First Quarter Financial Statement And Dividend Announcement for the Period ended 31st March 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 Mar		%
	2016	2015	
	S$'000	S$'000	Change
Turnover (Note 1)	79,900	108,766	-26.5%
Purchases and changes in inventories and direct service fees incurred (Note 2)	(73,867)	(101,451)	-27.2%
Commissions and other selling expenses (Note 3)	(39)	(132)	-70.5%
Other income - operating (Note 4)	490	444	10.4%
Operating expenses (Note 5)	(5,817)	(9,463)	-38.5%
Other income - non operating (Note 14)	876	-	N.M.
Other expenses - non operating (Note 15)	461	(14)	N.M.
Interest income from deposits and investment securities (Note 18)	199	124	60.5%
Finance costs (Note 19)	(80)	(136)	-41.2%
Depreciation of property, plant and equipment (Note 20)	(212)	(330)	-35.8%
Amortisation of intangible assets (Note 21)	(16)	(37)	-56.8%
Profit / (Loss) before taxation			
From continuing operations	1,895	(2,229)	185.0%
From discontinued operations	-	106	-100.0%
Total Profit / (Loss) before taxation	**1,895**	**(2,123)**	**189.3%**
Taxation			
From continuing operations	(539)	(83)	549.4%
From discontinued operations	-	-	-
Total taxation (Note 22)	**(539)**	**(83)**	**549.4%**
Net Profit / (Loss) after tax for the period			
From continuing operations	**1,356**	**(2,312)**	**158.7%**
From discontinued operations (Note 23)	-	106	-100.0%
Total Net Profit / (Loss) after tax for the period	**1,356**	**(2,206)**	**161.5%**
Profit / (Loss) attributable to:			
Owners of the parent	1,358	(2,176)	162.4%
Non-controlling interest (Note 24)	(2)	(30)	-93.3%
Total	**1,356**	**(2,206)**	**161.5%**

Note 1

Turnover

	Quarter Ended 31 Mar		%
	2016	2015	
	S$'000	S$'000	Change
Distribution of operator products and services	64,481	86,107	-25.1%
ICT distribution and managed services	12,854	14,353	-10.4%
Mobile devices distribution & retail	2,565	8,306	-69.1%
Total *(Note 2)*	**79,900**	**108,766**	**-26.5%**

Note 2

As announced on 2nd 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 and services during the quarter ended 31st March 2016 ("Q1 2016") against corresponding quarter of preceding year ended 31st March 2015 ("Q1 2015"). Revenue from ICT distribution and managed services has shown a decline in Q1 2016 over corresponding quarter Q1 2015. There has been a planned reduction in revenue from Mobile devices distribution and retail. 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. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred".

Note 3

The commissions and other selling expenses are mainly related to ICT distribution and managed services and sale of mobile devices.

Note 4
Other income - operating mainly included management support services fee, rentals from certain properties, performance incentive from principals, Government subsidy and write back of certain accruals/liabilities no longer required.

Note 5
The operating expenses during Q1 2016 given below showed significant reduction over Q1 2015.

	Quarter Ended 31 Mar		**%**
	2016	**2015**	
	S$'000	**S$'000**	**Change**
Personnel costs (Note 6)	(3,900)	(6,017)	-35.2%
Infrastructure costs (Note 7)	(639)	(1,163)	-45.1%
Marketing expenses (Note 8)	(8)	(356)	-97.8%
Other expenses - operating (Note 9)	(1,270)	(1,927)	-34.1%
Total operating overheads	**(5,817)**	**(9,463)**	**-38.5%**

Note 6
During Q1 2016, there has been reduction in manpower cost over corresponding quarter Q1 2015, primarily due to reduction in head count consequent to reduction in allocation of clusters in Indonesia and ongoing rationalisation measures across the company. There had been increase in head count in case of one of the subsidiaries under ICT distribution and managed services due to enhanced focus on services led business.

Note 7
The reduction in infrastructure costs in Q1 2016 was mainly due to rationalisation of infrastructure requirements.

Note 8
Marketing expenses had been mainly on account of marketing outlay by Affinity group for its Distribution of operator products and services.

Note 9
Other expenses- operating include the following:

	Quarter ended 31 Mar		**%**
	2016	**2015**	
	S$'000	**S$'000**	**Change**
Bank charges	(30)	(43)	-30.2%
Collection service fees	(55)	(48)	14.6%
Equipment maintenance	(86)	(110)	-21.8%
Equipment rental	(58)	(75)	-22.7%
Foreign exchange gain/ (loss) (Note 10)	(31)	391	-107.9%
Freight and postage charges	(19)	(33)	-42.4%
Printing & stationery	(19)	(27)	-29.6%
Professional fees (Note 11)	(320)	(543)	-41.1%
(Provision)/write back of allowance/(write off) of doubtful non-trade debts (Note 12)	(34)	4	N.M.
(Provision)/write back of allowance/(write off) of doubtful trade debts (Note 12)	137	12	1041.7%
(Provision)/write back of allowance for stock obsolescence/(write off) of stocks (Note 12)	(85)	(479)	-82.3%
Telecommunication expenses (Note 13)	(113)	(169)	-33.1%
Travelling & entertainment expenses (Note 13)	(389)	(428)	-9.1%
Others	(168)	(379)	-55.7%
Total other expenses - operating	**(1,270)**	**(1,927)**	**-34.1%**

Note 10
The foreign exchange movement recognised in Q1 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 Q1 2016 against Q1 2015 mainly on account of reduction in management & legal consultancy expenses.

Note 12
The amounts during Q1 2016 and Q1 2015 mainly represented allowances to adjust carrying value of trade/non trade receivables & inventories.

Note 13
The decrease in these operating expenses has mainly been on account of reduction in business volumes as compared to Q1 2015.

Note 14
This is in respect of certain unclaimed loan and advance received against supply of materials in past by Bharat IT, one of the subsidiaries engaged in ICT Distribution & managed services, written back during Q1 2016.

Note 15
Other expenses- non operating include the following:

	Quarter ended 31 Mar		%
	2016	2015	
	S$'000	S$'000	Change
Gain/ (loss) on disposal of property, plant and equipment (Note 16)	(6)	2	N.M.
Others (Note 17)	467	(16)	N.M.
Total other expenses - non operating	**461**	**(14)**	N.M.

Note 16

The loss on disposal of property, plant and equipments during Q1 2016 was mainly on account of certain assets of Affinity disposed off, as no longer required.

Note 17

The amount in Q1 2016 mainly represented write back of certain accruals in respect of certain non-recurring costs recognised in previous periods as part of alignment of certain business segments in light of industry shifts.

Note 18

The interest income during Q1 2016 and Q1 2015 was mainly on account of deposits with the banks.

Note 19

The reduction in finance cost during Q1 2016 against Q1 2015 was mainly on account of reduced loans and bank borrowings by Cavu & Affinity group.

Note 20
The reduction in depreciation was mainly on account of Affinity group.

Note 21
The reduction in amortisation cost of intangible costs during Q1 2016 was mainly on account of Affinity group.

Note 22
The increase in taxation during Q1 2016 against Q1 2015 was mainly in respect of Bharat IT engaged in ICT Distribution & managed services. The amount in case of Bharat IT also included provision against certain loan & advance written back during the quarter. (Please also refer to note no. 15). The increase was partially offset by reduction in provision for taxation in case of Affinity group.

Note 23
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 3rd March 2016. (Please refer to announcement dated 3rd March 2016). For the purposes of consolidation of its results for group and gain/(loss) on disposal during financial year ended 31st December 2015, the company had considered its operating results for the period ended 30th November 2015 and financial position as at 30th November 2015 respectively, being latest set of month end results.

The results of MRC & MRNS for the corresponding quarter ended 31st March 2015 and period ended 30th November 2015 are as follows:

	Quarter ended 31/03/2015	Period covering 1/01/2015 - 30/11/2015
	S$'000	S$'000
Turnover	**1,074**	**3,385**
Purchases and changes in inventories and direct service fees incurred	(754)	(2,515)
Commissions and other selling expenses	(1)	(6)
Other income - operating	19	39
Personnel costs	(83)	(311)
Infrastructure costs	(63)	(208)
Marketing expenses	-	(2)
Other operating expenses	(65)	(332)
Depreciation of property, plant and equipment	(40)	(156)
Loss before taxation	**87**	**(106)**
Taxation	-	-
Loss for the period from discontinued operation	**87**	**(106)**

The major classes of assets and liabilities of Voice Business (MRC & MRNS) as at 30th 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**

<u>I-Gate Holdings Sdn Bhd</u>

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 30th December 2015. (Please refer to announcement dated 30th 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 30th November 2015 and financial position as at 30th 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 corresponding quarter ended 31st March 2015 & period ended 30th November 2015 were as follows:

	Quarter ended 31/03/2015	**Period covering 1/01/2015 - 30/11/2015**
	$'000	**$'000**
Turnover	**607**	**1,841**
Purchases and changes in inventories and direct service fees incurred	(492)	(1,482)
Other income - operating	-	157
Personnel costs	(46)	(143)
Infrastructure costs	(20)	(204)
Other operating expenses	(31)	(273)
Loss (before interest, depreciation, amortisation and taxation) from discontinued operations	**18**	**(104)**
Depreciation of property, plant and equipment	-	(1)
Finance cost	1	1
Loss before taxation	**19**	**(104)**
Taxation	-	(2)
Loss for the period from discontinued operation	**19**	**(106)**

The major classes of assets and liabilities of I-Gate Holdings Sdn Bhd as at 30th 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

<u>Note 24</u>

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 Mar		%
	2016	2015	
	S$'000	S$'000	Change
		(Restated*)	
Profit/ (loss) for the period	**1,356**	**(2,206)**	**161.5%**
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss:			
Foreign currency translation (Note 25)	(1,309)	804	-262.8%
Net gain/ (loss) on available-for-sale financial assets	(54)	(1)	N.M.
Items that will not be reclassified subsequently to profit and loss:			
Gain on revaluation of propery, plant & equipment (Note 33)	2,072	-	N.M.
Total other comprehensive income for the period	**709**	**803**	**-11.7%**
Total comprehensive income/(loss) for the period	**2,065**	**(1,403)**	**247.2%**
Total comprehensive income/(loss) attributable to:			
Owners of the parent	2,107	(1,295)	262.7%
Non-controlling interest	(42)	(108)	-61.1%
Total	**2,065**	**(1,403)**	**247.2%**

N.M. - Not Meaningful

Note 25

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 Mar 16	**31 Dec 15**	**31 Mar 16**	**31 Dec 15**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Current assets	**77,969**	**77,612**	**31,853**	**33,750**
Inventories (Note 26)	13,706	11,660	4	-
Trade receivables (Note 27)	9,167	10,286	154	405
Other receivables and deposits (Note 28)	6,228	6,365	2,852	2,649
Prepayments (Note 29)	2,940	2,209	84	153
Due from subsidiaries	-	-	178	158
Investment securities (Note 30)	1,743	1,687	1,743	1,687
Cash and bank deposits pledged (Note 31)	9,542	11,539	4,378	4,878
Cash and cash equivalents	33,364	32,802	22,460	23,820
Tax recoverable (Note 32)	1,279	1,064	-	-
Non-current Assets	**7,457**	**6,455**	**22,643**	**23,482**
Property, plant and equipment (Note 33)	7,164	5,256	226	256
Intangible assets (Note 34)	24	42	28	39
Investments in subsidiaries	-	-	5,912	5,912
Investment securities (Note 30)	71	137	71	137
Long-term loans and advances to subsidiaries	-	-	16,406	16,451
Deferred tax assets (Note 35)	102	233	-	-
Other receivables and deposits (Note 28)	96	787	-	687
Total Assets	**85,426**	**84,067**	**54,496**	**57,232**
Current liabilities	**24,579**	**25,258**	**10,311**	**11,818**
Trade creditors (Note 36)	5,864	8,112	787	1,201
Other creditors and accruals (Note 37)	10,951	10,105	2,027	2,623
Deferred revenue (Note 38)	3,260	2,677	11	280
Lease obligations (Note 39)	182	289	21	29
Loans and bank borrowings (Note 40)	3,572	3,829	-	-
Due to subsidiaries	-	-	7,465	7,685
Tax payable (Note 41)	750	246	-	-
Non-current liabilities	**951**	**978**	**152**	**167**
Provision for employee benefits	777	786	-	-
Lease obligations(Note 39)	174	192	152	167
Total Liabilities	**25,530**	**26,236**	**10,463**	**11,985**
Equity attributable to the owners of the parent				
Share capital	590,515	590,515	590,515	590,515
Accumulated losses	(457,032)	(458,390)	(481,345)	(482,029)
Other reserves (Note 42)	(3,347)	(5,361)	(8,805)	(8,750)
Translation reserve (Note 25)	(70,128)	(68,864)	(56,332)	(54,489)
	60,008	**57,900**	**44,033**	**45,247**
Non-controlling interest (Note 24)	(112)	(69)	-	-
Total Equity	**59,896**	**57,831**	**44,033**	**45,247**
Total liabilities and equity	**85,426**	**84,067**	**54,496**	**57,232**

Note 26
The increase in Inventories of S$ 2.0 million was mainly due to increase in inventory of Operator products and services & ICT products. The increase had been partially offset by reduction in inventories of Mobile devices.

Note 27
There has been net decrease of S$ 1.1 million in trade receivables mainly on account of Affinity Group and Cavu Group, partially offset by increase in trade receivables of Bharat IT.

Note 28
The Other Receivables and Deposits mainly included balance amount receivable against disposal of Voice business, Operator's fee, GST refund and receivables on account of Support Services provided to a related party.

Note 29
The increase in prepayments had mainly been in respect of Cavu and Affinity group.

Note 30
The Investment Securities comprised convertible portion of a loan advanced in year 2008. The company had signed a deed of addendum dated 24th September 2014 (please refer to announcement dated 24th September 2014). The party had met its commitments towards partial payment up to 31st March 2015. The loan is due for conversion in September 2016.

Note 31
The reduction in pledged deposits had primarily been in respect of Cavu, Bharat IT and Si2i. The reduction is partially offset by pledged deposits in case of Affinity group.

Note 32
The movement in Tax recoverable was mainly on account of Affinity Group and Bharat IT.

Note 33
An amount of S$ 2.1 million in property, plant and equipment was recognised on account of revaluation of buildings. Correspondingly, provision for tax of S$0.08 million has also been recognized. (Please refer to note 5 below in respect of change in accounting policies). The increase was partially offset by depreciation of S$0.2 million recognised during Q1 2016 and disposal of certain assets of Affinity Group no longer required.

Note 34
The decrease in intangible assets had mainly been on account of usual amortisation during Q1 2016.

Note 35
The decrease in deferred tax assets was in respect of Bharat IT and Cavu.

Note 36
The decrease in Trade Creditors had mainly been in respect of Affinity Group and ICT distribution business.

Note 37
The increase in other creditors and accruals was mainly in respect of Cavu group. The increase has been partially offset by decrease in other creditors and accruals in respect of Affinity group and Bharat IT. Please also refer to note 15 above.

Note 38
The increase in deferred revenue was mainly in case of Cavu Group.

Note 39
The reduction in Lease obligations was mainly in respect of Cavu and Affinity Group.

Note 40
The movement in loans and borrowings was mainly on account of utilisation of credit facilities by Affinity and Cavu group, corresponding to the level of operations.

Note 41
The increase in tax payable was mainly in case of Bharat IT and Affinity group.

Note 42
The increase in other reserves was mainly on account of revaluation amount of S$ 2.0 million consequent to revaluation of buildings on 31st March 2016.

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

Amount repayable in one year or less, or on demand

As at 31/3/2016		As at 31/12/2015	
Secured (S$'000)	Unsecured (S$'000)	Secured (S$'000)	Unsecured (S$'000)
1,476	**2,278**	**2,952**	**1,166**

Amount repayable after one year

174	**-**	**192**	**-**

Details of any collateral

a) Subsidiaries' current assets of S$19.3 million (31/12/2015 : S$22.4 million) and property, plant and equipment with carrying amount of S$1.7 (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$5.5 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 Mar	
	31 Mar 16	**31 Mar 15**
	S$'000	**S$'000**
Cash flows from operating activities		
Profit/ (loss) before taxation from continuing operations	**1,895**	**(2,229)**
Loss before taxation from discontinued operations	-	106
Profit/ (loss) before taxation	**1,895**	**(2,123)**
Adjustments for:		
Depreciation and amortisation	227	391
Allowance for/ write off of doubtful non-trade debts, net	34	429
Allowance for/write off of doubtful trade debts, net	(158)	(12)
(Reversal of)/allowance for inventory obsolescence, net	(154)	189
Interest income from bonds, deposits and investment securities	(199)	(124)
Finance costs	80	135
Unrealised exchange differences	(1,297)	1,329
Others	(3)	(17)
Operating profit before working capital changes	**425**	**197**
(Increase)/decrease in inventories	(1,867)	7,568
Decrease in trade receivables	1,423	1,075
Decrease/(increase) in other receivables and deposits	766	(177)
Increase in prepayments	(730)	(6,465)
Decrease in trade creditors	(2,249)	(1,795)
Increase in other creditors and accruals	845	1,114
Increase in deferred revenue	583	655
Cash (used in)/generated from operating activities	**(804)**	**2,172**
Interest paid	(80)	(135)
Income tax (paid)/refunded	(336)	1,846
Net cash (used in)/generated from operating activities	**(1,220)**	**3,883**
Cash flows from investing activities		
Interest income received from bonds, deposits and investment securities	163	19
Proceeds from disposal of property, plant and equipment	67	41
Proceeds from investment securities	-	1,200
Purchase of property, plant and equipment	(86)	(83)
Net cash generated from investing activities	**144**	**1,177**
Cash flows from financing activities		
Withdrawal/(placement) of cash and bank deposits pledged (Note 31)	1,997	(168)
Repayment of loans and bank borrowings (Note 40)	(233)	(4,559)
Repayment of obligations under finance leases	(126)	(12)
Net cash generated from/(used in) financing activities	**1,638**	**(4,739)**
Net increase in cash and cash equivalents	**562**	**321**
Cash and cash equivalents at beginning of the period	32,802	37,053
Cash and cash equivalents at end of the period	**33,364**	**37,374**

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 2016	**590,515**	**(458,390)**	**(5,361)**	**(68,864)**	**57,900**	**(69)**	**57,831**
Total comprehensive income/ (loss) for the period	-	1,358	2,014	(1,264)	**2,108**	(43)	**2,065**
Balance as at 31 March 2016	**590,515**	**(457,032)**	**(3,347)**	**(70,128)**	**60,008**	**(112)**	**59,896**
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	-	(2,176)	1	880	**(1,295)**	(108)	**(1,403)**
Balance as at 31 March 2015	**590,515**	**(461,526)**	**(5,276)**	**(66,641)**	**57,072**	**(134)**	**56,938**

	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 2016	590,515	(482,029)	(8,750)	(54,489)	**45,247**
Total comprehensive (loss)/ income for the period	-	684	(55)	(1,843)	**(1,214)**
Balance as at 31 March 2016	**590,515**	**(481,345)**	**(8,805)**	**(56,332)**	**44,033**
Balance as at 1 January 2015	590,515	(486,761)	(8,666)	(56,504)	**38,584**
Total comprehensive (loss)/ income for the period	-	(301)	(1)	409	**107** -
Balance as at 31 March 2015	**590,515**	**(487,062)**	**(8,667)**	**(56,095)**	**38,691**

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 16	**31 Dec 15**
Issued shares at the beginning of the period	13,712,452	13,712,452
Issued shares at the end of the period	13,712,452	13,712,452

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 16	**31 Mar 15**
Options granted under 1999 S i2i Employees' Share Option Scheme II	785	547,645
Options granted under 2014 Si2i Employees Stock Option plan	137,125	274,200,000

During the previous financial year, share consolidation of 400:1 was completed on 30th June 2015 (please refer to announcement dated 30th June 2015).

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 2016 is 13,712,452 (31st 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 financial period from 1.1.2015 (FY 2015), presentation currency had 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.

(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 has 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 March	
	2016	**2015**
		(Restated*)
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)	9.90 cents	(15.87 cents)
ii) On a fully diluted basis (S$ cent)	9.90 cents	(15.87 cents)

During previous financial year, share consolidation of 400:1 was completed on 30th June 2015 (please refer to announcement dated 30th 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 Mar 16	**31 Dec 15**	**31 Mar 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**).	437.62 cents	422.24 cents	321.12 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 a turnover of S$79.9 million - a decrease of 26.5% over revenue of corresponding quarter. As announced on 2nd 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 and services during the quarter ended 31st March 2016 ("Q1 2016") against corresponding quarter of preceding year ended 31st March 2015 ("Q1 2015"). Revenue from ICT distribution and managed services has shown a decline in Q1 2016 over corresponding quarter Q1 2015. There has been a planned reduction in revenue from Mobile devices distribution and retail. 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. Correspondingly, there has been change in "Purchases and changes in inventories and direct services fee incurred".

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

Inspite of reduction in revenue, with improvement in margin, other income and reduction in operating overheads, the group earned marginal Earnings (before interest, depreciation, amortisation and taxation) from continuing operations of S$0.6 million during Q1 2016 against Loss (before interest, depreciation, amortisation and taxation) of S$1.8 million during corresponding quarter.

During Q1 2016, certain accruals 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 Bharat IT, one of the subsidiaries engaged in ICT Distribution & managed services, were written back during Q1 2016.

Resultantly, the Group earned profit before tax of S$1.9 million during Q1 2016, as against the loss before tax of S$2.2 million in the corresponding quarter.

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 Q1 2016, a gain of S$ 2.0 million (net) was recognised on account of revaluation of buildings under property, plant & equipment. The net assets as of 31st March 2016 were S$59.9 million against S$57.8 million as of 31st December 2015. Cash in hand (net of borrowings) as at 31 March 2016 was S$38.9 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 keeps its focus on operator business, continuously cutting costs and trying to improve margins and hold the existing clusters for Distribution of operator products & services business. Cash flow management, marketing as per operator guidelines and swift execution is the key strength of the company in this business unit. The company continues to strive to get more clusters. The company has succesfully completed KPIs as per requirements and cleared probations of the allocated clusters in Indonesia Telekomsel business for the 3 year period starting from Oct 2015.

The company has fully moved away from Device led business, and is in last stages of clearing residual inventory and all related costs have been removed.

The ICT distribution & managed services is a highly competitive business primarily based out of Singapore. The industry is saturating and there is a challenge in this industry especially in the manufacturing and the banking sector. The company will continue focusing on large account deals 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. The company has taken strict cost cutting measures and is now focusing on Cloud related service oriented sales strategy to improve margins. This is a new growth area and being an early starter will help the company in the long run. 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.

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 the divestment of Voice business and I Gate entities is the first result this team has produced. The company has also cut down and curtailed/managed cost to keep the cash intact as far as possible.

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

	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 2016	Quarter ended 31 Mar 2016
Name of interested person	S$'000	S$'000
Armorcoat Technologies Pte Ltd	557	-

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

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 2016 to be false or misleading in any material respects.

20. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the formet 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 format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Maneesh Tripathi
Executive Director and Group Chief Executive Officer

Chada Anitha Reddy
Director

13 May 2016