

Financial Statements and Related Announcement::First Quarter Results

Issuer & Securities

Issuer/ Manager	S I2I LIMITED
Securities	S I2I LIMITED - SG1H33875235 - M09
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	12-May-2015 20:50:11
Status	New
Announcement Sub Title	First Quarter Results
Announcement Reference	SG150512OTHRVK8S
Submitted By (Co./ Ind. Name)	Maneesh Tripathi
Designation	Executive Director and Group CEO
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	First Quarter Financial Statement for the Period ended 31st March 2015. Please see the attached.

Additional Details

For Financial Period Ended	31/03/2015
Attachments	FY2015_Q1_Announcement_final.pdf Total size =304K

Like { 0 } Tweet { 0 } g+1 { 0 }



First Quarter Financial Statement And Dividend Announcement for the Period ended 31st March 2015 (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 Mar		%
	2015	2014	
	S\$'000	S\$'000	Change
		(Restated*)	
Turnover (Note 1)	110,448	108,646	1.7%
Purchases and changes in inventories and direct service fees incurred (Note 2)	(102,697)	(100,680)	2.0%
Commissions and other selling expenses (Note 3)	(133)	(607)	-78.1%
Other income - operating (Note 4)	463	846	-45.3%
Operating expenses (Note 5)	(9,772)	(11,063)	-11.7%
Loss (before interest, depreciation, amortisation and taxation) from operations	(1,691)	(2,858)	-40.8%
Other expenses - non operating (Note 13)	(14)	-	-
Interest income from deposits and investment securities	124	182	-31.9%
Finance costs (Note 14)	(135)	(388)	-65.2%
Depreciation of property, plant and equipment (Note 15)	(370)	(585)	-36.8%
Amortisation of intangible assets (Note 16)	(37)	(1,345)	-97.2%
Loss before taxation	(2,123)	(4,994)	-57.5%
Taxation (Note 17)	(83)	46	-280.4%
Net loss for the period	(2,206)	(4,948)	-55.4%
Loss attributable to:			
Owners of the parent	(2,176)	(4,910)	-55.7%
Non-controlling interest (Note 18)	(30)	(38)	-21.1%
Total	(2,206)	(4,948)	-55.4%

*Starting current financial period from 1.1.2015 (FY 2015), presentation currency has been changed from United States dollar ("US\$") to Singapore dollar ("S\$") (Please refer to announcement dated 27th March 2015) and accordingly prior period figures have also been restated.

Note 1

Turnover

	Quarter Ended 31 Mar		%
	2015	2014	
	S\$'000	S\$'000	Change
		(Restated*)	
Distribution of operator products and services	86,107	85,616	0.6%
ICT distribution and managed services	15,427	10,945	41.0%
Mobile devices distribution & retail	8,914	12,085	-26.2%
Total (Note 2)	110,448	108,646	1.7%

Note 2

Distribution of Operator products and services in Indonesia marginally grew during current quarter ended 31 March 2015 ("Q1 2015") against corresponding quarter ended 31 March 2014 ("Q1 2014"). However, depreciation in local currency IDR led to translation differences and apparently, it showed negligible growth over corresponding quarter Q1 2014. Revenue from ICT distribution and managed services has also improved in Q1 2015 over corresponding quarter Q1 2014. Demand and margins of Mobile devices and products in major market of Indonesia had been affected due to severe competitive pressures, sharp shift in consumption pattern and challenges in distribution channels in our key markets. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred".

Note 3

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

Note 4

Other income - operating mainly included performance incentive from principals, management support services fee, government subsidy and write back of certain accruals no longer required.

Note 5

The operating expenses during Q1 2015 given below showed reduction over Q1 2014.

	Quarter Ended 31 Mar		%
	2015	2014	
	S\$'000	S\$'000	Change
		(Restated*)	
Personnel costs (Note 6)	(6,146)	(5,415)	13.5%
Infrastructure costs (Note 7)	(1,246)	(1,623)	-23.2%
Marketing expenses (Note 8)	(357)	(254)	40.6%
Other expenses - operating (Note 9)	(2,023)	(3,771)	-46.4%
Total operating overheads	(9,772)	(11,063)	-11.7%

Note 6

During the quarter Q1 2015, increase in manpower cost had mainly been on account of one time additional/separation costs.

Note 7

The reduction in infrastructure costs in Q1 2015 was mainly due to rationalisation of infrastructure requirements.

Note 8

Marketing expenses during Q1 2015 had been higher mainly on account of marketing outlay by Affinity group.

Note 9

Other expenses- operating include the following:

	Quarter ended 31 Mar		%
	2015	2014	
	S\$'000	S\$'000	Change
		(Restated*)	
Bank charges	(44)	(38)	15.8%
Collection service fees	(48)	(109)	-56.0%
Equipment maintenance	(118)	(95)	24.2%
Equipment rental	(75)	(83)	-9.6%
Foreign exchange gain/ (loss) (Note 10)	372	157	136.9%
Freight and postage charges	(34)	(27)	25.9%
Printing & stationery	(29)	(63)	-54.0%
Professional fees (Note 11)	(587)	(877)	-33.1%
(Provision)/write back of allowance for doubtful trade debts	3	129	-97.7%
(Provision)/write back of allowance for stock obsolescence (Note 12)	(409)	(1,650)	-75.2%
Telecommunication expenses	(174)	(217)	-19.8%
Travelling & entertainment expenses	(433)	(510)	-15.1%
Write off of stock (Note 12)	(70)	(10)	600.0%
Writeback/(write off) of trade debts	9	(28)	-132.1%
Others	(386)	(350)	10.3%
Total other expenses - operating	(2,023)	(3,771)	-46.4%

Note 10

The foreign exchange movement recognised in Q1 2015 was mainly due to unrealised and realised foreign exchange gain/ loss incurred on fluctuation of SGD against USD, MYR, THB, IDR and INR.

Note 11

There was reduction in professional fee during Q1 2015 against corresponding quarter Q1 2014. In Q1 2014, the professional fees was higher mainly due to 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 (For details, please refer to announcement dated 25th March 2014) and also legal expenses incurred for a case.

Note 12

The amount mainly represented allowances to adjust carrying value of inventories and is net of the provision written back in respect of certain stocks written off during Q1 2015 mainly relating to Mobile devices of Affinity group.

Note 13

Other expenses- non operating include the following:

	Quarter ended 31 Mar		%
	2015	2014	
	S\$'000	S\$'000	Change
		(Restated*)	
Gain/ (loss) on disposal of property, plant and equipment	2	1	100.0%
Others	(16)	(1)	1500.0%
Total other expenses - non operating	(14)	-	

Note 14

The reduction in finance cost during Q1 2015 was mainly on account of reduced loans and bank borrowings by Affinity group.

Note 15

The reduction in depreciation during Q1 2015 against corresponding quarter Q1 2014 was mainly in case of Affinity group.

Note 16

Consequent to impairment of intangible assets as at 31st December 2014, arisen out of acquisitions in earlier years, there was significant reduction in amortisation of intangible assets during Q1 2015 against corresponding quarter Q1 2014.

Note 17

The movement in taxation for Q1 2014 was mainly due to lower provision for taxes in Bharat IT and Affinity group. Corresponding quarter Q1 2014 also included the amounts towards reversal of deferred tax liabilities, consequent to amortisation of intangible assets recognised as part of acquisitions in earlier years. With impairment of these intangible assets on 31st December 2014, related deferred tax liabilities were also reversed.

Note 18

Loss attributable to Non controlling interest mainly related to one of the subsidiaries of Affinity group.

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 Mar		%
	2015	2014	
	S\$'000	S\$'000	Change
		(Restated*)	
Profit/ (loss) for the period	(2,206)	(4,948)	N.M.
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation (Note 19)	805	1,003	N.M.
Net gain/ (loss) on available-for-sale financial assets	(1)	13	N.M.
Other comprehensive (loss)/ income for the period	804	1,016	N.M.
Total comprehensive loss for the period	(1,402)	(3,932)	-64.3%
Total comprehensive (loss)/ income attributable to:			
Owners of the parent	(1,515)	(3,891)	-61.1%
Non-controlling interest	113	(41)	-375.6%
Total	(1,402)	(3,932)	-64.3%

N.M. - Not Meaningful

Note 19

The movement in foreign currency translation was mainly due to movement of USD, MYR, THB, INR and IDR against SGD in Q1 2014.

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 Mar 15	31 Dec 14	31 Mar 15	31 Dec 14
	S\$'000	S\$'000	S\$'000	S\$'000
		(Restated*)		(Restated*)
Current assets	87,716	93,216	34,967	35,062
Inventories (Note 20)	11,228	18,945	39	110
Trade receivables (Note 21)	14,432	15,738	800	818
Other receivables and deposits (Note 22)	5,800	4,888	1,816	1,054
Prepayments (Note 23)	9,772	3,307	472	522
Due from subsidiaries	-	-	2,263	837
Investment securities (Note 24)	-	1,200	-	1,200
Cash and bank deposits pledged	7,842	7,672	4,959	4,776
Cash and cash equivalents	37,374	37,053	24,618	25,745
Tax recoverable (Note 25)	1,268	4,413	-	-
Non-current Assets	9,816	10,343	27,208	26,115
Property, plant and equipment (Note 26)	6,243	6,604	340	361
Intangible assets	212	244	69	82
Investments in subsidiaries	-	-	7,810	7,810
Investment securities (Note 24)	1,835	1,892	1,835	1,892
Long-term loans and advances to subsidiaries	-	-	17,154	15,970
Deferred tax assets	117	113	-	-
Trade receivables (Note 21)	27	274	-	-
Tax recoverable (Note 25)	1,291	1,123	-	-
Other receivables and deposits	91	93	-	-
Total Assets	97,532	103,559	62,175	61,177
Current liabilities	39,015	43,153	23,298	23,141
Trade creditors (Note 27)	14,241	16,036	3,090	3,082
Other creditors and accruals (Note 28)	13,744	12,630	3,778	3,712
Deferred revenue (Note 29)	2,363	1,708	290	466
Lease obligations (Note 30)	433	222	22	28
Loans and bank borrowings (Note 31)	6,341	10,739	-	-
Due to subsidiaries	-	-	16,118	15,853
Due to associates	-	-	-	-
Tax payable	1,893	1,818	-	-
Non-current liabilities	1,579	2,066	186	175
Deferred tax liabilities	3	4	-	-
Provision for employee benefits	1,152	1,166	-	-
Lease obligations (Note 30)	424	646	186	175
Loans and bank borrowings (Note 31)	-	250	-	-
Total Liabilities	40,594	45,219	23,484	23,316
Equity attributable to the owners of the parent				
Share capital	590,515	590,515	590,515	590,515
Accumulated losses	(467,863)	(465,629)	(486,221)	(485,862)
Other reserves	(4,640)	(4,433)	(8,837)	(8,836)
Translation reserve (Note 19)	(60,940)	(62,092)	(56,766)	(57,956)
	57,072	58,361	38,691	37,861
Non-controlling interest (Note 18)	(134)	(21)	-	-
Total Equity	56,938	58,340	38,691	37,861
Total liabilities and equity	97,532	103,559	62,175	61,177

Note 20

The decrease in Inventories of S\$7.7 million was mainly due to inventory reduction in Operator products and services, Mobile devices and IT products.

Note 21

The decrease of S\$ 1.5 million in trade receivables was mainly in respect of Affinity Group and Cavu Group.

Note 22

The increase in Other Receivables and Deposits had mainly been on account of Deposits paid including for new office and receivables on account of Support Services provided to a related party.

Note 23

The increase in prepayments was mainly on account of payment made by Affinity group for purchase of operator products on 31st March 2015. This is normal payment made on every Tuesday, the scheduled day for payment for supplies for the week ahead.

Note 24

The reduction in Investment Securities had been on account of repayment received in terms of the agreement with party to whom loan had been advanced in year 2008. The company has signed a deed of addendum dated 24-Sep-2014 (please refer to announcement dated 24-Sep-14).

Note 25

The movement in Tax recoverable was mainly on account of refund received by Affinity Group.

Note 26

The decrease in property, plant and equipment was mainly due to depreciation of S\$0.4 million recognised during Q1 2015.

Note 27

The decrease in Trade Creditors had mainly been in respect of Cavu Group.

Note 28

The increase in other creditors and accruals was mainly in respect of Affinity Group and ICT Distribution and Managed Services.

Note 29

The increase in deferred revenue was mainly in case of Cavu Group.

Note 30

The Lease Obligations mainly related to Cavu Group.

Note 31

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 31/3/2015		As at 31/12/2014	
Secured (S\$'000)	Unsecured (S\$'000)	Secured (S\$'000)	Unsecured (S\$'000)
4,719	2,055	7,304	3,657

Amount repayable after one year

424	-	646	250
-----	---	-----	-----

Details of any collateral

- Subsidiaries' current assets of S\$27.1 million (31/12/2014 : S\$22.0 million) and property, plant and equipment with carrying amount of S\$1.9 million (31/12/2014: S\$1.9 million) are pledged as security for bank guarantees, standby letters of credit and other bank services.
- Corporate guarantees of S\$8.0 million (31/12/2014 : S\$8.0 million) were given by the Company to enable a subsidiary to obtain credit facility from a supplier.
- Corporate guarantees of S\$5.6 million (31/12/2014 : S\$5.6 million) were given by the subsidiary to enable its subsidiaries to obtain credit facility from suppliers.
- Corporate guarantees of S\$3.0 million (31/12/2014 : S\$3.0 million) were given by the 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 Mar	
	31 Mar 15	31 Mar 14
	S\$'000	S\$'000
		(Restated*)
Cash flows from operating activities		
Profit/ (loss) before taxation from continuing operations	(2,123)	(4,994)
Loss before taxation from discontinued operations (Note 1(a) 21)	-	-
Total profit/ (loss) before taxation	(2,123)	(4,994)
Adjustments for:		
Depreciation and amortisation	424	1,931
Allowance for/ write off of doubtful non-trade debts	429	-
Provision/ write-back of allowance/ write off of doubtful trade debts	(12)	(102)
Provision/ write-back of allowance/ write off of stock obsolescence	189	1,660
Interest income from bonds, deposits and investment securities	(124)	(182)
Impairment of fixed assets	(33)	-
Finance cost	135	388
Translation differences	1,329	693
Other items	(17)	55
Operating loss before working capital changes	197	(551)
Decrease in Inventories	7,568	1,007
Decrease in Trade Receivables	1,075	5,948
(Increase)/decrease in other receivables and deposits	(177)	3,812
(Increase)/decrease in prepayments	(6,465)	311
Decrease in trade creditors	(1,795)	(2,383)
Increase in other creditors and accruals	1,114	1,978
Increase in deferred revenue	655	488
Cash generated from operating activities	2,172	10,610
Interest paid	(135)	(386)
Tax refund/(paid)	1,846	(450)
Net cash generated from operating activities	3,883	9,774
Cash flows from investing activities		
Interest income received from bonds, deposits and investment securities	19	60
Proceeds from disposal of property, plant and equipment	41	10
Receipt from investment in securities	1,200	-
Purchase of property, plant and equipment	(83)	(189)
Additions to intangible assets	-	(140)
Net cash (used in)/ generated from investing activities	1,177	(259)
Cash flows from financing activities		
Decrease/ (increase) in cash and bank deposits pledged	(168)	1,202
Repayment of loans	(4,559)	(4,629)
Repayment of bank borrowings	-	(376)
Repayment of obligations under finance leases	(12)	(631)
Net cash used in financing activities	(4,739)	(4,434)
Net increase in cash and cash equivalents	321	5,081
Cash and cash equivalents at beginning of the period	37,053	28,631
Cash and cash equivalents at end of the period	37,374	33,712

- 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 S\$'000	Total Equity S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Translation reserve S\$'000	Total S\$'000		
The Group							
Balance as at 1 January 2015	590,515	(465,629)	(4,433)	(62,092)	58,361	(21)	58,340
Total comprehensive income/ (loss) for the period	-	(2,234)	(207)	1,152	(1,289)	(113)	(1,402)
Disposal of non-controlling interest	-	-	-	-	-	-	-
Balance as at 31 March 2015	590,515	(467,863)	(4,640)	(60,940)	57,072	(134)	56,938
Balance as at 1 January 2014	590,515	(409,934)	(3,959)	(62,598)	114,024	102	114,126
Total comprehensive (loss)/ income for the period	-	(4,907)	13	1,003	(3,891)	(41)	(3,932)
Partial Disposal of Interest in Subsidiary	-	64	-	-	64	(64)	-
Balance as at 31 March 2014	590,515	(414,777)	(3,946)	(61,595)	110,197	(3)	110,194

	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Translation reserve S\$'000	Total S\$'000
The Company					
Balance as at 1 January 2015	590,515	(485,862)	(8,836)	(57,956)	37,861
Total comprehensive (loss)/ income for the period	-	(359)	(1)	1,190	830
Balance as at 31 March 2015	590,515	(486,221)	(8,837)	(56,766)	38,691
Balance as at 1 January 2014	590,515	(422,680)	(8,707)	(62,565)	96,563
Total comprehensive (loss)/ income for the period	-	(569)	13	(296)	(852)
Balance as at 31 March 2014	590,515	(423,249)	(8,694)	(62,861)	95,711

- 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 Mar 15	31 Dec 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 Mar 15	31 Mar 14
Options granted under 1999 S i2i Employees' Share Option Scheme II	547,645	781,004
Options granted under 2014 Si2i Employees Stock Option plan	274,200,000	-

- 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 March 2015 is 5,484,980,836 (31st December 2014 : 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 2014, 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.**

Starting current financial period from 1.1.2015 (FY 2015), presentation currency has been changed from United States dollar ("US\$") to Singapore dollar ("S\$") (Please refer to announcement dated 27th March 2015) and accordingly prior period figures have also been restated.

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 March	
	2015	2014
Earning per ordinary share for the period after deducting any provision for preference dividends:-		(Restated*)
i) Based on weighted average number of ordinary share in issue (S\$ cent)	(0.04 cent)	(0.09 cent)
ii) On a fully diluted basis (S\$ cent)	(0.04 cent)	(0.09 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 Mar 15	31 Dec 14	31 Mar 15	31 Dec 14
		(Restated*)		(Restated*)
Net asset backing per ordinary share is calculated based on 5,484,980,836 (31/12/2014 : 5,484,980,836) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (S\$ cent).	1.04 cent	1.06 cent	.71 cent	.69 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 S\$110.4 million - an increase of 1.7% over revenue of corresponding quarter. Distribution of Operator products and services in Indonesia marginally grew during current quarter ended 31 March 2015 ("Q1 2015") against corresponding quarter ended 31 March 2014 ("Q1 2014"). However, depreciation in local currency IDR led to translation differences and apparently, it showed negligible growth over corresponding quarter Q1 2014. Revenue from ICT distribution and managed services also improved in Q1 2015 over corresponding quarter Q1 2014. Demand and margins of Mobile devices and products in major market of Indonesia had also been affected due to severe competitive pressures, sharp shift in consumption pattern and challenges in distribution channels in our key markets.

There was a decrease in overheads on account of ongoing cost optimisation measures taken by the company.

With improvement in turnover & margin thereof and reduction in operating overheads, the group incurred lower EBIDTA loss of S\$ 1.7 million against EBIDTA loss of S\$2.9 million in corresponding quarter.

Resultantly, the Group incurred a loss before tax of S\$2.1 million, as against the loss before tax of S\$4.9 million in the corresponding quarter.

With increased focus on operating efficiencies, there had been reduction mainly in stocks, trade debtors, trade creditors and loans and bank borrowings. Cash in hand (net of borrowings) as at 31 March 2015 had been S\$38.0 million against S\$32.9 million as at 31 December 2014.

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 Company will focus on Distribution of operator products & services business which is a steady and robust business in Indonesia and also assist all other BUs. In Indonesia there are 8 key operators in the air time business selling cards, vouchers, starter packs. Indonesia continues to remain more of SMS, BBM and whatsapp led data growth market rather than pure talk time. Hence Android devices and smart phones are growing as data is key for communication on this platform. Infrastructure is still developing and the country is slowly moving from 2G to 3G in many cities and islands. The company continues to work closely with operators to grow and hold the existing clusters for Distribution of operator products & services business. This is a highly working capital and cash intensive business and cash flow management is the key strength of the company in this business unit. The company continues to strive to get more cluster renewals in the ongoing process as setup by the operators.

The ICT distribution & managed services is a steady business based out of Singapore. The company will continue to work very closely with the partners like HP, IBM and other MNC partners and consolidate and grow the business with new solutions and technologies in partnership with the principals. The company is now focusing on large account deals and continues to grow services oriented project based business as compared to hardware oriented sale. Singapore ICT is a tough market with mostly covered on computerization. The growth is in system integration and new solutions aligned with strategy with key principals.

To move towards getting out of the watch list the company has formed a Turnaround committee with Board members and various key team members involved as per requirement. The company will cut down all loss making business units, and divest non strategic businesses to cut losses and also to release working capital locked in. The Turnaround committee is working on a plan to implement these actions. This will help stop the bleed and also cut costs and improve profitability.

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 Mar 2015	Quarter ended 31 Mar 2015
	S\$'000	S\$'000
Spice Retail Limited	228	-
Armorcoat Technologies Pte Ltd	696	-

There was neither renewal nor new IPT mandate obtained during the Annual General Meeting of the Company held on 30th April 2015

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.**

Not Applicable.

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.**

Not Applicable.

17. **A breakdown of sales.**

Not Applicable.

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

Not Applicable

19. **Statement Pursuant to Rule 705(5) of The Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the quarter ended 31st March 2015 to be false or misleading in any material respects.

BY ORDER OF THE BOARD

Maneesh Tripathi
Executive Director and Group Chief Executive Officer

12 May 2015