Financial Statements and Related Announcement::Full Yearly Results

Issuer & Securities

Issuer/ Manager	S I2I LIMITED
Securities	S I2I LIMITED - SG1BD0000008 - BAI
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Announcement Details

Announcement Title	Financial Statements and Related Announcement
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Announcement Sub Title	Full Yearly Results
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Submitted By (Co./ Ind. Name)	Chada Anitha Reddy
Designation	Non-Independent Non-Executive Director
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	Fourth Quarter & Full Year Financial Statement for the year ended 31 December 2016. Please see the attached.

Additional Details

For Financial Period Ended	31/12/2016
Attachments	Si2i_Results_Announcement_4QFY2016.pdf Total size =530K

Fourth Quarter & Full-Year Financial Statement and Dividend announcement for the period ended 31 December 2016 (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		%	Twelve months ended 31 Dec		%
	2016	2015		2016	2015	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Turnover (Note 1)	87,298	83,418	4.7%	325,490	411,924	-21.0%
Purchases and changes in inventories and direct service fees incurred (Note 2)	(80,035)	(77,578)	3.2%	(299,221)	(383,640)	-22.0%
Commissions and other selling expenses (Note 3)	(68)	(42)	61.9%	(262)	(277)	-5.4%
Other income - operating (Note 4)	326	957	-65.9%	2,401	2,592	-7.4%
Operating expenses (Note 5)	(6,834)	(5,808)	17.7%	(25,453)	(31,519)	-19.2%
Other income - non operating (Note 14)	65	3,610	N.M.	974	3,741	-74.0%
Other expenses - non operating (Note 18)	(574)	(1,399)	-59.0%	(228)	(572)	-60.1%
Interest income from deposits and investment securities (Note 19)	144	294	-51.0%	660	591	11.7%
Finance costs (Note 20)	(48)	(96)	-50.0%	(281)	(712)	-60.5%
Depreciation of property, plant and equipment, net (Note 21)	(267)	(348)	-23.3%	(894)	(1,152)	-22.4%
Amortizations of intangible assets, net (Note 22)	(90)	(21)	328.6%	(119)	(106)	12.3%
Profit / (Loss) before taxation						
From continuing operations	**(83)**	**2,987**	**-102.8%**	**3,067**	**870**	**252.5%**
From discontinued operations (Note 24)	-	(39)	-100.0%	-	(210)	-100.0%
Total Profit / (Loss) before taxation	**(83)**	**2,948**	-102.8%	**3,067**	**660**	364.7%
Taxation						
From continuing operations	(268)	439	-161.0%	(1,164)	408	-385.3%
From discontinued operations (Note 24)	-	-	-	-	(2)	-100.0%
Total taxation (Note 23)	**(268)**	**439**	-161.0%	**(1,164)**	**406**	-386.7%
Net Profit / (Loss) after tax for the period						
From continuing operations	**(351)**	**3,426**	**-110.2%**	**1,903**	**1,278**	**48.9%**
From discontinued operations (Note 24)	-	(39)	-100.0%	-	(212)	-100.0%
Total Net Profit / (Loss) after tax for the period	**(351)**	**3,387**	**-110.4%**	**1,903**	**1,066**	**78.5%**
Profit / (Loss) attributable to:						
Owners of the parent	**(365)**	**3,220**	**-111.3%**	**1,892**	**960**	**97.1%**
Non-controlling interest (Note 25)	14	167	-91.6%	11	106	-89.6%
Total	**(351)**	**3,387**	**-110.4%**	**1,903**	**1,066**	**78.5%**

N.M. - Not Meaningful

Note 1

Turnover

	Quarter Ended 31 Dec		%	Twelve months ended 31 Dec		%
	2016	2015		2016	2015	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Distribution of operator products & services	74,780	69,463	7.7%	272,531	349,259	-22.0%
ICT distribution & managed services	8,732	10,905	-19.9%	41,369	45,196	-8.5%
Mobile devices distribution & retail	3,641	3,050	19.4%	11,434	17,469	-34.5%
Battery electric vehicles/others	145	-	N.M.	156	-	N.M.
Total (Note 2)	**87,298**	**83,418**	**4.7%**	**325,490**	**411,924**	**-21.0%**

Note 2

Turnover of Distribution of Operator products & services in Indonesia grew during the quarter ended 31 December 2016 ("Q4 2016") against corresponding quarter of preceding year ended on 31 December 2015 ("Q4 2015"). As announced on 2 October 2015, overall clusters consolidation and reallocation exercise for the distribution of operator products carried out by one of the operators in Indonesia resulted in reduction in number of clusters to one of the subsidiaries of the company in Indonesia. Consequently, as anticipated, this resulted in significant reduction in revenue from Distribution of Operator products & services during the twelve months ended 31 December 2016 ("FY 2016") against corresponding twelve months ended 31 December 2015 ("FY 2015") of preceding year. Revenue from ICT distribution & managed services has shown a decline in Q4 2016 and FY 2016 over corresponding Q4 2015 and FY 2015. To retain and grow margins, one of the subsidiaries engaged in this business has been focusing more on services led business. The company continues to focus on profitable revenue stream of multi-brand, MNC mobile retail business through our own retail shops in Indonesia. During later part of FY 2016, the company through one of the subsidiaries in Singapore has ventured into business of battery electric vehicles and passenger land transport. (Please refer to announcement dated 18 September 2016). Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred".

Note 3

The commissions and other selling expenses were mainly related to ICT distribution & managed services, sale of mobile devices and new business of battery electric vehicles.

Note 4

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

Note 5

Operating expenses included the following:

	Quarter Ended 31 Dec		%	Twelve months ended 31 Dec		%
	2016	2015		2016	2015	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Personnel costs (Note 6)	(4,520)	(3,806)	18.8%	(16,358)	(20,081)	-18.5%
Infrastructure costs (Note 7)	(728)	(839)	-13.2%	(2,622)	(4,075)	-35.7%
Marketing expenses (Note 8)	(412)	100	N.M.	(909)	(1,185)	-23.3%
Other expenses - operating (Note 9)	(1,174)	(1,263)	-7.0%	(5,564)	(6,178)	-9.9%
Total operating overheads	**(6,834)**	**(5,808)**	**17.7%**	**(25,453)**	**(31,519)**	**-19.2%**

Note 6

During Q4 2016, there has been increase in manpower cost over corresponding quarter Q4 2015, primarily due to operator driven manpower requirement/planning and related costs in operator products & services. During Q4 2015, certain provisions in respect of defined benefit plans, as no longer required, were also reversed. However, there has been reduction in manpower cost during FY 2016 over corresponding FY 2015, primarily due to reduction in head count consequent to reduction in allocation of clusters in Indonesia in September 15 and rationalisation measures across the group.

Note 7

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

Note 8

Marketing expenses had mainly been on account of marketing outlay by Affinity group for its Distribution of operator products & services and new business of battery electric vehicles. During Q4 2015, certain accruals in Affinity group and Spice Malaysia, as no longer required, were reversed.

Note 9

Other expenses- operating include the following:

	Quarter Ended 31 Dec		%	Twelve months ended 31 Dec		%
	2016	2015		2016	2015	
	S$'000	S$'000	Change	S$'000	S$'000	Change
Bank charges	(15)	(34)	-55.9%	(89)	(165)	-46.1%
Collection service fees	(69)	(67)	3.0%	(216)	(229)	-5.7%
Equipment maintenance	(89)	(57)	56.1%	(301)	(398)	-24.4%
Equipment rental	(53)	(59)	-10.2%	(214)	(282)	-24.1%
Foreign exchange gain/ (loss) (Note 10)	6	129	-95.3%	55	937	-94.1%
Freight and postage charges	(23)	(31)	-25.8%	(83)	(111)	-25.2%
Printing & stationery	(22)	(22)	0.0%	(77)	(97)	-20.6%
Professional fees (Note 11)	(260)	(429)	-39.4%	(1,332)	(1,682)	-20.8%
(Provision)/write-back of allowance/(write off) of doubtful non-trade debts (Note 12)	27	(51)	-152.9%	-	(29)	-100.0%
(Provision)/write-back of allowance/(write off) of doubtful trade debts (Note 12)	(34)	164	-120.7%	140	(146)	-195.9%
(Provision)/write-back of allowance for stocks obsolecense/(write off) of stocks (Note 12)	(70)	(193)	-63.7%	(870)	(847)	2.7%
Telecommunication expenses (Note 13)	(101)	(118)	-14.4%	(423)	(559)	-24.3%
Travelling & entertainment expenses (Note 13)	(363)	(360)	0.8%	(1,406)	(1,597)	-12.0%
Others	(108)	(135)	-20.0%	(748)	(973)	-23.1%
Total other expenses - operating	**(1,174)**	**(1,263)**	**-7.0%**	**(5,564)**	**(6,178)**	**-9.9%**

Note 10

The foreign exchange movement recognised in Q4 2016 and FY 2016 was mainly due to unrealised and realised foreign exchange gain/(loss) incurred on fluctuation of SGD, USD, MYR, THB, IDR, RMB and INR.

Note 11

There was reduction in professional fee during Q4 2016 and FY 2016 against Q4 2015 and FY 2015 respectively, mainly on account of reduction in management & legal consultancy expenses.

Note 12

The amounts mainly represented allowances to adjust carrying value of trade/non trade receivables and inventories.

Note 13

The decrease in these operating expenses has mainly been on account of reduction in business volumes as compared to FY 2015, however, decrease has been partially offset by increase in case of one of the subsidiaries engaged in ICT distribution & managed services due to its enhanced focus on services led business.

Note 14

Other income - non operating included the following:

	Quarter Ended 31 Dec		**%**	**Twelve months ended 31 Dec**		**%**
	2016	**2015**		**2016**	**2015**	
	S$'000	**S$'000**	**Change**	**S$'000**	**S$'000**	**Change**
Fair value gain on investment securities (Note 15)	-	-	-	-	131	-100.0%
Gain on disposal of property, plant and equipment (Note 16)	4	132	-97.0%	37	132	-72.0%
Gain on disposal of investment (Note 24)	-	3,478	N.M.	-	3,478	N.M.
Others (Note 17)	61	-	N.M.	937	-	N.M.
Total other income - non operating	**65**	**3,610**	**N.M.**	**974**	**3,741**	**-74.0%**

Note 15

The amount represented fair value gain recognised in FY 2015 in respect of certain investment securities described in Note 32.

Note 16

The gain on disposal of property, plant and equipments during FY 2016 was mainly on account of assets of Affinity disposed off, as no longer required.

Note 17

This was primarily in respect of certain unclaimed loan and advance, received against supply of materials in the past by one of the subsidiaries engaged in ICT Distribution & managed services, written back during quarter ended 31 March 2016.

Note 18

The amount in Q4 2016 mainly represented provision against certain receivables in respect of one of the subsidiaries engaged in mobility products and the company. The amount during FY 2016 was also comprised of write back of certain accruals/provisions, in respect of certain non-recurring costs recognised in previous periods as part of alignment of certain business segments in light of industry shifts. The amount in Q4 2015 and FY 2015 mainly represented certain costs related to then ongoing restructuring initiatives and probable losses at the time of receipt of last payment from disposal of Voice business. (Please also refer to announcement dated 30 December 2015 in respect of disposal of Voice business). This was partially offset by write back of certain portion of accruals, as no longer required. These accruals were in respect of certain non-recurring costs recognised in FY 2014 as part of alignment of certain business segments in light of industry shifts.

Note 19

The interest income was mainly on account of deposits with the banks. It also included certain amounts on account of reversal of unearned finance income recognized on 31 December 2015 consequent to receipt of certain instalments of consideration for disposal of Voice business. (Please also refer to Note 24). During Q4 2015, certain interest income on bank deposits related to previous quarters was recognised by one of the subsidiaries engaged in ICT distribution & managed services, resulting in visibly higher interest income against Q4 2016.

Note 20

The reduction in finance cost during Q4 2016 and FY 2016 against corresponding period/s in preceding year was mainly on account of reduced loans and bank borrowings by Cavu & Affinity group.

Note 21

The reduction in depreciation during FY 2016 was mainly on account of Affinity group, Cavu group and the company.

Note 22

The amortisation cost of intangible assets was mainly on account of the company and one of the subsidiaries engaged in ICT distribution & managed services..

Note 23

The increase in taxation during Q4 2016 and FY 2016 against Q4 2015 and FY 2015 respectively was mainly in respect of one of the subsidiaries engaged in ICT distribution & managed services and Affinity Group. The amount in case of one of the subsidiaries engaged in ICT distribution & managed services referred to above also included provision against certain loan and advance written back during Q1 2016. (Please also refer to note no. 17). During Q4 2015, certain provision/s recognised in past in respect of another subsidiary engaged in ICT Distribution & managed services were reversed, as no longer required.

Note 24

Voice Business (Mediaring Communications Pte. Ltd. & Mediaring Network Services Pte. Ltd.)

The Group had disposed off its investment in its subsidiaries namely Mediaring Communications Pte. Ltd. ("MRC") and Mediaring Network Services Pte. Ltd ("MRNS") in December 2015 for a consideration of S$3,000,000 payable in four instalments. The second closing of the Voice Business SPA has been completed on 3 March 2016. (Please refer to announcement dated 3 March 2016). For the purposes of consolidation of its results for group and gain/(loss) on disposal during financial year ended 31 December 2015, the company had considered its operating results for the period ended 30 November 2015 and financial position as at 30 November 2015 respectively, being latest set of month end results.

The results of MRC & MRNS for the period ended 30 November 2015 are as follows:

	1/01/2015 - 30/11/2015
	S$'000
Turnover	**3,385**
Purchases and changes in inventories and direct service fees incurred	(2,515)
Commissions and other selling expenses	(6)
Other income - operating	39
Personnel costs	(311)
Infrastructure costs	(208)
Marketing expenses	(2)
Other operating expenses	(332)
Depreciation of property, plant and equipment	(156)
Loss before taxation	**(106)**
Taxation	-
Loss for the period from discontinued operation	**(106)**

The major classes of assets and liabilities of Voice Business (MRC & MRNS) as at 30 November 2015, gain on its disposal and net cash inflow are as follows:

	30/11/2015
	S$'000
Property, plant and equipment	479
Intangible assets	103
Trade debtors, current	764
Other debtors and deposits, current	140
Cash and cash equivalents	399
Trade creditors	(352)
Other creditors and accruals, current	(427)
Net assets attributable to owners of the parent	**1,106**
Gain on disposal of a subsidiary	1,799
Less: Cash and cash equivalents	(399)
Net cash	**2,506**

I-Gate Holdings Sdn Bhd

The Group had also disposed off its investment in one of its subsidiaries namely I-Gate Holdings Sdn Bhd ("IGH") for a consideration of RM 75,000. The closing of the I-Gate disposal had been completed on 30 December 2015. (Please refer to announcement dated 30 December 2015). For the purposes of consolidation of its results for group and gain/(loss) on disposal, the company had considered its operating results for the period ended 30 November 2015 and financial position as at 30 November 2015 respectively, being the latest set of month end results. Interest on inter company loans, since eliminated at group level, had also not been considered for the purposes of gain/(loss) on disposal at group level. In accordance with FRS 21 "The Effects of Changes in Foreign Exchange Rates", the cumulative translation reserve pertaining to I Gate group had also been reclassified from equity to profit.

The results of I-Gate Holdings Sdn Bhd for the period ended 30 November 2015 were as follows:

	1/01/2015 - 30/11/2015
	S$'000
Turnover	**1,841**
Purchases and changes in inventories and direct service fees incurred	(1,482)
Other income - operating	157
Personnel costs	(143)
Infrastructure costs	(204)
Other operating expenses	(273)
Depreciation of property, plant and equipment	(1)
Finance cost	1
Loss before taxation	**(104)**
Taxation	(2)
Loss for the period from discontinued operation	**(106)**

The major classes of assets and liabilities of I-Gate Holdings Sdn Bhd as at 30 November 2015, gain on its disposal and net cash outflow are as follows:

	30/11/2015
	S$'000
Property, plant and equipment	9
Intangible assets	2
Stocks	68
Trade debtors, current	38
Other debtors and deposits, current	188
Cash and cash equivalents	71
Trade creditors	(20)
Other creditors and accruals, current	(333)
Net assets attributable to owners of the parent	**23**
Gain on disposal of a subsidiary	2
Less: Cash and cash equivalents	(71)
Net cash	**(46)**
Cumulative exchange differences in respect of the net assets of the subsidiary reclassified from equity to profit on loss of control of subsidiary	1,677

Note 25
Profit/(Loss) attributable to Non controlling interest relates 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 Dec		%	Twelve months ended 31 Dec		%
	2016	**2015**		**2016**	**2015**	
	S$'000	**S$'000**	**Change**	**S$'000**	**S$'000**	**Change**
Profit/ (loss) for the period	**(351)**	**3,387**	**-110.4%**	**1,903**	**1,066**	**78.5%**
Other comprehensive income:						
Items that may be reclassified subsequently to profit and loss:						
Foreign currency translation (Note 26)	1,527	(6,087)	N.M	1,004	(1,492)	N.M
Net gain/ (loss) on available-for-sale financial assets	17	(53)	N.M	93	(84)	N.M
Items that will not be reclassified subsequently to profit and loss:						
Revaluation of property, plant and equipment (Note 35)	-	-	-	2,072	-	N.M.
Other comprehensive Income/(Loss) for the period	**1,544**	**(6,140)**	**N.M**	**3,169**	**(1,576)**	**N.M.**
Total comprehensive Income/(Loss) for the period	**1,193**	**(2,753)**	**N.M**	**5,072**	**(510)**	**N.M**
Total comprehensive Income/ (Loss) attributable to:						
Owners of the parent	1,189	(2,782)	N.M	5,108	(467)	N.M
Non-controlling interest	4	29	-86.2%	(36)	(43)	-16.3%
Total	**1,193**	**(2,753)**	**N.M**	**5,072**	**(510)**	**N.M**

N.M. - Not Meaningful

Note 26
The movement in foreign currency translation was mainly due to movement of USD, MYR, THB, INR, RMB and IDR against SGD.

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 16	31 Dec 15	31 Dec 16	31 Dec 15
	S$'000	S$'000	S$'000	S$'000
Current assets	**65,459**	**77,373**	**21,875**	**33,750**
Inventories (Note 27)	13,800	11,660	-	-
Trade receivables (Note 28)	8,712	10,286	113	405
Other receivables and deposits (Note 29)	5,930	6,292	2,280	2,649
Prepayments (Note 30)	3,001	2,043	26	153
Due from subsidiaries (Note 31)	-	-	2,026	158
Loan receivable (Note 32)	1,450	1,687	1,450	1,687
Cash and bank deposits pledged (Note 33)	4,538	11,539	-	4,878
Cash and cash equivalents	27,342	32,802	15,980	23,820
Tax recoverable (Note 34)	686	1,064	-	-
Non-current Assets	**8,089**	**6,694**	**26,365**	**23,482**
Property, plant and equipment (Note 35)	4,798	5,256	22	256
Intangible assets (Note 36)	3	42	3	39
Investments in subsidiaries (Note 31)	-	-	25,067	5,912
Investment properties (Note 35)	2,434	-	-	-
Investment securities (Note 37)	231	137	231	137
Long-term loans and advances to subsidiaries (Note 31)	-	-	1,042	16,451
Deferred tax assets (Note 38)	170	233	-	-
Trade receivables (Note 28)	81	-	-	-
Prepayments (Note 30)	201	166	-	-
Other receivables and deposits (Note 29)	171	860	-	687
Total Assets	**73,548**	**84,067**	**48,240**	**57,232**
Current liabilities	**19,490**	**25,061**	**8,738**	**11,818**
Trade creditors (Note 39)	6,984	8,112	157	1,201
Other creditors and accruals (Note 40)	7,108	10,105	1,624	2,623
Deferred revenue (Note 41)	1,996	2,480	-	280
Lease obligations (Note 42)	18	289	-	29
Loans and bank borrowings (Note 43)	2,527	3,829	-	-
Due to subsidiaries (Note 31)	-	-	6,957	7,685
Tax payable (Note 44)	857	246	-	-
Non-current liabilities	**1,135**	**1,175**	**-**	**167**
Provision for employee benefits (Note 45)	995	786	-	-
Lease obligations (Note 42)	-	192	-	167
Deferred revenue (Note 41)	140	197	-	-
Total Liabilities	**20,625**	**26,236**	**8,738**	**11,985**
Equity attributable to the owners of the parent				
Share capital (Note 46)	580,518	590,515	580,518	590,515
Accumulated losses	(456,086)	(458,390)	(477,593)	(482,029)
Other reserves (Note 47)	(3,595)	(5,361)	(8,657)	(8,750)
Translation reserve (Note 26)	(67,810)	(68,864)	(54,766)	(54,489)
	53,027	**57,900**	**39,502**	**45,247**
Non-controlling interest (Note 25)	(104)	(69)	-	-
Total Equity	**52,923**	**57,831**	**39,502**	**45,247**
Total liabilities and equity	**73,548**	**84,067**	**48,240**	**57,232**

Note 27
The increase in Inventories of S$2.1 million was mainly in Operator products & services and ICT products.

Note 28
The decrease of S$1.5 million in trade receivables was mainly in respect of ICT Distribution & managed services.

Note 29

The Other Receivables and Deposits mainly included balance amount receivable against disposal of Voice business, Operator's fee, GST refund , deposit for buying battery electric vehicles and receivables on account of support services provided to a related party.

Note 30

The increase in prepayments was mainly in respect of Affinity group and ICT Distribution & managed services.

Note 31

During FY 2016, the company has advanced certain sums to one of its subsidiaries primarily for buying battery electric vehicles (Please refer to announcement dated 10 August 2016). The company also converted certain loans and advances paid to its subsidiaries in Indonesia and Malaysia in past into share capital of respective companies. It has waived interest receivable in respect of these loans and advances. (Please also refer to company's announcement/s dated 26 September 2016 and 2 October 2016).

Note 32

The amount represented balance portion of a loan advanced in year 2008. The company had signed a deed of addendum dated 24 September 2014 ('Deed")(please refer to announcement dated 24 September 2014). The party had met its commitments towards partial payment up to 31 March 2015. The loan was due for conversion in September 2016, though subject to certain conditions as per the deed of addendum. However, the party, unilaterally, converted the loan into shares without complying with the conditions of the Deed. The Company has disputed the validity and propriety of the aforesaid conversion. (Please refer to company's announcement dated 28 September 2016).

Note 33

The reduction in pledged deposits had primarily been in respect of Cavu Group, Bharat IT and the company. The reduction is partially offset by pledged deposits in case of Affinity group.

Note 34

The decrease in tax recoverable was mainly on account of refund received in respect of Spice Malaysia and Affinity Group. The decrease has been partially offset by increase in tax recoverable in respect of Bharat IT.

Note 35

An amount of S$2.1 million in property, plant and equipment was recognised on account of revaluation of buildings during current year. Correspondingly, provision for tax of S$0.08 million has also been recognized. (Please refer to Para 5 below in respect of change in accounting policies). The increase was partially offset by depreciation of S$0.9 million recognised during FY 2016 and disposal of certain assets including 3 properties valued at approximately S$1.07 million of Affinity Group, as no longer required (please also refer to announcement dated 30 June 2016 in respect of sale of properties). During FY 2016, the company has incurred capital expenditure of S$1.5 million, as part of its advent in to battery electric vehicles (please also refer to company's announcement/s resting with announcement dated 18 September 2016 in context of battery electric vehicle's business). As at 31 December 2016, certain properties belonging to Affinity group, as rented out, have been reclassified as investment properties.

Note 36

The decrease in intangible assets had mainly been on account of usual amortisation.

Note 37

The amount represented fair value of certain investment in past in shares of a non related listed company in Singapore.

Note 38

The decrease in deferred tax assets was in respect of Bharat IT and Cavu Group.

Note 39

The decrease in Trade Creditors had mainly been in respect of Bharat IT, Affinity group and the company. The decrease has largely been offset by increase in case of Cavu group.

Note 40

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

Note 41

The deferred revenue was mainly in respect of ICT Distribution & Managed services and Affinity Group.

Note 42

The Lease obligations were mainly related to Cavu Group.

Note 43

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

Note 44

The increase in tax payable was mainly in case of Bharat IT and Affinity group.

Note 45

Provision for employee benefits was in respect of Affinity Group and Bharat IT.

Note 46

The company completed on 30 June 2016, distribution of cash of S$0.729 per share totaling to approximately S$10 million to its shareholders (please refer to announcement on 14 June 2016).

Note 47

The increase in other reserves was mainly on account of balance revaluation amount of S$ 1.8 million consequent to revaluation of buildings on 31 March 2016. It has suitably been adjusted on account of sale of 3 properties during Q2 2016. (Please also refer to note 35 above).

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

Amount repayable in one year or less, or on demand

As at 31/12/2016		As at 31/12/2015	
Secured (S$'000)	Unsecured (S$'000)	Secured (S$'000)	Unsecured (S$'000)
2,545	**-**	**2,952**	**1,166**

Amount repayable after one year

-	**-**	**192**	**-**

Details of any collateral

a) Subsidiaries' current assets of S$13.9 million (31/12/2015 : S$22.4 million) and property, plant and equipment with carrying amount of S$1.0 million (31/12/2015: S$1.7 million) are pledged as security for bank guarantees, letters of credit and other bank services.

b) Corporate guarantees of S$8.0 million (31/12/2015 : S$9.3 million) were given by the Company to enable a subsidiary to obtain credit facility from a supplier.

c) Corporate guarantees of S$5.7 million (31/12/2015 : S$5.7 million) were given by the subsidiary to enable its subsidiaries to obtain credit facility from suppliers.

d) Corporate guarantees of S$3.0 million (31/12/2015 : 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 Dec		Twelve months ended 31 Dec	
	2016	2015	2016	2015
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
Profit/ (Loss) before taxation from continuing operations	**(83)**	**2,987**	**3,067**	**870**
Loss before taxation from discontinued operations	-	(39)	-	(210)
Total Profit/ (Loss) before taxation	**(83)**	**2,948**	**3,067**	**660**
Adjustments for:				
Depreciation and amortisation, net	357	399	1,013	1,415
Allowance for/write off of doubtful non-trade debts, net	149	49	176	231
Allowance for/write off/(reversal of allowance) of doubtful trade debts, net	34	(144)	(165)	170
(Reversal of)/Allowance for inventory obsolescence, net	(28)	(1,170)	429	(1,182)
Gain on disposal of subsidiaries	-	(3,478)	-	(3,478)
Interest income from bonds, deposits and investment securities	(144)	(294)	(660)	(591)
Finance cost	48	95	281	711
Unrealised exchange differences	1,610	1,170	817	42
Others	577	(419)	560	(643)
Operating Profit/ (Loss) before working capital changes	**2,520**	**(844)**	**5,518**	**(2,665)**
Changes in working capital				
Decrease/ (Increase) in Inventories	1,572	(1,871)	(2,666)	8,459
(Increase)/Decrease in Trade Receivables	(1,048)	(1,380)	1,654	4,965
Decrease in other receivables and deposits	251	978	765	412
Decrease in prepayments	74	1,115	(993)	1,098
Increase/(Decrease) in trade creditors	2,398	1,921	(1,128)	(7,552)
Decrease in other creditors and accruals	(657)	(507)	(2,997)	(1,765)
(Decrease)/Increase in deferred revenue	(390)	230	(541)	970
Cash generated/ (used) from operating activities	**4,720**	**(358)**	**(388)**	**3,922**
Interest paid	(48)	(95)	(281)	(711)
Income tax refunded/(paid)	(85)	(328)	(116)	2,016
Net cash generated from/ (used in) operating activities	**4,587**	**(781)**	**(785)**	**5,227**
Cash flows from investing activities				
Interest income received from bonds, deposits and investment securities	183	130	756	500
Disposal of subsidiary I-Gate Holdings, net of cash disposed	-	(46)	-	(46)
Disposal of subsidiary MRC & MRNS, net of cash disposed	-	501	-	501
Proceeds from disposal of property, plant and equipment (Note 35)	20	6	1,367	115
Proceeds from investment securities	-	-	-	1,200
Purchase of property, plant and equipment (Note 35)	(727)	(179)	(1,836)	(619)
Purchase of intangible assets	(80)	(3)	(80)	(3)
Net cash (used in)/ generated from investing activities	**(604)**	**409**	**207**	**1,648**
Cash flows from financing activities				
Capital reduction (Note 46)	-	-	(9,996)	-
(Placement)/withdrawal of cash and bank deposits pledged (Note 33)	(320)	(1,934)	7,002	(3,865)
Receipt/(repayment) of loans and bank borrowings (Note 43)	354	2,863	(1,424)	(6,873)
Repayment of obligations under finance leases	(58)	(28)	(464)	(388)
Net cash generated from (used in) financing activities	**(24)**	**901**	**(4,882)**	**(11,126)**
Net increase/(decrease) in cash and cash equivalents	**3,959**	**529**	**(5,460)**	**(4,251)**
Cash and cash equivalents at beginning of the period/year	23,383	32,273	32,802	37,053
Cash and cash equivalents at end of the period/year	**27,342**	**32,802**	**27,342**	**32,802**

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	Total Equity
	Share capital	Accumulated losses	Other reserves	Translation reserve	Total		
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
The Group							
Balance as at 1 January 2016	**590,515**	**(458,390)**	**(5,361)**	**(68,864)**	**57,900**	**(69)**	**57,831**
Total comprehensive income/ (loss) for the period	-	2,257	2,145	(483)	**3,919**	(40)	**3,879**
Capital reduction	(9,997)	-	-	-	**(9,997)**	-	**(9,997)**
Revaluation surplus on disposal of properties	-	412	(396)	-	**16**	-	**16**
Minority interest in share capital	-	-	-	-	**-**	1	**1**
Balance as at 30 September 2016	**580,518**	**(455,721)**	**(3,612)**	**(69,347)**	**51,838**	**(108)**	**51,730**
Total comprehensive (loss)/ income for the period	-	(365)	17	1,537	**1,189**	4	**1,193**
Balance as at 31 December 2016	**580,518**	**(456,086)**	**(3,595)**	**(67,810)**	**53,027**	**(104)**	**52,923**
Balance as at 1 January 2015	**590,515**	**(459,350)**	**(5,277)**	**(67,521)**	**58,367**	**(26)**	**58,341**
Total comprehensive (loss)/ income for the period	-	(2,260)	(31)	(313)	**(2,604)**	(143)	**(2,747)**
Balance as at 30 September 2015	**590,515**	**(461,610)**	**(5,308)**	**(67,834)**	**55,763**	**(169)**	**55,594**
Total comprehensive (loss)/ income for the period	-	3,220	(53)	(1,030)	**2,137**	100	**2,237**
Balance as at 31 December 2015	**590,515**	**(458,390)**	**(5,361)**	**(68,864)**	**57,900**	**(69)**	**57,831**

	Share capital	Accumulated losses	Other reserves	Translation reserve	Total
	S$'000	S$'000	S$'000	S$'000	S$'000
The Company					
Balance as at 1 January 2016	590,515	(482,029)	(8,750)	(54,489)	**45,247**
Total comprehensive (loss)/ income for the period	-	(3,906)	76	(1,258)	**(5,088)**
Capital reduction	(9,997)	-	-	-	(9,997)
Balance as at 30 September 2016	**580,518**	**(485,935)**	**(8,674)**	**(55,747)**	**30,162**
Total comprehensive income for the period	-	8,342	17	981	**9,340**
Balance as at 31 December 2016	**580,518**	**(477,593)**	**(8,657)**	**(54,766)**	**39,502**
Balance as at 1 January 2015	590,515	(486,761)	(8,666)	(56,504)	**38,584**
Total comprehensive (loss)/ income for the period	-	4,703	(33)	1,006	5,676
Balance as at 30 September 2015	**590,515**	**(482,058)**	**(8,699)**	**(55,498)**	**44,260**
Total comprehensive (loss)/ income for the period	-	29	(51)	1,009	**987**
Balance as at 31 December 2015	**590,515**	**(482,029)**	**(8,750)**	**(54,489)**	**45,247**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-back , exercise of share options or warrants , conversion of other issues of equity securities , issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial period.

	No. of Shares	
	31 Dec 16	30 Sep 16
Issued shares at the beginning of the period	13,712,452	13,712,452
Total issued shares at the end of the period	13,712,452	13,712,452

Share consolidation was completed on 30 June 2015 (please refer to announcement dated 30 June 2015).

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 16	31 Dec 15
Options granted under 1999 S i2i Employees' Share Option Scheme II	-	785
Options granted under 2014 S i2i Employees' Stock Option plan	-	685,500

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 31 December 2016 is 13,712,452 (31 December 2015 : 13,712,452).

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 2015, 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.

(a) 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 27 March 2015) and accordingly prior period figures have also been restated.

(b) Affinity Group owns certain building properties in Indonesia. It had carried out valuation of its building properties and it was observed that there is significant difference in the value of these building properties as against carrying value in the books.

Accordingly, starting current financial period from 1.1.2016 (FY 2016), the company has changed its policy in respect of measurement of buildings, whereby, while buildings will continue to be initially recorded at cost, however, subsequently, it will be carried at revalued amounts. Revaluation will be based on valuation by professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. Increases in carrying amounts arising from revaluation, including currency translation differences, will be recognised in other comprehensive income. On revaluation, any accumulated depreciation at the date of revaluation will be eliminated against the gross carrying amount of the asset. The net amount will then be restated to the revalued amount of the asset. Consequently, an amount of S$ 2.1 million in property, plant and equipment was recognised on account of gain on revaluation of buildings. Correspondingly, provision for tax of S$0.08 million has also been recognized. Consequently, an amount of S$ 2.0 million had been recognized as Revaluation reserve as part of other reserves.

(c) 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		Twelve months ended 31 Dec	
	2016	2015	2016	2015
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 (S$ cent)	(2.67 cents)	23.48 cents	13.79 cents	7.01 cents
ii) On a fully diluted basis (S$ cent)	(2.67 cents)	23.48 cents	13.79 cents	7.01 cents

Share consolidation was completed on 30 June 2015 (please refer to announcement dated 30 June 2015). Accordingly, the number of consolidated shares have been used for arriving earning per share for all periods covered above.

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 16	**31 Dec 15**	**31 Dec 16**	**31 Dec 15**
Net asset backing per ordinary share is calculated based on 13,712,452 (31/12/2015 :13,712,452) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (S$ cent).	386.71 cents	422.24 cents	288.07 cents	329.97 cents

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 turnover of S$87.3 million - an increase of 4.7% over revenue of corresponding quarter. Turnover of Distribution of Operator products & services in Indonesia grew during the quarter ended 31 December 2016 ("Q4 2016") against corresponding quarter of preceding year ended on 31 December 2015 ("Q4 2015"). As announced on 2 October 2015, overall clusters consolidation and reallocation exercise for the distribution of operator products carried out by one of the operators in Indonesia resulted in reduction in number of clusters to one of the subsidiaries of the company in Indonesia. Consequently, as anticipated, this resulted in significant reduction in revenue from Distribution of Operator products & services during the twelve months ended 31 December 2016 ("FY 2016") against corresponding twelve months ended 31 December 2015 ("FY 2015") of preceding year. Revenue from ICT distribution & managed services has shown a decline in Q4 2016 and FY 2016 over corresponding Q4 2015 and FY 2015. To retain & grow margins, one of the subsidiaries engaged in this business has been focusing more on services led business. The company continues to focus on profitable revenue stream of multi-brand, MNC mobile retail business through our own retail shops in Indonesia. During later part of FY 2016, the company through one of the subsidiaries in Singapore has ventured into business of battery electric vehicles and passenger land transport. (Please refer to announcement dated 18 September 2016). Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred".

Overheads during FY 2016 were lower on account of cost optimization measures taken by the company.

The group generated Earnings (before interest, depreciation, amortisation and taxation) from continuing operations of S$0.7 million during Q4 2016 against S$0.9 million during corresponding quarter. During FY 2016, the group generated Earnings (before interest, depreciation, amortisation and taxation) from continuing operations of S$2.9 million against Loss (before interest, depreciation, amortisation and taxation) of S$0.9 million in corresponding period FY 2015.

The amount in Q4 2016 mainly represented provision against certain receivables in respect of one of the subsidiaries engaged in mobility products and the company. The amount in Q4 2015 and FY 2015 mainly represented certain costs related to then ongoing restructuring initiatives and probable losses at the time of receipt of last payment from disposal of Voice business. (Please also refer to announcement dated 30 December 2015 in respect of disposal of Voice business). During FY 2016 and FY 2015, certain accruals including in respect of certain non-recurring costs recognised in previous periods as part of alignment of certain business segments in light of industry shifts were written back. In addition, certain unclaimed loan and advance received against supply of materials in past by one of the subsidiaries engaged in ICT Distribution & managed services, were written back during Q1 2016. During FY 2015, the company also disposed off certain businesses engaged in Voice business and Mobility business and consequently recognised gain of S$3.5 million.

The Group incurred loss before tax of S$0.08 million and profit before tax of S$3.0 million from continuing operations during Q4 2016 and FY 2016 respectively as against profit before tax of S$2.9 million and S$0.8 million during corresponding quarter Q4 2015 and FY 2015 respectively.

The company has continued its focus on operating efficiencies and management of working capital in terms of stocks, trade debtors, trade creditors and loans and borrowings in accordance with its business requirements.

During Q2 2016, the company carried out distribution of cash of S$0.729 per share totaling to approximately S$10 million to its shareholders. It also sold certain properties in Indonesia as no longer required. During Q1 2016, a gain of S$2.0 million (net) was recognised on account of revaluation of buildings under property, plant & equipment. During Q3-Q4 2016, the company also incurred capital expenditure of S$1.5 million in respect of its advent in battery electric vehicles. The net assets as of 31 December 2016 were S$52.9 million against S$57.8 million as of 31 December 2015. Cash in hand (net of borrowings) as at 31 December 2016 was S$29.3 million against S$40.0 million as at 31 December 2015.

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 has managed to execute the operator driven plans at the cluster levels and the transition as required by the market in the business of distribution of operator products & services. The company keeps its focus on sustaining the existing operator business in Indonesia and also growing the clusters in some areas. Tight Cash flow management, focused marketing, managing KPI driven incentive schemes is the key to success in this business. The company is continuing its strategy to hold on to existing clusters, fulfil the KPIs and also plans to bid and win new clusters in future to grow business.

The company continues to face a challenge in the business of ICT distribution & managed services in Singapore. The ICT distribution & managed services is a highly competitive business primarily due to the economic scenario and the continuous changes and innovations happening in this space. The ICT Industry has moved to innovative and disruptive offerings & technology and the Cavu group is in the midst of making the paradigm adjustment and a shift towards futuristic services based Offerings like Cloud, IOT, Server consolidation, Virtualization and other services relevant to a developed economy. The hardware business margin keeps diminishing every year due to stiff competition. The hardware and related sales is not growing as expected and mostly hardware is being replaced by alternatives like Cloud and Servers consolidation type of offerings. The company is now focusing on services driven business and key innovative offerings aligned to IBM and HP strategy to improve margins. This turn around will be a big challenge in this competitive land scape and has the key attention of the management.

The company continues its move from 'Information' to 'Innovation' strategy. This is a strategic move to focus on innovative technologies, as the information technologies may not have the desired growth potential. Hence, the company is embarking upon an innovation led business of battery electric vehicles (BEV) with a Chinese manufacturer BYD (Build Your Dreams) in Singapore. Continuous progress is being made on this front. The company has done a soft Pilot launch of 7 BYD BEVs (as B2B taxi model) in the Singapore market place as a Pilot with alliance from App hailing services and will do a test run for 90 days to tabulate results to embark on the next move on strategy.

The company is working on a time bound plan to cut down all loss making businesses, hold and grow profitable businesses and also move from Information to Innovation and moving towards coming out of watch list.

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) Quarter ended 31 Dec 2016 S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000) Quarter ended 31 Dec 2016 S$'000
Smart Innovations Global Pte Ltd (f.k.a. Armorcoat Technologies Pte Ltd)	830	-

There was neither renewal nor new IPT mandate obtained during the Annual General Meeting of the Company held on 29 April 2016.

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 & services

i) Distribution of mobile prepaid cards

b) ICT distribution & 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.

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

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

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

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

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

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

ix) "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;

c) Mobile devices distribution & retail

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

d) Battery electric vehicles (BEV)

i) Business of BEV and passenger land transport

	2016					
	Twelve months ended 31 Dec 2016					
	Distribution of operator products & services (S$'000)	ICT distribution & managed services (S$'000)	Mobile devices distribution & retail (S$'000)	Battery electric vehicles (S$'000)*	Operation related to disposal group classified as held for sale (S$'000)	Group (S$'000)
Turnover - external sales	**272,531**	**41,369**	**11,434**	**156**	**-**	**325,490**
Purchases and changes in inventories and direct service fees incurred	(259,412)	(29,638)	(10,121)	(50)	-	**(299,221)**
Commissions and other selling expenses	(18)	(214)	(4)	(26)	-	**(262)**
Other income - operating	124	1,859	418	-	-	**2,401**
Personnel costs	(5,593)	(9,136)	(1,412)	(217)	-	**(16,358)**
Infrastructure costs	(826)	(1,138)	(657)	(1)	-	**(2,622)**
Marketing expenses	(746)	(11)	(12)	(140)	-	**(909)**
Foreign exchange gain/ (loss)	25	39	-	(9)	-	**55**
Other expenses - operating	(2,200)	(3,018)	(351)	(50)	-	**(5,619)**
Interest income from deposits and investment securities	48	558	54	-	-	**660**
Finance costs	(163)	(114)	(4)	-	-	**(281)**
Depreciation of property, plant and equipment, net	(328)	(299)	(254)	(13)	-	**(894)**
Amortisation of intangible assets, net	-	(119)	-	-	-	**(119)**
Gain/(loss) on disposal of property, plant and equipment	17	-	20	-	-	**37**
Others	189	596	(76)	-	-	**709**
Profit/ (loss) before taxation	**3,648**	**734**	**(965)**	**(350)**	**-**	**3,067**
Taxation	(99)	(961)	(104)	-	-	**(1,164)**
Profit/ (loss) after taxation	**3,549**	**(227)**	**(1,069)**	**(350)**	**-**	**1,903**
Assets:						
Segment assets	**21,307**	**41,720**	**8,613**	**1,908**	**-**	**73,548**
Segment liabilities	**4,919**	**13,811**	**1,848**	**47**	**-**	**20,625**
Capital expenditure	**231**	**139**	**44**	**1,502**	**-**	**1,916**

* This business has been started during FY 2016, hence, no corresponding figures for FY 2015.

	2015				
	Twelve months ended 31 Dec 2015				
	Distribution of operator products & services (S$'000)	**ICT distribution & managed services (S$'000)**	**Mobile devices distribution & retail (S$'000)**	**Operation related to disposal group classified as held for sale (S$'000)**	**Group (S$'000)**
Turnover - external sales	**349,259**	**45,196**	**17,469**	**5,226**	**417,150**
Purchases and changes in inventories and direct service fees incurred	(333,585)	(33,768)	(16,287)	(3,997)	**(387,637)**
Commissions and other selling expenses	(22)	(241)	(14)	(6)	**(283)**
Other income - operating	228	524	1,840	196	**2,788**
Personnel costs	(7,102)	(10,783)	(2,196)	(454)	**(20,535)**
Infrastructure costs	(1,059)	(1,405)	(1,611)	(412)	**(4,487)**
Marketing expenses	(1,146)	(12)	(27)	(2)	**(1,187)**
Foreign exchange (loss)/gain	(45)	716	266	(46)	**891**
Other expenses - operating	(2,420)	(3,465)	(1,230)	(559)	**(7,674)**
Interest income from deposits and investment securities	64	489	38	-	**591**
Finance costs	(407)	(262)	(43)	1	**(711)**
Depreciation of property, plant and equipment, net	(407)	(314)	(431)	(157)	**(1,309)**
Amortisation of intangible assets, net	(30)	(76)	-	-	**(106)**
Fair value gain on investment securities	-	131	-	-	**131**
Gain on disposal of investment	-	3,478	-	-	**3,478**
Professional fees (special projects)	-	(782)	-	-	**(782)**
Gain/(loss) on disposal of property, plant and equipment	145	(16)	3	-	**132**
Others	(234)	(727)	1,171	-	**210**
Profit/ (loss) before taxation	**3,239**	**(1,317)**	**(1,052)**	**(210)**	**660**
Taxation	(56)	365	99	(2)	**406**
Profit/ (loss) after taxation	**3,183**	**(952)**	**(953)**	**(212)**	**1,066**
Assets:					
Segment assets	**20,269**	**57,180**	**6,618**	**-**	**84,067**
Segment liabilities	**4,993**	**18,553**	**2,690**	**-**	**26,236**
Capital expenditure	**-**	**184**	**399**	**39**	**622**

Geographical Segments

The Group has operating offices in three main geographical areas.

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

ii) South Asia includes the operations in India

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

	Turnover		Assets		Capital Expenditure	
	Twelve months ended	**Twelve months ended**			**Twelve months ended**	**Twelve months ended**
	31 Dec 16	**31 Dec 15**	**31 Dec 16**	**31 Dec 15**	**31 Dec 16**	**31 Dec 15**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Southeast Asia	311,892	398,117	61,506	72,829	1,788	569
South Asia	13,569	13,656	10,902	9,870	125	14
Others	29	151	1,140	1,368	3	-
Operations related to disposal group classified as held for sale	-	5,226	-	-	-	39
Total	**325,490**	**417,150**	**73,548**	**84,067**	**1,916**	**622**

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.

As announced on 2 October 2015, overall clusters consolidation and reallocation exercise for the distribution of operator products carried out by one of the operators in Indonesia resulted in reduction in number of clusters to one of the subsidiaries of the company in Indonesia. Consequently, as anticipated, this resulted in significant reduction in revenue from Distribution of Operator products & services during FY 2016 against corresponding preceding year FY 2015. The company continues to focus on profitable revenue stream of multi-brand, MNC mobile retail business through our own retail shops in Indonesia. Demand and margin in ICT distribution & managed services continued to be under pressure due to increased competition and reduced capital expenditure by industries. To retain & grow margins, Bharat IT, subsidiary engaged in this business is focusing more on service led business. The company continues to move away from Device led business, which is not profitable and also taking steps to move away from loss making retail shops and only focus on profitable revenue stream. During later part of FY 2016, the company through its one of the subsidiaries in Singapore has ventured into business of battery electric vehicles and passenger land transport. There was a decrease in overheads mainly due to certain cost cutting measures initiated by the Group in its effort to rein in costs. The business of the Group is mostly concentrated in South east Asia. The major focus during FY 2016 and FY 2015 had been in Indonesia, Singapore and India.

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		
	S$'000		S$'000		S$'000		%
	12-month Ended		12-month Ended		12-month Ended		
	31/12/2016	31/12/2015	31/12/2016	31/12/2015	31/12/2016	31/12/2015	Change
Sales reported for first half year	159,313	218,567	-	3,155	159,313	215,412	-26.0%
Profit/(loss) reported for first half-year	1,789	(3,737)	-	(59)	1,789	(3,678)	-148.6%
Sales reported for second half-year	166,177	198,583	-	2,071	166,177	196,512	-15.4%
Profit/(loss)Loss reported for second half-year	114	4,803	-	(153)	114	4,956	-97.7%

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. 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 appropriate negative statement.

There is no person occupying managerial position in the Group who is related to the substantial shareholder or a director.

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the form set out in appendix 7.7) under rule 720(1).

The Company confirms that it has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Maneesh Tripathi
Group Chief Executive Officer

Chada Anitha Reddy
Director

23 February 2017