

Financial Statements and Related Announcement::Second Quarter and/ or Half Yearly Results

Issuer & Securities

Issuer/ Manager	S I2I LIMITED
Securities	S I2I LIMITED - SG1BD0000008 - BAI
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	11-Aug-2015 23:04:26
Status	New
Announcement Sub Title	Second Quarter and/ or Half Yearly Results
Announcement Reference	SG1508110THR2ZNT
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)	Quarterly update pursuant to Listing Rule 1313(2) for the quarter ended 30 June 2015. Please see the attached.

Additional Details

For Financial Period Ended	30/06/2015
Attachments	WatchList quarter update final.pdf Total size =135K

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Quarterly Update Pursuant to Listing Rule 1313(2) for the quarter ended 30 June 2015

With effect from 4 March 2015, the Company has been placed on the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Watch-List, pursuant to Rule 1311 of the SGX-ST Mainboard Listing Rules.

In accordance with Rule 1313(2), the Board of Directors of the Company would like to provide the following quarterly update on the Company, together with its subsidiaries (collectively, the “Group”).

1. Update on Financial Situation

The group recorded a turnover of S\$108.1 million-a decrease of 3.4% over revenue of corresponding quarter. In spite of depreciation in the local Indonesian currency (“IDR”) that led to translation difference/s, Distribution of Operator products and services segment in Indonesia grew during current quarter ended 30th June 2015 (“Q2 2015”) and first six months ended 30th June 2015 (“1H 2015”) against corresponding quarter (“Q2 2014”) and six months ended on 30th June 2014 (“1H 2014”). Revenue from ICT distribution and managed services segment has shown a marginal decline in Q2 2015 over corresponding quarter Q2 2014; however, its revenue during 1H 2015 has improved as compared to 1H 2014. There has been substantial reduction in revenue from Mobile devices distribution and retail segment as the company continues to move away from Device led business, which is loss making and also taking steps to move away from loss making retail shops to focus on only the profitable revenue stream.

The group incurred a loss before tax of S\$1.6 million and S\$ 3.7 million during Q2 2015 and 1H 2015, as against loss before tax of S\$2.2 million and S\$7.2 million in the corresponding quarter Q2 2014 and six months 1H 2014 respectively. Loss during corresponding quarter Q2 2014 was after taking into account non operating income in the form of consideration for settlement of certain arbitration proceedings.

Cash in hand (Net of borrowings) as at 30th June 2015 had been S\$28.5 million against S\$32.9 million as at 31 December 2014. Temporary reduction was caused mainly due to payment made by Affinity group for purchase of operator products on 30th June 2015. This is normal payment made on every Tuesday, the scheduled day for payment for supplies for the week ahead.



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2. Update on Material Development and Future Direction

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 Company will continue to focus on Distribution of operator products & services segment. In Indonesia there are about 8 key operators in the airtime business selling prepaid mobile airtime cards, vouchers, starter packs. Infrastructure is still developing and the country is slowly moving from 2G to 3G in many cities and islands. 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.

The information and communication technologies (“ICT”) distribution & managed services is a highly competitive 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 focus on service led solutions which has higher margins. 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 and the turnaround committee is working on a time bound plan to 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 an agreed plan to implement these actions. This will help stop the bleed and also cut costs and improve profitability.

By Order of the Board

Maneesh Tripathi
Executive Director & Group CEO

11 August 2015