

Second Quarter Financial Statements and Dividend announcement for the period ended 30th June 2015 (Unaudited)

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year:

	Quarter Ended 30 Jun		%	Half Year ended 30 Jun		%
	2015	2014		2015	2014	
	S$'000	S$'000	Change	S$'000	S$'000	Change
		(Restated*)			(Restated*)	
Turnover (Note 1)	108,119	111,909	-3.4%	218,567	220,555	-0.9%
Purchases and changes in inventories and direct service fees incurred (Note 2)	(100,503)	(104,190)	-3.5%	(203,200)	(203,163)	0.0%
Commissions and other selling expenses (Note 3)	(85)	(417)	-79.6%	(218)	(1,024)	-78.7%
Other income - operating (Note 4)	896	650	37.8%	1,359	1,496	-9.2%
Operating expenses (Note 5)	(9,706)	(10,629)	-8.7%	(19,479)	(23,398)	-16.7%
Loss (before interest, depreciation, amortisation and taxation) from operations	**(1,279)**	**(2,677)**	**-52.2%**	**(2,971)**	**(5,534)**	**-46.3%**
Other income - non operating (Note 13)	-	2,514	-100.0%	-	2,514	-100.0%
Other expenses - non operating (Note 14)	162	(41)	-495.1%	166	(40)	-515.0%
Interest income from deposits and investment securities	132	307	-57.0%	256	489	-47.6%
Finance costs (Note 15)	(224)	(383)	-41.5%	(359)	(772)	-53.5%
Depreciation of property, plant and equipment (Note 16)	(388)	(577)	-32.8%	(775)	(1,162)	-33.3%
Amortisation of intangible assets (Note 17)	(26)	(1,331)	-98.0%	(63)	(2,677)	-97.6%
(Loss)/profit before taxation	**(1,623)**	**(2,188)**	**-25.8%**	**(3,746)**	**(7,182)**	**-47.8%**
Taxation (Note 18)	92	57	61.4%	9	104	-91.3%
Net loss for the period	**(1,531)**	**(2,131)**	**-28.2%**	**(3,737)**	**(7,078)**	**-47.2%**
(Loss)/profit attributable to:						
Owners of the parent	(1,517)	(2,098)	-27.7%	(3,693)	(7,008)	-47.3%
Non-controlling interest (Note 19)	(14)	(33)	-57.6%	(44)	(70)	-37.1%
Total	**(1,531)**	**(2,131)**	**-28.2%**	**(3,737)**	**(7,078)**	**-47.2%**

N.M. - Not Meaningful

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

Note 1

Turnover

	Quarter Ended 30 Jun		%	Half Year ended 30 Jun		%
	2015	2014		2015	2014	
	S$'000	S$'000	Change	S$'000	S$'000	Change
		(Restated*)			(Restated*)	
Distribution of operator products and services	93,122	88,908	4.7%	179,230	174,523	2.7%
ICT distribution and managed services	11,017	11,367	-3.1%	26,444	22,312	18.5%
Mobile devices distribution & retail	3,980	11,634	-65.8%	12,893	23,720	-45.6%
Total (Note 2)	**108,119**	**111,909**	**-3.4%**	**218,567**	**220,555**	**-0.9%**

Note 2

Inspite of depreciation in local IDR that led to translation difference/s, Distribution of Operator products and services 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 has shown a marginal decline in Q2 2015 over corresponding quarter Q2 2014, however, its revenue during 1H 2015 has improved against 1H 2014. There has been 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 decrease in commissions and other selling expenses was mainly due to decrease in VOIP stream of business of ICT distribution and managed services and sale of mobile devices.

Note 4

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

Note 5

The operating expenses during Q2 2015 given below showed reduction over Q2 2014 and 1H 2014.

	Quarter Ended 30 Jun		%	Half Year ended 30 Jun		%
	2015	2014		2015	2014	
	S$'000	S$'000	Change	S$'000	S$'000	Change
		(Restated*)			(Restated*)	
Personnel costs (Note 6)	(5,555)	(5,787)	-4.0%	(11,702)	(11,202)	4.5%
Infrastructure costs (Note 7)	(1,136)	(1,227)	-7.4%	(2,383)	(2,850)	-16.4%
Marketing expenses (Note 8)	(506)	(535)	-5.4%	(863)	(789)	9.4%
Other expenses - operating (Note 9)	(2,509)	(3,080)	-18.5%	(4,531)	(8,557)	-47.0%
Total operating overheads	**(9,706)**	**(10,629)**	**-8.7%**	**(19,479)**	**(23,398)**	**-16.7%**

Note 6

During the quarter Q2 2015, there has been marginal reduction in manpower cost over corresponding quarter Q2 2014, however, due to certain one time additional/separation costs in Q1 2015, marginal increase can be witnessed during 1H 2015.

Note 7

The reduction in infrastructure costs in Q2 2015 and 1H 2015 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 30 Jun		%	Half Year ended 30 Jun		%
	2015	2014		2015	2014	
	S$'000	S$'000	Change	S$'000	S$'000	Change
		(Restated*)			(Restated*)	
Bank charges	(61)	(55)	10.9%	(106)	(93)	14.0%
Collection service fees	(52)	(103)	-49.5%	(100)	(212)	-52.8%
Equipment maintenance	(116)	(117)	-0.9%	(234)	(212)	10.4%
Equipment rental	(75)	(74)	1.4%	(150)	(157)	-4.5%
Foreign exchange gain/ (loss) (Note 10)	136	73	86.3%	508	230	120.9%
Freight and postage charges	(23)	(21)	9.5%	(58)	(48)	20.8%
Printing & stationery	(25)	(31)	-19.4%	(54)	(95)	-43.2%
Professional fees (Note 11)	(597)	(821)	-27.3%	(1,187)	(1,698)	-30.1%
(Provision)/write back of allowance for doubtful non-trade debts	(8)	-	-	(4)	-	-
(Provision)/write back of allowance for doubtful trade debts (Note 12)	(428)	2,188	-119.6%	(425)	2,318	-118.3%
(Provision)/write back of allowance for stock obsolescence (Note 12)	(353)	(572)	-38.3%	(762)	(3,929)	-80.6%
Telecommunication expenses	(170)	(200)	-15.0%	(344)	(417)	-17.5%
Travelling & entertainment expenses	(429)	(611)	-29.8%	(861)	(1,121)	-23.2%
Write off of non-trade debts	-	(1)	-100.0%	-	(1)	-100.0%
Write off of stock	6	-	-	(64)	(10)	540.0%
Write off of trade debts (Note 12)	(2)	(2,411)	-99.9%	7	(2,439)	-100.3%
Others	(312)	(324)	-3.7%	(697)	(673)	3.6%
Total other expenses - operating	**(2,509)**	**(3,080)**	**-18.5%**	**(4,531)**	**(8,557)**	**-47.0%**

Note 10

The foreign exchange movement recognised in Q2 2015 and 1H 2015 was mainly due to unrealised and realised foreign exchange gain/ loss incurred on fluctuation of SGD against USD, MYR, THB, IDR and INR.

Note 11

There was reduction in professional fee during Q2 2015 and 1H 2015 against corresponding quarter Q1 2014 and 1H 2014 respectively. In 1H 2014, the professional fees was higher mainly due to costs incurred with respect to special audit procedures undertaken consequent to emphasis of matters reported by auditors in respect of accounts for the year ended 31st December 2013 (For details, please refer to announcement dated 25th March 2014) and also legal expenses incurred for a case.

Note 12

During corresponding quarter Q2 2014, there had been sale of Specified Assets of mobility subsidiaries of the company in Malaysia ("Spice Malaysia") including inventories and assignment of certain trade receivables. Consequently, write off against such assignment had been recognised under write off of trade debts during Q2 2014. Allowances recognised in past in respect of these receivables had been written back. Please also refer to announcement dated 17th June 2014. The amounts in case of inventories mainly represented allowances to adjust carrying value of inventories. The amount during 1H 2015 is net of the provision written back in respect of certain stocks written off during Q1 2015 mainly relating to Mobile devices of Affinity group.

Note 13

The amount in Q2 2014 represented consideration against settlement of certain arbitration proceedings.

Note 14

Other expenses- non operating include the following:

	Quarter Ended 30 Jun		%	Half Year ended 30 Jun		%
	2015	2014		2015	2014	
	S$'000	S$'000	Change	S$'000	S$'000	Change
		(Restated*)			(Restated*)	
Fair value gain/ (loss) on investment securities (Note 25)	130	-	-	130	-	-
Gain/ (loss) on disposal of property, plant and equipment	(5)	21	-123.8%	(3)	23	-113.0%
(Impairment)/ write back of property, plant and equipment	38	(15)	N.M	56	(15)	N.M
Others	(1)	(47)	-97.9%	(17)	(48)	-64.6%
Total other expenses - non operating	**162**	**(41)**	**N.M**	**166**	**(40)**	**N.M**

Note 15

The reduction in finance cost during Q2 2015 and 1H 2015 against corresponding periods was mainly on account of reduced loans and bank borrowings by Affinity group.

Note 16

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

Note 17

Consequent to impairment of intangible assets as at 31st December 2014, arisen out of acquisitions in earlier years, there was significant reduction in amortisation of intangible assets during Q2 2015 and 1H 2015 against corresponding quarter Q2 2014 and 1H 2014.

Note 18

During Q2 2015, certain provision recognised in the quarter ended December 2014 in respect of a Malaysian subsidiary, now no longer required, has been reversed. There had been lower provision for taxes in Bharat IT and Affinity group during Q2 2015 and 1H 2015. Corresponding quarter Q2 2014 and six months 1H 2014 also included the amounts towards reversal of deferred tax liabilities, consequent to amortisation of intangible assets recognised as part of acquisitions in earlier years. With impairment of these intangible assets on 31st December 2014, related deferred tax liabilities were also reversed.

Note 19

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

A statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Quarter Ended 30 Jun		%	Half Year ended 30 Jun		%
	2015	2014		2015	2014	
	S$'000	S$'000	Change	S$'000	S$'000	Change
		(Restated*)			(Restated*)	
Profit/ (loss) for the period	**(1,531)**	**(2,131)**	**-28.2%**	**(3,737)**	**(7,078)**	**-47.2%**
Other comprehensive income:						
Items that may be reclassifed subsequently to profit and loss:						
Foreign currency translation (Note 20)	(1,633)	(790)	106.7%	(829)	212	N.M
Net gain/ (loss) on available-for-sale financial assets	(3)	(37)	N.M.	(3)	(24)	-87.5%
Other comprehensive (loss)/ income for the period	**(1,636)**	**(827)**	**97.8%**	**(832)**	**188**	**N.M**
Total comprehensive loss for the period	**(3,167)**	**(2,958)**	**7.1%**	**(4,569)**	**(6,890)**	**-33.7%**
Total comprehensive (loss)/ income attributable to:						
Owners of the parent	(3,166)	(2,925)	8.2%	(4,530)	(6,816)	-33.5%
Non-controlling interest	(1)	(33)	-97.0%	(39)	(74)	-47.3%
Total	**(3,167)**	**(2,958)**	**7.1%**	**(4,569)**	**(6,890)**	**-33.7%**

N.M. - Not Meaningful

Note 20

The movement in foreign currency translation was mainly due to movement of USD, MYR, THB, INR and IDR against SGD in Q2 2015 and 1H 2015.

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	
	30 Jun 15	31 Dec 14	30 Jun 15	31 Dec 14
	S$'000	S$'000 (Restated*)	S$'000	S$'000 (Restated*)
Current assets	**83,370**	**93,216**	**32,280**	**35,062**
Inventories (Note 21)	11,023	18,945	-	110
Trade receivables (Note 22)	12,236	15,738	520	818
Other receivables and deposits (Note 23)	5,454	4,888	1,419	1,054
Prepayments (Note 24)	11,489	3,307	459	522
Due from subsidiaries	-	-	1,991	837
Investment securities (Note 25)	-	1,200	-	1,200
Cash and bank deposits pledged	8,309	7,672	4,851	4,776
Cash and cash equivalents	34,302	37,053	23,040	25,745
Tax recoverable (Note 26)	557	4,413	-	-
Non-current Assets	**9,530**	**10,343**	**27,642**	**26,115**
Property, plant and equipment (Note 27)	5,792	6,604	306	361
Intangible assets	186	244	58	82
Investments in subsidiaries	-	-	7,810	7,810
Investment in associates	-	-	-	-
Investment securities (Note 25)	1,991	1,892	1,991	1,892
Long-term loans and advances to subsidiaries	-	-	17,477	15,970
Deferred tax assets	113	113	-	-
Trade receivables (Note 22)	27	274	-	-
Tax recoverable (Note 26)	1,334	1,123	-	-
Other receivables and deposits	87	93	-	-
Total Assets	**92,900**	**103,559**	**59,922**	**61,177**
Current liabilities	**37,603**	**43,153**	**21,414**	**23,141**
Trade creditors (Note 28)	8,887	16,036	2,382	3,082
Other creditors and accruals (Note 29)	11,559	12,630	3,152	3,712
Deferred revenue (Note 30)	2,355	1,708	289	466
Lease obligations (Note 31)	136	222	14	28
Loans and bank borrowings (Note 32)	13,538	10,739	-	-
Due to subsidiaries	-	-	15,577	15,853
Tax payable	1,128	1,818	-	-
Non-current liabilities	**1,527**	**2,066**	**180**	**175**
Deferred tax liabilities	4	4	-	-
Provision for employee benefits	1,106	1,166	-	-
Lease obligations (Note 31)	417	646	180	175
Loans and bank borrowings (Note 32)	-	250	-	-
Total Liabilities	**39,130**	**45,219**	**21,594**	**23,316**
Equity attributable to the owners of the parent				
Share capital	590,515	590,515	590,515	590,515
Accumulated losses	(469,445)	(465,629)	(485,916)	(485,862)
Other reserves	(4,577)	(4,433)	(8,840)	(8,836)
Translation reserve (Note 20)	(62,588)	(62,092)	(57,431)	(57,956)
	53,905	**58,361**	**38,328**	**37,861**
Non-controlling interest (Note 19)	(135)	(21)	-	-
Total Equity	**53,770**	**58,340**	**38,328**	**37,861**
Total liabilities and equity	**92,900**	**103,559**	**59,922**	**61,177**

Note 21

The decrease in Inventories of S$7.9 million was mainly due to inventory reduction in Operator products and services, Mobile devices and ICT products.

Note 22

The decrease of S$ 3.5 million in trade receivables was mainly in respect of Affinity Group and Cavu Group.

Note 23

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

Note 24

The increase in prepayments was mainly on account of 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.

Note 25

The reduction in Investment Securities had been on account of repayment received in terms of the agreement with party to whom loan had been advanced in year 2008. The company had signed a deed of addendum dated 24-Sep-2014 (please refer to announcement dated 24-Sep-14). The party has met its commitments towards partial payment up to 31st March 2015. During current quarter Q2 2015, a fair value gain of SGD 0.1 million has also been recognised in respect of these investment securities.

Note 26

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

Note 27

The decrease in property, plant and equipment was mainly due to depreciation of S$0.8 million recognised during 1H 2015.

Note 28

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

Note 29

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

Note 30

The increase in deferred revenue was mainly related to Cavu Group.

Note 31

The Lease obligations mainly related to Cavu Group.

Note 32

The increase in loans and borrowings was mainly on account of utilisation of credit facilities with the banks, corresponding to the level of operations.Please also refer to note no.24 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 30/6/2015		As at 31/12/2014	
Secured (S$'000)	Unsecured (S$'000)	Secured (S$'000)	Unsecured (S$'000)
11,166	**2,508**	**7,304**	**3,657**

Amount repayable after one year

417	**-**	**646**	**250**

Details of any collateral

a) Subsidiaries' current assets of S$29.1 million (31/12/2014 : S$22.0 million) and property, plant and equipment with carrying amount of S$1.8 million (31/12/2014: S$1.9 million) are pledged as security for bank guarantees, standby letters of credit and other bank services.

b) Corporate guarantees of S$8.0 million (31/12/2014 : S$8.0 million) were given by the Company to enable a subsidiary to obtain credit facility from a supplier.

c) Corporate guarantees of S$5.7 million (31/12/2014 : S$5.6 million) were given by the subsidiary to enable its subsidiaries to obtain credit facility from suppliers.

d) Corporate guarantees of S$3.0 million (31/12/2014 : S$3.0 million) were given by the subsidiary to enable its subsidiaries to obtain banking facilities.

1(c) A cash flow statement (for the group) , together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Quarter ended 30 Jun		Half Year ended 30 Jun	
	2015	2014	2015	2014
	S$'000	S$'000	S$'000	S$'000
Cash flows from operating activities				
(Loss) before taxation	**(1,623)**	**(2,188)**	**(3,746)**	**(7,182)**
Adjustments for:				
Depreciation and amortisation	414	1,908	838	3,839
Allowance for/ write off of doubtful non-trade debts	8	1	4	1
Provision / write off of doubtful trade debts	430	224	418	122
Provision/(write-back) of allowance/ write off of stock obsolescence	(7)	(2,835)	182	(1,174)
Interest income from bonds, deposits and investment securities	(132)	(307)	(256)	(488)
Impairment of fixed assets	(38)	-	(56)	-
Finance cost	224	383	359	772
Translation differences	(2,252)	(442)	(937)	250
Other items	(171)	(103)	(188)	(48)
Operating loss before working capital changes	**(3,147)**	**(3,359)**	**(3,382)**	**(3,908)**
Changes in working capital				
Decrease in Inventories	299	12,805	7,867	13,812
Decrease in Trade Receivables	2,364	5,494	3,439	11,442
Decrease in other receivables and deposits	224	1,104	480	4,916
Increase in prepayments	(1,717)	(361)	(8,182)	(50)
Decrease in trade creditors	(5,354)	(3,430)	(7,149)	(5,813)
Decrease in other creditors and accruals	(2,184)	(2,451)	(1,070)	(473)
(Decrease)/Increase in deferred revenue	(9)	184	646	672
Cash (used) generated from operating activities	**(9,524)**	**9,986**	**(7,351)**	**20,598**
Interest paid	(224)	(20)	(359)	(470)
Tax refunded/(paid)	(5)	(381)	1,840	(767)
Net cash generated from/ (used in) operating activities	**(9,753)**	**9,585**	**(5,870)**	**19,361**
Cash flows from investing activities				
Interest income received from bonds, deposits and investment securities	235	251	254	311
Proceeds from disposal of property, plant and equipment	57	116	98	126
Proceeds from investment securities	-	-	1,200	-
Purchase of property, plant and equipment	(208)	(1,427)	(291)	(1,616)
Purchase of intangible assets	-	(21)	-	(161)
Net cash (used in)/ generated from investing activities	**84**	**(1,081)**	**1,261**	**(1,340)**
Cash flows from financing activities				
Decrease/ (increase) in cash and bank deposits pledged	(467)	2,165	(635)	3,366
Proceeds from/(repayment of) loans and bank borrowings	7,368	(5,401)	2,809	(10,406)
(Repayment of) obligations under finance leases	(304)	(689)	(316)	(1,320)
Net cash generated from (used) in financing activities	**6,597**	**(3,925)**	**1,858**	**(8,360)**
Net increase/(decrease) in cash and cash equivalents	**(3,072)**	**4,579**	**(2,751)**	**9,661**
Cash and cash equivalents at beginning of the period	37,374	33,713	37,053	28,631
Cash and cash equivalents at end of the period	**34,302**	**38,292**	**34,302**	**38,292**

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Equity attributable to the owner of the parent					Non-controlling interest S$'000	Total Equity S$'000
	Share capital S$'000	Accumulated losses S$'000	Other reserves S$'000	Translation reserve S$'000	Total S$'000		
The Group							
Balance as at 1 January 2015	**590,515**	**(465,629)**	**(4,433)**	**(62,092)**	**58,361**	**(21)**	**58,340**
Total comprehensive income/ (loss) for the period	-	(2,234)	(207)	1,152	**(1,289)**	(113)	**(1,402)**
Balance as at 31 March 2015	**590,515**	**(467,863)**	**(4,640)**	**(60,940)**	**57,072**	**(134)**	**56,938**
Total comprehensive (loss)/ income for the period	-	(1,583)	63	(1,647)	**(3,167)**	(1)	**(3,168)**
Balance as at 30 June 2015	**590,515**	**(469,446)**	**(4,577)**	**(62,587)**	**53,905**	**(135)**	**53,770**
Balance as at 1 January 2014	**590,515**	**(409,934)**	**(3,959)**	**(62,598)**	**114,024**	**102**	**114,126**
Total comprehensive (loss)/ income for the period	-	(4,907)	13	1,003	**(3,891)**	(41)	**(3,932)**
Partial Disposal of Interest in Subsidiary	-	64	-	-	**64**	(64)	**-**
Balance as at 31 March 2014	**590,515**	**(414,777)**	**(3,946)**	**(61,595)**	**110,197**	**(3)**	**110,194**
Total comprehensive (loss)/ income for the period	-	(2,098)	(37)	(790)	**(2,925)**	(33)	**(2,958)**
Translation reserve				(1,035)	**(1,035)**	**-**	**(1,035)**
Balance as at 30 June 2014	**590,515**	**(416,875)**	**(3,983)**	**(63,420)**	**106,237**	**(36)**	**106,201**

	Share capital S$'000	Accumulated losses S$'000	Other reserves S$'000	Translation reserve S$'000	Total S$'000
The Company					
Balance as at 1 January 2015	590,515	(485,862)	(8,836)	(57,956)	**37,861**
Total comprehensive (loss)/ income for the period	-	(359)	(1)	1,190	**830**
Balance as at 31 March 2015	**590,515**	**(486,221)**	**(8,837)**	**(56,766)**	**38,691**
Total comprehensive (loss)/ income for the period		305	(3)	(664)	**(362)**
Balance as at 30 June 2015	**590,515**	**(485,916)**	**(8,840)**	**(57,430)**	**38,329**
Balance as at 1 January 2014	590,515	(422,680)	(8,707)	(62,565)	96,563
Total comprehensive (loss)/ income for the period	-	(569)	13	(296)	(852)
					-
Balance as at 31 March 2014	**590,515**	**(423,249)**	**(8,694)**	**(62,861)**	**95,711**
Total comprehensive (loss)/ income for the period	-	2,252	(37)	(370)	**1,845**
Foreign currency translation				(575)	**(575)**
Balance as at 30 June 2014	**590,515**	**(420,997)**	**(8,731)**	**(63,806)**	**96,981**

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	
	30 Jun 15	31 Mar 15
Issued shares at the beginning of the period	5,484,980,836	5,484,980,836
Total issued shares at the end of the period	13,712,452	5,484,980,836

Share consolidation was completed on 30th June 2015 (please refer to announcement dated 30th 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	
	30 Jun 15	30 Jun 14
Options granted under 1999 S i2i Employees' Share Option Scheme II	786	547,645
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 30th June 2015 is 13,712,452 (31st December 2014 : 5,484,980,836).

1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

Not Applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of a matter).

Not Applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation as the audited financial statements for the year ended 31 December 2014, except as disclosed in Para 5, below.

5. If there are any changes in the accounting policies and method of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

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

The Group has adopted the new or revised Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) that are effective in this financial year. The adoption of these FRS does not have any significant impact on the financial statements.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	Quarter ended 30 Jun		Half Year ended 30 Jun	
	2015	2014	2015	2014
		(Restated*)		(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)	(11.06 cents)	(15.30 cents)	(26.93 cents)	(51.10 cents)
ii) On a fully diluted basis (S$ cent)	(11.06 cents)	(15.30 cents)	(26.93 cents)	(51.10 cents)

Share consolidation 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	
	30 Jun 15	**31 Dec 14**	**30 Jun 15**	**31 Dec 14**
		(Restated*)		**(Restated*)**
Net asset backing per ordinary share is calculated based on 13,712,452 (31/12/2014 : 5,484,980,836) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (S$ cent).	393.12 cents	1.06 cents	279.52 cents	0.69 cent

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The group recorded a turnover of S$108.1 million - a decrease of 3.4% over revenue of corresponding quarter. Inspite of depreciation in local IDR that led to translation difference/s, Distribution of Operator products and services 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 has shown a marginal decline in Q2 2015 over corresponding quarter Q2 2014, however, its revenue during 1H 2015 has improved , whence looked at against 1H 2014. There has been 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 ongoing cost optimisation measures taken by the company.

The group incurred lower loss (before interest, depreciation, amortisation and taxation) of S$ 1.3 million and S$ 2.9 million during Q2 2015 and 1H 2015 against loss (before interest, depreciation, amortisation and taxation) of S$2.7 million and S$ 5.5 million in corresponding quarter Q2 2014 and 1H 2014 respectively.

Resultantly, 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 in to account non operating income in the form of consideration against settlement of certain arbitration proceedings.

There had been reduction mainly in stocks, trade debtors and trade creditors.

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.

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 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. In Indonesia there are 8 key operators in the air time business selling 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 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.

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 30 Jun 2015 S$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000) Quarter ended 30 Jun 2015 S$'000
Spice Retail Limited	203	-

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not Applicable.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not Applicable.

17. A breakdown of sales.

Not Applicable.

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

Not Applicable

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

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial results for the quarter ended 30th June 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Maneesh Tripathi
Executive Director and Group Chief Executive Officer

11 August 2015