US$'000**	**Change**
Fair value gain/ (loss) on investment securities (Note 20)	-	117	-100.0%	-	(90)	-100.0%
Gain/ (loss) on disposal of property, plant and equipment (Note 26)	341	24	N.M.	347	(93)	N.M.
Impairment of intangible assets (Note 18)	(36,162)	(16,232)	122.8%	(36,162)	(23,350)	54.9%
Impairment of property, plant and equipment	(382)	(493)	-22.5%	(394)	(488)	-19.3%
Others (Note 19)	(2,771)	(1,240)	123.5%	(2,819)	(1,737)	62.3%
Total other expenses - non operating	**(38,974)**	**(17,824)**	**N.M.**	**(39,028)**	**(25,758)**	**51.5%**

Note18

In accordance with FRS 36 "Impairment of Assets", the Group had carried out impairment testing as at the end of FY 2014. Accordingly, to the extent that the Carrying Amounts exceeded the Recoverable Amounts, Goodwill and other intangible assets amounting to US$ 29.3 million (FP 2013 - US$ 16.2 million) arisen out of acquisition in case of Affinity Group and US$ 6.4 million (FP 2013 - US$6.8 million) in case of subsidiaries forming part of ICT distribution and managed services had been impaired. The impairment charge in respect of Affinity Group had primarily been on account of changing preference of customers for mobility products and a paradigm shift in the distribution channel via e-commerce and on-line marketing of mobility products. The traditional channels are now being challenged and rendered ineffective because of their high in-built cost structure. Hence, the mobile distribution and retail business in Affinity group is being restructured and optimized via e-commerce focussed strategy in partnership with Google Android 1 ecosystem. Impairment charge in respect of subsidiaries of ICT distribution and managed services resulted due to relatively lower potential earning capacity due to industry challenges and severe downturn in VOIP retail businesses.

Note 19

Other costs during Q4 2014 mainly included certain non-recurring costs recognised as part of ongoing alignment of certain business segments in light of industry shifts.

Note 20

The reduction in interest income during Q4 2014 against corresponding quarter Q6 2013 had mainly been on account of cessation of accrual of interest from September 2014 on a 7 years term loan disbursed in year 2008, that came with certain warrants. The loan was interest free for first 5 years and payable on 30th April 2015. During Q3 2014, the company entered into a deed of addendum dated 24th September 2014, whereby, the interest ceased to accrue thereafter. (Please refer to announcement dated 24th September 2014). In terms of the deed of addendum, company has received back US$ 0.6 million up to 31st December 2014. Fair value assessment had been carried out at the end of the financial period ended 31st December 2014. Management has decided not to recognise write back of US$ .23 million as per the fair value assessment report. The amount is shown as part of investment securities in statement of financial position.

Note 21

The reduction in finance cost during FY 2014 against FP 2013 was mainly on account of reduced loans and bank borrowings by Affinity group.

Note 22

The reduction in depreciation during Q4 2014 and FY 2014 against corresponding quarter/period was mainly on account of ICT Distribution and managed services group, where certain assets had since been fully depreciated/ impaired up to 31st December 2013.

Note 23

The movement in taxation for FY 2014 was mainly due to lower provision for taxes in Affinity Group and Bharat IT. Consequent to amortisation and impairment of intangible assets recognised as part of acquisitions in earlier years, related deffered tax liability has also been reversed .

Note 24

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:

	1/07/2012 - 12/07/2012 2013
	US$'000
Turnover	**376**
Direct service fees incurred and cost of goods sold	(317)
Commissions and other selling expenses	(5)
Personnel costs	(35)
Infrastructure costs	(8)
Marketing expenses	(1)
EBITDA - Operating- from operation related to disposal group classified as held for sale	**10**
Depreciation of property, plant and equipment	(2)
Foreign exchange gain	4
Other expenses	(4)
Profit/ (loss) before taxation	**8**
Taxation	-
Profit/ (loss) for the period from operation related to disposal group classified as held for sale, net of tax	**8**

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 announcement 00033 dated 24th January 2013.)

The results of Spice BPO for the period ended 24th January 2013 were as follows:

	1/07/2012 - 24/01/2013
	US$'000
Turnover	**306**
Other income	54
Personnel costs	(288)
Infrastructure costs	(212)
Marketing expenses	(2)
Other operating expenses	22
EBITDA - Operating- from operation related to disposal group classified as held for sale	**(120)**
Depreciation of property, plant and equipment	(54)
Amortisation of intangible assets	(6)
Foreign exchange gain/ (loss)	94
Finance costs	(397)
Other expenses	(85)
Loss before taxation	**(568)**
Taxation	-
Loss for the period from discontinued operations, net of tax	**(568)**

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:

	24/01/2013
	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)**

Note 25

Movement in loss attributable to Non controlling interest during YTD 2014 had been mainly on account of sale of 21% stake in one of the subsidiaries of the company. (Please refer to announcement no. 00107 dated 8 January 2014). Correspondingly, the loss attributable to owners of the parent has gone down. In addition, it has also affected the movement in non-controlling interest in statement of financial position. The company continues to consolidate subsidiary's accounts, as part of its results.

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

	Quarter ended 31 Dec		%	Period Ended 31 Dec (12 Months)	Period Ended 31 Dec (18 Months)	%
	2014	2013		2014	2013	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Loss for the period	**(37,299)**	**(23,246)**	**60.5%**	**(44,249)**	**(58,024)**	**-23.7%**
Other comprehensive income:						
Items that may be reclassified subsequently to profit and loss:						
Foreign currency translation (Note 26)	(1,683)	(687)	145.0%	(2,003)	(7,809)	-74.4%
Net gain on available-for-sale financial assets	(5)	3	-266.7%	46	44	4.5%
Other comprehensive loss for the period	**(1,688)**	**(684)**	**146.8%**	**(1,957)**	**(7,765)**	**-74.8%**
Total comprehensive loss for the period	**(38,987)**	**(23,930)**	**62.9%**	**(46,206)**	**(65,789)**	**-29.8%**
Total comprehensive loss attributable to:						
Owners of the parent	(38,940)	(23,911)	62.9%	(46,107)	(65,696)	-29.8%
Non-controlling interest	(47)	(19)	N.M.	(99)	(93)	6.5%
Total	**(38,987)**	**(23,930)**	**62.9%**	**(46,206)**	**(65,789)**	**-29.8%**

N.M. - Not Meaningful

Note 26

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 year.**

	Group		Company	
	31 Dec 14	**31 Dec 13**	**31 Dec 14**	**31 Dec 13**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Share capital	410,663	410,663	410,663	410,663
Accumulated losses	(360,871)	(316,768)	(376,616)	(327,642)
Other reserves	(3,504)	(3,550)	(6,674)	(6,720)
Translation reserve (Note 26)	(2,208)	(209)	1,223	33
Equity attributable to the owners of the parent	**44,080**	**90,136**	**28,596**	**76,334**
Non-controlling interest (Note 24)	(16)	83	-	-
Total Equity	**44,064**	**90,219**	**28,596**	**76,334**
Property, plant and equipment (Note 27)	**4,988**	**5,984**	**273**	**394**
Intangible assets (Note 28)	**184**	**40,745**	**62**	**501**
Investments in subsidiaries (Note 28)	**-**	**-**	**5,899**	**38,946**
Investment securities (Note 20)	**1,429**	**2,747**	**1,429**	**2,747**
Long-term loans and advances to subsidiaries (Note 28)	**-**	**-**	**12,062**	**20,127**
Deferred tax assets	**85**	**61**	**-**	**-**
Trade debtors, non-current	**207**	**215**	**-**	**-**
Tax recoverable, non-current (Note 29)	**848**	**3,782**	**-**	**-**
Other debtors and deposits, non-current	**70**	**64**	**-**	**-**
Current assets	**70,407**	**85,140**	**26,482**	**29,561**
Stocks (Note 30)	14,309	20,992	83	195
Trade debtors, current (Note 31)	11,887	24,458	618	843
Other debtors and deposits, current (Note 31)	3,693	5,666	797	810
Prepayments (Note 32)	2,498	4,078	394	381
Due from subsidiaries (Note 28)	-	-	632	10,657
Investment securities (Note 20)	906	-	906	-
Cash and bank deposits pledged	5,795	6,424	3,607	3,448
Cash and cash equivalents	27,986	22,633	19,445	13,227
Tax recoverable, current (Note 29)	3,333	889	-	-
Current liabilities	**32,593**	**41,520**	**17,479**	**15,789**
Trade creditors (Note 33)	12,112	11,416	2,328	1,683
Other creditors and accruals (Note 34)	9,539	11,669	2,804	2,705
Deferred revenue (Note 35)	1,290	1,174	352	293
Lease obligations, current (Note 36)	168	2,470	21	21
Loans and bank borrowings (Note 37)	8,111	13,609	-	-
Due to subsidiaries	-	-	11,974	11,087
Tax payable	1,373	1,182	-	-
Net current assets	**37,814**	**43,620**	**9,003**	**13,772**
Non-current liabilities	**1,561**	**6,999**	**132**	**153**
Deferred tax liabilities	3	5,836	-	-
Provision for employee benefits	881	714	-	-
Lease obligations, non-current (Note 36)	488	251	132	153
Loans and bank borrowings, non-current (Note 37)	189	198	-	-
Net Assets	**44,064**	**90,219**	**28,596**	**76,334**

Note 27

The movement in property, plant and equipment was mainly due to addition of US$ 1.5 million during FY 2014, primarily meant for annuity income in ICT business. Increase was offset by depreciation of US$1.7 million recognised in FY 2014 and disposal/provision for impairment of certain assets mainly by Affinity group and Spice Malaysia, as part of rationalisation exercise.

Note 28

The decrease in intangible assets was mainly due to the amortisation of US$4.2 million and impairment of US$ 35.7 million consequent to impairment testing carried out by the Group at the end of FY 2014, in accordance with FRS 36 "Impairment of Assets". Please also refer to note 18. Correspondingly, company has also recognised US$ 33.0 million towards provision for impairment in its investment and recoverables from Affinity group and certain subsidiaries of ICT distribution and managed services business.

Note 29

The movement in tax recoverable was mainly on account of advance tax deposited by Bharat IT and refund received by Spice, Malaysia and Affinity group.

Note 30

The decrease in Stocks of US$6.7 million was mainly due to stock reduction in Mobile devices and bulk sale of certain stocks in Malaysia (please refer to announcement dated 17th June 2014) and provision of US$1.2 million for Mobile devices recognised mainly in Affinity group to adjust the carrying values of these inventories including on account of ongoing realignment effort of its certain business segments in Affinity group. The decrease had been partially offset by increase in stocks of ICT Distribution and managed services group.

Note 31

The decrease in trade receivables and other debtors & deposits was mainly due to reduction in volumes, assignment of certain trade receivables in Spice Malaysia (please refer to announcement dated 17th June 2014), realisation of certain sale proceeds of previous year in case of ICT distribution & managed services and Spice, Malaysia and allowances to adjust recoverable values including on account of ongoing realignment effort of its certain business segments in Affinity group. The decrease had been partially offset by increase in stocks of ICT Distribution and managed services group.

Note 32

The decrease in prepayments was mainly on account of lower volumes against FP 2014.

Note 33
The increase in trade creditors was mainly due to increase in trade creditors of ICT distribution and managed services group.

Note 34
The decrease in creditors and accruals was mainly due to lower accruals corresponding to reduction in volumes.

Note 35
The increase in deferred revenue is mainly in case of ICT distribution and managed services.

Note 36
The decrease in lease obligations is mainly on account of repayment of scheduled instalments by Cavu group.

Note 37
The decrease in loans and borrowings was mainly on account of repayments and utilisation of credit facilities with the banks, corresponding to the level of operations.

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

Amount repayable in one year or less, or on demand

As at 31/12/2014		As at 31/12/2013	
Secured (US$'000)	Unsecured (US$'000)	Secured (US$'000)	Unsecured (US$'000)
5,516	**2,763**	**13,204**	**2,875**

Amount repayable after one year

488	**189**	**251**	**198**

Details of any collateral

a) Current assets of US$16.6 million (31/12/2013: US$25.3 million) and property, plant and equipment with carrying amount of US$1.4 million (31/12/2013: US$1.5 million) are pledged as security for bank guarantees, standby letters of credit and other bank services.

b) Corporate guarantees of US$6.0 million (31/12/2013 : US$7.3 million) were given by the Company to enable a subsidiary to obtain credit facility from suppliers.

c) Corporate guarantees of US$4.2 million (31/12/2013 : US$4.6 million) were given by a subsidiary to enable its subsidiaries to obtain credit facility from various suppliers.

d) Corporate guarantees of US$2.3 million (31/12/2013 : US$2.4 million) were given by a subsidiary to enable its subsidiaries to obtain banking facilities.

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

	Quarter ended 31 Dec		Period Ended 31 Dec (12 Months)	Period Ended 31 Dec (18 Months)
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Cash flows from operating activities				
Loss before taxation from continuing operations	**(42,233)**	**(23,659)**	**(49,386)**	**(56,189)**
Loss before taxation from discontinued operations (Note 1(a) 24)	-	-	-	(560)
Total loss before taxation	**(42,233)**	**(23,659)**	**(49,386)**	**(56,749)**
Adjustments for:				
Depreciation and amortisation	1,469	1,622	5,997	10,730
Allowance for/ write off of doubtful non-trade debts	369	-	387	112
Provision/(write-back) of allowance/ write off of doubtful trade debts	739	324	832	929
Provision/(write-back) of allowance/ write off of stock obsolescence	1,590	484	709	2,029
Gain on disposal of a subsidiary	-	-	-	(8,281)
Interest income from bonds, deposits and investment securities	(116)	(193)	(652)	(1,100)
Impairment of fixed assets	382	493	394	493
Impairment of intangible assets	36,162	16,232	36,162	23,350
Finance cost	181	342	1,090	3,978
Translation differences	(1,586)	(1,612)	(1,821)	(7,377)
Other items	(127)	(118)	(213)	257
Operating loss before working capital changes	**(3,170)**	**(6,085)**	**(6,501)**	**(31,629)**
Changes in working capital	2,696	(5,695)	19,834	14,685
Cash generated from/ (used in) operating activities	**(474)**	**(11,780)**	**13,333**	**(16,944)**
Interest paid	(181)	(342)	(1,090)	(3,978)
Tax paid	478	3,589	(153)	2,240
Net cash generated from/ (used in) operating activities	**(177)**	**(8,533)**	**12,090**	**(18,682)**
Cash flows from investing activities				
Interest income received from bonds, deposits and investment securities	76	156	431	933
Acquisition of subsidiary MSI China, net of cash acquired	-	-	-	(198)
Acquisition of subsidiary CSL Shenzhen, net of cash acquired	-	-	-	(306)
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	457	112	616	3,455
Partial redemption of investment securities	617	-	617	-
Purchase of property, plant and equipment	(64)	(214)	(1,496)	(1,041)
Additions to intangible assets	(15)	(434)	(185)	(753)
Net cash (used in)/ generated from investing activities	**1,071**	**(380)**	**(17)**	**1,342**
Cash flows from financing activities				
Decrease/ (increase) in cash and bank deposits pledged	(2,961)	3,343	629	1,356
(Repayment of)/proceeds from loans and bank borrowings	(1,853)	4,922	(5,283)	(24,628)
(Repayment of)/ proceeds from obligations under finance leases	(532)	2,199	(2,066)	1,600
Net cash used in financing activities	**(5,346)**	**10,464**	**(6,720)**	**(21,672)**
Net increase/(decrease) in cash and cash equivalents	**(4,452)**	**1,551**	**5,353**	**(39,012)**
Cash and cash equivalents at beginning of the period	32,438	21,082	22,633	61,645
Cash and cash equivalents at end of the period	**27,986**	**22,633**	**27,986**	**22,633**

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 year.

	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 January 2014	**410,663**	**(316,768)**	**(3,550)**	**(209)**	**90,136**	**83**	**90,219**
Total comprehensive income/ (loss) for the period	-	(6,902)	51	(316)	**(7,167)**	(52)	**(7,219)**
Partial disposal of interest in a subsidiary (Note 24)	-	51	-	-	**51**	(51)	**-**
Balance as at 30 September 2014	**410,663**	**(323,619)**	**(3,499)**	**(525)**	**83,020**	**(20)**	**83,000**
Total comprehensive (loss)/ income for the period	**-**	(37,252)	(5)	(1,683)	**(38,940)**	(47)	**(38,987)**
Partial disposal of interest in a subsidiary (Note 24)					**-**	51	**51**
Balance as at 31 December 2014	**410,663**	**(360,871)**	**(3,504)**	**(2,208)**	**44,080**	**(16)**	**44,064**
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 September 2013	**410,663**	**(293,544)**	**(3,553)**	**483**	**114,049**	**102**	**114,151**
Total comprehensive (loss)/ income for the period	-	(23,224)	3	(692)	**(23,913)**	(19)	**(23,932)**
Balance as at 31 December 2013	**410,663**	**(316,768)**	**(3,550)**	**(209)**	**90,136**	**83**	**90,219**

	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 January 2014	410,663	(327,642)	(6,720)	33	**76,334**
Total comprehensive (loss)/ income for the period	-	1,236	51	13	**1,300**
Balance as at 30 September 2014	**410,663**	**(326,406)**	**(6,669)**	**46**	**77,634**
Total comprehensive (loss)/ income for the period	-	(50,210)	(5)	1,177	**(49,038)**
Balance as at 31 December 2014	**410,663**	**(376,616)**	**(6,674)**	**1,223**	**28,596**
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	-	(29,904)	3	-	**(29,901)**
Balance as at 31 December 2013	**410,663**	**(327,642)**	**(6,720)**	**33**	**76,334**

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 year.

	No. of Shares	
	31 Dec 14	30 Sep 14
Issued shares at the beginning of the period	5,484,980,836	5,484,980,836
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 14	31 Dec 13
Options granted under 1999 S i2i Employees' Share Option Scheme II	547,645	797,374

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.

Total number of issued shares as at 31st December 2014 is 5,484,980,836 (31st December 2013 : 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 31 December 2013, 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 (12 Months)	Period Ended 31 Dec (18 Months)
	2014	2013	2014	2013
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)	(0.68 cent)	(0.42 cents)	(0.80 cent)	(1.06 cent)
ii) On a fully diluted basis (US cent)	(0.68 cent)	(0.42 cents)	(0.80 cent)	(1.06 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 14	31 Dec 13	31 Dec 14	31 Dec 13
Net asset backing per ordinary share is calculated based on 5,484,980,836 (31/12/2013 : 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).	0.80 cent	1.64 cent	0.52 cent	1.39 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$94.5 million and US$361.8 million during Q4 2014 and FY 2014 respectively. Distribution of Operator products and services in Indonesia grew in local currency terms during the quarter ended 31st December 2014 ("Q4 2014"), however depreciation of approximately 5% in IDR vs US Dollar led to translation differences against results of corresponding period for the quarter ended 31st December 2013 ("Q6 2013"). Demand and margins of Mobile devices and products in major market of Indonesia had also been affected due to severe comptetitive pressures, sharp shift in consumption pattern and distribution channels in our key markets. Demand and margin in ICT distribution and managed services continues to be under pressure due to increased competition and reduced capital expenditure by industries. In addition, during FP 2013, there were also relatively larger project sales with one of the institutional buyers of ICT distribution and managed services. Revenue from ICT distribution and managed services has marginally improved in Q4 2014 over corresponding quarter Q6 2013.

There was decrease in overheads mainly due to continued cost rationalization by the group. This continued focus on costs had resulted in reduction in EBITDA (Loss) for Q4 2014 and FY 2014.

During quarter ended 30th June 2014, the group reached settlement of certain arbitration proceedings and received one time settlement amount. (Please refer to announcement dated 8th April 2014) and also sold Specified Assets in Spice Malaysia and received the sales consideration. (Please refer to announcement dated 17th June 2014).

In accordance with FRS 36 "Impairment of Assets", the Group had carried out impairment testing as at the end of FY 2014. Accordingly, to the extent that the Carrying Amounts exceeded the Recoverable Amounts, Goodwill and other intangible assets amounting to US$ 29.3 million (FP 2013 - US$ 16.2 million) arisen out of acquisition in case of Affinity Group and US$ 6.4 million (FP 2013 - US$6.8 million) in case of subsidiaries forming part of ICT distribution and managed services had been impaired, . The impairment charge in respect of Affinity Group had primarily been on account of changing preference of customers for mobility products and a paradigm shift in the distribution channel via e-commerce and on-line marketing of mobility products. The traditional channels are now being challenged and rendered ineffective because of their high in-built cost structure. Hence, the mobile distribution and retail business in Affinity group is being restructured and optimized via e-commerce focussed strategy in partnership with Google Android 1 ecosystem. Impairment charge in respect of subsidiaries of ICT distribution and managed services resulted due to relatively lower potential earning capacity due to industry challenges and severe downturn in VOIP retail businesses.

Resultantly, the Group incurred a loss before tax of US$42.2 million during Q4 2014 and US$49.4 million during FY 2014 as against the US$23.7 million and US$56.2 million in the corresponding quarter Q6 2013 and FP 2013.

With reduction in intangible assets, sale of specified assets in Malaysia (please refer to announcement dated 17th June 2014) and increased focus on operating efficiencies resulting in reduction mainly in stocks, trade debtors, trade creditors and loans and borrowings , there had been reduction in net assets of the company during the year. Cash in hand as at 31st December 2014 had been US$33.8 million against US$29.1 million as at 31 December 2013.

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

The financial results are in line with the Group's discussion presented under Note 10 of the Company's unaudited financial results announcement for the quarter ended 30 September2014.

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 Company will continue to focus on Distribution of operator products & services business in Indonesia. The company continues to work closely with operators to grow the existing clusters for distribution and Card voucher business. The company has managed the cash flow well in the reported period and managed to cut cost. The postpaid voucher and card business is a stable business which follows rigorous parameters and timelines set by operators. The Company has managed to work well with the parameters set. In Indonesia there are 8 operators in the air time business selling prepaid cards, vouchers, starter packs.

The Information Communication and Technology (ICT) continues to work very closely with the partners like HP, IBM and other MNC partners. The company is putting focus on solutions and services oriented business and also on project based business rather than only hardware sales. The ICT business has built strength in system integration and new solutions aligned with strategy with key principals. The market has moved towards solution sales, from initially being a hardware and software point sales driven market.

Mobile Device business in Indonesia continues to see severe competition in both local brands and MNC brands and the company will closely monitor the situation and competition spends. The company is undertaking restructuring of the mobile device distribution and retail business in light of paradigm shift in preferred distribution channles and shift in consumer preferences. The mobile distribution and retail business in Indonesia will focus on e-commerce based distribution strategy. The retail business will focus on profitable stores and cut costs and non performing stores agressively.

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

Not Applicable.

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)	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 2014	Quarter ended 31 Dec 2014
	US$'000	US$'000
Spice Retail Limited	103	

There was neither renewal nor new IPT mandate obtained during the Annual General Meeting of the Company held on 15th April 2014.

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) Distribution of operator products and services

i) Distribution of mobile prepaid cards

b) ICT distribution and managed services

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.

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)

c) Mobile devices distribution and retail

i) Sale of mobile handsets, related products and services.

	2014				
	Period Ended 31 Dec 2014 (12 Months)				
	Distribution of operator products and services (US$'000)	ICT distribution and managed services (US$'000)	Mobile devices distribution & retail (US$'000)	Operation related to disposal group classified as held for sale (US$'000)	Group (US$'000)
Turnover - external sales	**288,699**	**39,877**	**33,179**	**-**	**361,755**
Cost of goods sold and direct service fees incurred	(275,825)	(28,840)	(31,014)	-	**(335,679)**
Commissions and other selling expenses	(7)	(899)	(290)	-	**(1,196)**
Gross margin	**12,867**	**10,138**	**1,875**	**-**	**24,880**
Other income - operating	100	413	1,679	-	**2,192**
Personnel costs	(5,202)	(8,753)	(4,124)	-	**(18,079)**
Infrastructure costs	(957)	(1,182)	(1,930)	-	**(4,069)**
Marketing expenses	(680)	(27)	(113)	-	**(820)**
Foreign exchange gain/ (loss)	(8)	756	116	-	**864**
Other expenses - operating	(1,079)	(5,197)	(4,683)	-	**(10,959)**
EBITDA - Operating- from continuing operations	**5,041**	**(3,852)**	**(7,180)**	**-**	**(5,991)**
Interest income from deposits and investment securities (Note 19)	13	614	25	-	**652**
Finance costs (Note 20)	(494)	(323)	(273)	-	**(1,090)**
Depreciation of property, plant and equipment (Note 21)	(451)	(356)	(893)	-	**(1,700)**
Amortisation of intangible assets	(375)	(392)	(3,531)	-	**(4,298)**
(Impairment)/write back of intangible assets	-	(6,655)	(29,507)	-	**(36,162)**
(Impairment)/write back of property, plant & equipment	-	-	(394)	-	**(394)**
Gain on disposal of investment	-	-	-	-	**-**
Share of results of associates	-	-	-	-	**-**
Others	(1)	2,066	(2,468)		**(403)**
Profit/ (loss) before taxation	**3,733**	**(8,898)**	**(44,221)**	**-**	**(49,386)**
Taxation (Note 22)	(48)	(284)	5,469	-	**5,137**
Profit/ (loss) after taxation	**3,685**	**(9,182)**	**(38,752)**	**-**	**(44,249)**
Assets:					
Investment in associates					
Segment assets	**16,202**	**49,250**	**12,766**	**-**	**78,218**
Segment liabilities	**4,151**	**18,396**	**11,607**	**-**	**34,154**
Capital expenditure	**372**	**1,000**	**309**	**-**	**1,681**

	2012-13				
	Period Ended 31 Dec 2013 (18 Months)				
	Distribution of operator products and services (US$'000)	**ICT distribution and managed services (US$'000)**	**Mobile devices distribution & retail (US$'000)**	**Operation related to disposal group classified as held for sale (US$'000)**	**Group (US$'000)**
Turnover - external sales	**498,469**	**88,433**	**182,685**	**682**	**770,269**
Cost of goods sold and direct service fees incurred	(479,630)	(62,643)	(168,913)	(317)	**(711,503)**
Commissions and other selling expenses	(7)	(5,588)	(5,155)	(5)	**(10,755)**
Gross margin	**18,832**	**20,202**	**8,617**	**360**	**48,011**
Other income - operating	291	988	1,463	54	**2,796**
Personnel costs	(8,047)	(14,742)	(16,126)	(323)	**(39,238)**
Infrastructure costs	(1,476)	(2,475)	(5,183)	(220)	**(9,354)**
Marketing expenses	(2,223)	(180)	(2,929)	(3)	**(5,335)**
Foreign exchange gain/ (loss) (Note 10)	(413)	(1,391)	2,838	98	**1,132**
Other expenses - operating	(2,575)	(5,803)	(15,242)	(76)	**(23,696)**
EBITDA - Operating- from continuing operations	**4,389**	**(3,401)**	**(26,562)**	**(110)**	**(25,684)**
Interest income from deposits and investment securities (Note 19)	56	816	137	91	**1,100**
Finance costs (Note 20)	(1,509)	(413)	(1,658)	(397)	**(3,977)**
Depreciation of property, plant and equipment (Note 21)	(311)	(1,731)	(2,314)	(56)	**(4,412)**
Amortisation of intangible assets	(55)	(1,064)	(5,195)	(6)	**(6,320)**
Fair value gain/(loss) on investment securities	-	(91)	-		**(91)**
(Impairment)/write back of intangible assets	-	(6,279)	(16,556)	-	**(22,835)**
(Impairment)/write back of property, plant & equipment	-	(493)	-	-	**(493)**
Gain on disposal of investment	-	8,307	-	-	**8,307**
Others	(101)	(509)	(1,652)	(82)	**(2,344)**
Profit/ (loss) before taxation	**2,469**	**(4,858)**	**(53,800)**	**(560)**	**(56,749)**
Taxation (Note 22)	(1,298)	(831)	854	-	**(1,275)**
Profit/ (loss) after taxation	**1,171**	**(5,689)**	**(52,946)**	**(560)**	**(58,024)**
Assets:					
Segment assets	**26,661**	**56,389**	**55,688**	**-**	**138,738**
Segment liabilities	**7,971**	**21,336**	**19,212**	**-**	**48,519**
Capital expenditure	**658**	**824**	**312**	**-**	**1,794**

*- 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 (12 Months)	**Period Ended 31 Dec (18 Months)**				
	31 Dec 14	**31 Dec 13**	**31 Dec 14**	**31 Dec 13**	**31 Dec 14**	**31 Dec 13**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Southeast Asia	351,966	752,698	70,777	130,257	1,670	1,757
South Asia	9,557	15,336	5,985	6,705	10	9
Others	232	1,553	1,456	1,776	1	28
Operations related to disposal group classified as held for sale	-	682		-		-
Total	**361,755**	**770,269**	**78,218**	**138,738**	**1,681**	**1,794**

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 FY 2014, revenue of Distribution of operator products and services grew in local currency terms, however, translation differences consequent to depreciation of local currency against US$ arrested the improvement. Mobile devices distribution and retail business of the company witnessed decline on account of changing preference of customers for mobility products. Demand and margin in ICT distribution and managed services continued to be under pressure due to increased competition and reduced capital expenditure by industries. In addition, during FP 2013, there were also relatively larger project sales with one of the institutional buyers of ICT distribution and managed services. 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 business of the Group is mostly concentrated in South east Asia. The major markets are Indonesia, Singapore, India Malaysia and Thailand.

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		
	12-month Period Ended	18-month Period Ended	12-month Period Ended	18-month Period Ended	12-month Period Ended	18-month Period Ended	%
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013	Change
Sales reported for first half year	174,623	432,856	-	682	174,623	432,174	-59.6%
Loss reported for first half-year	(5,593)	(20,287)	-	(560)	(5,593)	(19,727)	-71.6%
Sales reported for second half-year	187,132	337,413	-	-	187,132	337,413	-44.5%
Loss reported for second half-year	(38,656)	(37,737)	-	-	(38,656)	(37,737)	2.4%

Due to the change of financial year end:

'first half' of the 12 month period ended 31 December 2014 comprises 6-month period ended 30 June 2014 and the 'second half' comprises 6-month period ended 31 December 2014.

'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.

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)	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.	None

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

	Quarter Ended 31 Dec		%	Period Ended 31 Dec (12 Months)	Period Ended 31 Dec (18 Months)	%
	2014	2013		2014	2013	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Turnover	94,479	99,477	-5.0%	361,755	769,587	-53.0%
Other income	711	723	-1.7%	4,912	12,203	-59.7%
Direct service fees incurred and cost of goods sold	(87,946)	(93,114)	-5.6%	(335,679)	(711,282)	-52.8%
Commissions and other selling expenses	(166)	(619)	-73.2%	(1,196)	(10,654)	-88.8%
Personnel costs	(4,911)	(4,871)	0.8%	(18,079)	(38,914)	-53.5%
Infrastructure costs	(788)	(1,024)	-23.0%	(4,069)	(9,134)	-55.5%
Depreciation of property, plant and equipment	(346)	(590)	-41.4%	(1,700)	(4,356)	-61.0%
Amortisation of intangible assets	(1,123)	(1,032)	8.8%	(4,298)	(6,314)	-31.9%
Marketing expenses	(256)	(589)	-56.5%	(820)	(5,332)	-84.6%
Foreign exchange gain/ (loss)	382	1	38100.0%	864	1,034	-16.4%
Finance costs	(181)	(342)	-47.1%	(1,090)	(3,580)	-69.6%
Other expenses	(42,088)	(21,679)	94.1%	(49,986)	(49,379)	1.2%
Share of results of associates	-	-	-	-	(68)	-100.0%
Loss before taxation	**(42,233)**	**(23,659)**	**78.5%**	**(49,386)**	**(56,189)**	**-12.1%**
Taxation	4,934	413	1094.7%	5,137	(1,275)	-502.9%
Loss for the period from continuing operations	**(37,299)**	**(23,246)**	**60.5%**	**(44,249)**	**(57,464)**	**-23.0%**
Operation related to disposal group classified as held for sale						
Loss for the period from discontinued operations, net of tax	-	-	-	-	(560)	-100.0%
Net loss for the period	**(37,299)**	**(23,246)**	**60.5%**	**(44,249)**	**(58,024)**	**-23.7%**
Loss attributable to:						
Owners of the parent	(37,252)	(23,224)	60.4%	(44,344)	(57,925)	-23.4%
Non-controlling interest	(47)	(22)	113.6%	95	(99)	-196.0%
Total	**(37,299)**	**(23,246)**	**60.5%**	**(44,249)**	**(58,024)**	**-23.7%**

N.M. - Not Meaningful

Other income

	Quarter Ended 31 Dec 2014	Quarter Ended 31 Dec 2013	%	Period Ended 31 Dec (12 Months) 2014	Period Ended 31 Dec (18 Months) 2013	%
	US$'000	US$'000	Change	US$'000	US$'000	Change
Interest income from bonds, deposits and investment securities	116	193	-39.9%	652	1,009	-35.4%
Gain on disposal of subsidiaries	-	-	-	-	8,307	100.0%
Waiver of loan	-	144	-100.0%	-	144	-100.0%
Others	595	386	54.1%	4,260	2,743	55.3%
Total other income	**711**	**723**	**-1.7%**	**4,912**	**12,203**	**-59.7%**

Other expenses include the following:

	Quarter Ended 31 Dec 2014	Quarter Ended 31 Dec 2013	%	Period Ended 31 Dec (12 Months) 2014	Period Ended 31 Dec (18 Months) 2013	%
	US$'000	US$'000	Change	US$'000	US$'000	Change
Bank charges	(68)	(107)	-36.4%	(196)	(740)	-73.5%
Collection service fees	(5)	(104)	-95.2%	(258)	(1,344)	-80.8%
Equipment maintenance	(93)	(94)	-1.1%	(355)	(608)	-41.6%
Equipment rental	(50)	(65)	-23.1%	(233)	(340)	-31.5%
Fair value gain/ (loss) on investment securities	-	117	-100.0%	-	(90)	-100.0%
Freight and postage charges	(10)	(23)	-56.5%	(70)	(252)	-72.2%
Gain/ (loss) on disposal of property, plant and equipment	341	24	1320.8%	347	(93)	-473.1%
Impairment of intangible assets	(36,162)	(16,232)	122.8%	(36,162)	(23,350)	54.9%
(Impairment)/ write back of property, plant and equipment	(382)	(493)	-22.5%	(394)	(488)	100.0%
Printing & stationery	(47)	(35)	34.3%	(146)	(224)	-34.8%
Property, plant and equipment written off	-	-	-100.0%	(33)	(364)	N.M.
Professional fees	(647)	(677)	-4.4%	(2,512)	(3,909)	-35.7%
Reversal of/ (allowance for) doubtful trade debts	(756)	(273)	176.9%	490	(1,232)	-139.8%
Reversal of/ (allowance for) doubtful non-trade debts	(369)	-	-	(386)	(110)	250.9%
Reversal of/ (allowance for) stock obsolescence	(356)	(1,325)	-73.1%	(3,478)	(6,989)	-50.2%
Telecommunication expenses	(154)	(171)	-9.9%	(631)	(1,420)	-55.6%
Travelling & entertainment expenses	(341)	(515)	-33.8%	(1,619)	(3,526)	-54.1%
Write-back of allowance for doubtful trade debts	317	53	498.1%	992	347	185.9%
Write-back of allowance for stock obsolescence	450	-	-	1,359	-	-
Write off of stock	(442)	(92)	N.M.	(574)	(581)	-1.2%
Write off of non-trade debts	-	-	-	(1)	-	-
Write off of trade debts	(300)	(104)	188.5%	(2,314)	(44)	5159.1%
Others	(3,014)	(1,563)	92.8%	(3,812)	(4,022)	-5.2%
Total other expenses	**(42,088)**	**(21,679)**	**94.1%**	**(49,986)**	**(49,379)**	**1.2%**

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

	Quarter Ended 31 Dec		Period Ended 31 Dec (12 Months)	Period Ended 31 Dec (18 Months)
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Cash flows from operating activities				
Loss before taxation from continuing operations	**(42,233)**	**(23,659)**	**(49,386)**	**(56,189)**
Loss before taxation from discontinued operations (Note 1(a) 20)	-	-	-	(560)
Total loss before taxation	**(42,233)**	**(23,659)**	**(49,386)**	**(56,749)**
Adjustments for:				
Amortisation of intangible assets	1,123	1,032	4,297	6,320
Impairment of fixed assets	382	493	394	493
Depreciation of property, plant and equipment	346	590	1,700	4,410
Fair value loss on investment securities	-	(117)	-	90
Finance costs	181	342	1,090	3,978
(Gain)/loss on disposal of property, plant and equipment	(341)	(24)	(347)	174
Gain on disposal of a subsidiary	-	-	-	(8,307)
Loss on disposal of a subsidiary	-	-	-	26
Impairment of intangible assets	36,162	16,232	36,162	23,350
Interest income from bonds, deposits and investment securities	(116)	(193)	(652)	(1,100)
Property, plant and equipment written-off	-	-	(33)	364
Share-based payments	-	-	-	1
Share of results of associates	-	-	-	68
(Reversal of)/ allowance for doubtful trade debts	756	273	(490)	1,232
(Reversal of)/ allowance for doubtful non-trade debts	369	-	386	112
(Reversal of) /allowance for employee benefits	214	23	167	(440)
Provision/(write-back) of allowance/ write off of stock obsolescence	1,590	484	709	2,029
Write-back of allowance for doubtful trade debts	(317)	(53)	(992)	(347)
Write off of non-trade debts	-	-	1	-
Write off of trade debts	300	104	2,314	44
Translation differences	(1,586)	(1,612)	(1,821)	(7,377)
Operating loss before working capital changes	**(3,170)**	**(6,085)**	**(6,501)**	**(31,629)**
(Increase)/ decrease in stocks	(4,700)	(1,402)	6,265	10,709
(Increase)/ decrease in trade debtors	398	2,606	11,762	24,535
(Increase)/ decrease in other debtors and deposits	289	(99)	1,544	982
Decrease in prepayments	6,393	2,318	1,580	4,358
(Increase)/ decrease in amount due from associates	-	-	-	(128)
Increase/ (decrease) in trade creditors	1,384	(5,128)	696	(18,459)
(Decrease)/ increase in other creditors and accruals	(490)	(3,814)	(2,130)	(6,481)
Decrease in deferred revenue	(578)	(176)	117	(831)
Cash generated from/ (used in) operating activities	**(474)**	**(11,780)**	**13,333**	**(16,944)**
Interest paid	(181)	(342)	(1,090)	(3,978)
Tax paid	478	3,589	(153)	2,240
Net cash generated from/ (used in) operating activities	**(177)**	**(8,533)**	**12,090**	**(18,682)**
Cash flows from investing activities				
Interest income received from bonds, deposits and investment securities	76	156	431	933
Acquisition of subsidiary MSI China, net of cash acquired	-	-	-	(198)
Acquisition of subsidiary CSL Shenzhen, net of cash acquired	-	-	-	(306)
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	457	112	616	3,455
Partial redemption of investment securities	617	-	617	-
Purchase of property, plant and equipment	(64)	(214)	(1,496)	(1,041)
Additions to intangible assets	(15)	(434)	(185)	(753)
Net cash (used in)/ generated from investing activities	**1,071**	**(380)**	**(17)**	**1,342**
Cash flows from financing activities				
Decrease/ (increase) in cash and bank deposits pledged	(2,961)	3,343	629	1,356
Repayment of loans	(1,273)	4,853	(4,066)	(24,498)
(Repayment of)/ proceeds from bank borrowings	(580)	69	(1,217)	(130)
(Repayment of)/ proceeds from obligations under finance leases	(532)	2,199	(2,066)	1,600
Net cash used in financing activities	**(5,346)**	**10,464**	**(6,720)**	**(21,672)**
Net decrease in cash and cash equivalents	**(4,452)**	**1,551**	**5,353**	**(39,012)**
Cash and cash equivalents at beginning of the period	32,438	21,082	22,633	61,645
Cash and cash equivalents at end of the period	**27,986**	**22,633**	**27,986**	**22,633**

BY ORDER OF THE BOARD

Maneesh Tripathi
Chief Executive Officer

26 February 2014