

S i2i Limited
(Formerly known as Spice i2i Limited)
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S I2I LIMITED

NEWS RELEASE

S i2i PROPOSES S$10 MILLION PAYOUT TO SHAREHOLDERS VIA CAPITAL REDUCTION

- *Payout of 72.9 Singapore cents per share via a capital reduction exercise*
- *Return of Dr. Bhupendra Kumar Modi (Dr. M) as Non-Executive Chairman brings focus on creating shareholder's value*
- *Net profit of S$1.1 million for FY2015 compared to loss of S$55.9 million in FY2014*

Singapore, February 29, 2016 – S i2i Limited ("S i2i", and together with its subsidiaries, collectively, the "Group"), today unveiled a plan for proposed cash distribution of approximately S$10 million (or 72.9 Singapore cents per share) to shareholders via a capital reduction exercise ("Capital Reduction"). In addition, it also posted a turnaround of the Group's financial performance to report a net profit after tax ("net profit") of S$1.1 million for the financial year ending December 31, 2015 ("FY2015"), reversing from a net loss of S$55.9 million in the prior financial year ("FY2014"). The company is on the right track as the 3Q 2015, and 4Q 2015 EBITDA (operating) is positive at approximately S$ 1.06 million and approximately S$ 0.94 mil respectively, however the FY2015 EBITDA is a loss at S$ (0.92) million due to the EBITDA loss attributed to Q12015 and Q2 2015, when the company started its turnaround journey in early 2015.

The proposed cash distribution will be paid out of its cash balances (cash balance declared in 4Q 2015 financial results). This reflects the Group's commitment for

shareholders. The Capital Reduction will not result in any cancellation of shares or a change in the number of shares held by shareholders.

Following the Capital Reduction, the Group's financial position is expected to remain healthy. The Board of Directors of S i2i (the Board") believes that the Group is able to maintain a sufficient cash balance to support its existing operations and to service debt obligations as and when they fall due.

Dr. M, S i2i's Non-Executive Chairman, said, "I am heartened that in the months following my return, the Board and the management has made progress with the divestment of 3 non-core businesses, continuous cost control and hence return to profitability. We have also demonstrated the Group's commitment to its shareholders via the proposed distribution of approximately S$10 million to shareholders. Moving forward, I look forward to working closely with the Board and management towards the shared goal of creating greater value for shareholders who have supported us all these years."

Board members and senior management executives will continually monitor and evaluate the Group's turnaround progress, with a view towards maintaining profitability and to exit the SGX administered Watch-List.

(Note: The Capital Reduction is subject to compliance with the prescribed requirements under the Companies Act (Cap.50) of Singapore and approval by shareholders at an extraordinary general meeting to be convened.)

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About S i2i Limited ("S i2i") (www.spicei2i.com)

Headquartered in Singapore S i2i Limited ("S i2i" or "the Company") has a strategic focus on the distribution of operator products and services, and the offering of a comprehensive suite of Information & Communication Technology (ICT) solutions to both corporate and consumer clients.

S i2i was listed on the Main Board of SGX-ST on November 19, 1999.

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February 29, 2016