Third Quarter & Nine months Financial Statement and Dividend Announcement for the Period ended 31st March 2013 (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		%	Nine months ended 31 Mar		%
	2013	2012 *		2013	2012 *	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Turnover (Note 1)	**115,610**	**180,605**	**-36.0%**	**432,173**	**665,568**	**-35.1%**
Other income (Note 2)	8,413	15,397	-45.4%	9,770	16,062	-39.2%
Direct service fees incurred and cost of goods sold (Note 1)	(109,100)	(177,259)	-38.5%	(404,492)	(616,697)	-34.4%
Commissions and other selling expenses (Note 6)	(1,664)	(3,155)	-47.3%	(7,975)	(13,769)	-42.1%
Personnel costs (Note 7)	(6,615)	(9,259)	-28.6%	(23,120)	(29,987)	-22.9%
Infrastructure costs (Note 8)	(2,550)	(2,328)	9.5%	(5,471)	(6,986)	-21.7%
Depreciation of property, plant and equipment	(784)	(1,149)	-31.8%	(2,493)	(3,236)	-23.0%
Amortisation of intangible assets (Note 9)	(990)	1,029	N.M.	(3,298)	(5,413)	-39.1%
Marketing expenses (Note 10)	(962)	(6,776)	-85.8%	(3,469)	(20,666)	-83.2%
Foreign exchange gain/ (loss) (Note 11)	988	1,892	-47.8%	2,727	(7,517)	N.M.
Finance costs (Note 12)	(635)	800	N.M.	(2,669)	(3,013)	-11.4%
Other expenses (Note 13)	(177)	(16,952)	-99.0%	(11,501)	(43,159)	-73.4%
Share of results of associates	-	(10)	-100.0%	(68)	(30)	126.7%
Profit/ (loss) before taxation	**1,534**	**(17,165)**	**N.M.**	**(19,886)**	**(68,843)**	**-71.1%**
Taxation (Note 19)	(22)	3,505	N.M.	161	7,405	-97.8%
Profit/ (loss) for the period from continuing operations	**1,512**	**(13,660)**	**N.M.**	**(19,725)**	**(61,438)**	**-67.9%**
Operation related to disposal group classified as held for sale						-
Loss for the period from discontinued operations, net of tax (Note 20)	(104)	(1,630)	-93.6%	(560)	(4,363)	-87.2%
Net profit/ (loss) for the period	**1,408**	**(15,290)**	**N.M.**	**(20,285)**	**(65,801)**	**-69.2%**
Profit/ (loss) attributable to:						
Owners of the parent	1,440	(15,156)	N.M.	(20,271)	(65,558)	-69.1%
Non-controlling interest	(32)	(134)	-76.1%	(14)	(243)	-94.2%
Total	**1,408**	**(15,290)**	**N.M.**	**(20,285)**	**(65,801)**	**-69.2%**

N.M. - Not Meaningful

*- Certain prior year figures have been reclassified to conform with current year's presentation.

Note 1

The decrease in turnover and direct service fees and cost of goods sold for the quarter ended 31st March 2013 ("Q3 2013") and nine months ended 31st March 2013 ("YTD 2013") was mainly due to lower revenue generated by the mobility business on account of changing preference of customers for mobility products on the 3G platform rather than the 2G platform which most of the products of the company still were built on. Further, the company has shifted management's focus towards retailing, which is higher margin business and accordingly is moving away from distribution of third party Mobility products under Affinity Group. This change in management's focus has also resulted in a decrease in revenue contributed by the distribution business in Q3 2013 and YTD 2013. Accordingly, the company plans to move out of Blackberry distribution business, as this has low margin. However, the company continues to retail Blackberry products, which has higher margin. In addition, S Mobility Limited, a related party has not been buying mobility products through the company during the current period. Revenue from S Mobility amounted to US$13.5 million and US$16.6 million in corresponding quarter and period respectively.

Note 2

Other income

	Quarter ended 31 Mar		%	Nine months ended 31 Mar		%
	2013	2012		2013	2012	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Interest income from bonds, deposits and investment securities	117	155	-24.5%	491	416	18.0%
Gain on disposal of subsidiary (Note 3)	7,870	-	100.0%	8,303	-	100.0%
Waiver of loan (Note 4)	-	5,000	-100.0%	-	5,000	-100.0%
Reversal of deferred consideration payable (Note 5)	-	10,017	-100.0%	-	10,017	-100.0%
Others	426	225	89.3%	976	629	55.2%
Total other income	**8,413**	**15,397**	**-45.4%**	**9,770**	**16,062**	**-39.2%**

Note 3

Gain on disposal of subsidiary during Q3 2013 arose due to sale of one of its subsidiaries Spice BPO Services Limited ("SBPO") on 24 January 2013. (Please refer to announcement 00033 dated 24th January 2013.)

Note 4

As disclosed previously, the waiver of loan during the corresponding quarter ended 31st March 2012 related to loan procured by the vendor of Newtel Group to Newtel Corporation Company Limited, a wholly-owned subsidiary of S i2i Limited.

Note 5

As disclosed previously, in accordance with the Supplemental Agreement dated 5th March 2012 to the Share Purchase Agreement between the vendors of Affinity Group and the company, the deferred purchase consideration ceased to be payable. Accordingly, the liability of US$10.0 million had been reversed in corresponding quarter ended 31st March 2012. For more information with regards to the Supplemental Agreement, refer to announcement no 00158 dated 5th March 2012.

Note 6

The decrease in commissions and other selling expenses was mainly due to decrease in distribution of voice services.

Note 7

The decrease of US$2.6 million in personnel costs in Q3 was mainly due to cost cutting measures adopted by the Group as part of its initiative to rein in costs in Q3 2013 and YTD 2013. The decrease was after the provision of US$ 0.4 million towards one-time severance cost to employees of Affinity Group recognised during the quarter. Similarly, the decrease of US$6.9 million in YTD 2013 was after the provision of US$0.6 million and US$1.9 million towards one-time severance cost to employees of Newtel Group and Affinity Group respectively recognised during the period.

Note 8

The increase in infrastructure costs was mainly due to a one-time write-off of US$1.1 million of non refundable prepaid rentals in relation to certain shops/ offices neither in use nor intended to be used in future. This was largely offset by moving of certain offices of the company and its subsidiaries to other locations resulting in a decrease in rental expenses. This is in line with corrective measures adopted by the Group as part of its initiative to rein in costs.

Note 9

The decrease in amortisation of intangible assets was mainly due to lower carrying value of intangible assets consequent to impairment of intangible assets during the year ended 30th June 2012. The income recognised during the corresponding quarter ended 31st March 2012 was due to reversal of amortisation amount, consequent to finalisation of purchase price allocation exercise for Affinity Group.

Note 10

The decrease in marketing expenses was mainly due to all around reduction in marketing expenses, in line with cost cutting measures adopted by the Group to rein in costs.

Note 11

The foreign exchange movement recognised in Q3 2013 and YTD 2013 was mainly due to unrealised and realised foreign exchange gain/ loss incurred on fluctuation of USD against SGD, MYR, THB, IDR and INR.

Note 12

The income recognised in finance costs during the corresponding quarter ended 31st March 2012 was due to reversal of interest expenses in relation to fair value of the deferred purchase consideration recognised for the acquisition of Affinity Group. For more information, please refer to announcement no 00158 dated 5th March 2012.

Note 13

Other expenses include the following:

	Quarter ended 31 Mar		%	Nine months ended 31 Mar		%
	2013	2012		2013	2012	
	US$'000	US$'000	Change	US$'000	US$'000	Change
(Allowance for)/ reversal of doubtful trade debts (Note 14)	(264)	3,496	N.M.	(1,389)	(4,169)	-66.7%
Allowance for doubtful non-trade debts	-	(907)	-100.0%	(100)	(907)	-89.0%
Reversal of/ (allowance for) stock obsolescence (Note 15)	399	2,350	-83.0%	(3,281)	(7,114)	-53.9%
Bank charges	(69)	(228)	-69.7%	(420)	(668)	-37.1%
Collection service fees	(205)	(565)	-63.7%	(943)	(2,005)	-53.0%
Equipment maintenance	(106)	(209)	-49.3%	(366)	(664)	-44.9%
Equipment rental	(51)	(65)	-21.5%	(165)	(214)	-22.9%
Fair value loss on investment securities	(300)	(647)	-53.6%	(300)	(647)	-53.6%
Freight and postage charges	(15)	(77)	-80.5%	(132)	(239)	-44.8%
Impairment of intangible assets	-	-	0.0%	(518)	-	100.0%
Impairment of property, plant and equipment	(92)	-	100.0%	(253)	-	100.0%
(Loss)/ gain on disposal of property, plant and equipment	(6)	-	N.M.	41	(538)	N.M.
Employee termination costs (Note 16)	-	(10,000)	-100.0%	-	(10,000)	-100.0%
Printing & stationery	(55)	(76)	-27.6%	(124)	(207)	-40.1%
Property, plant and equipment written off	-	(1)	-100.0%	-	(1)	-100.0%
Loss on disposal of a subsidiary (Note 20)	-	(117)	-100.0%	(26)	(117)	-77.8%
Professional fees	(557)	(1,263)	-55.9%	(1,922)	(3,087)	-37.7%
Telecommunication expenses	(259)	(362)	-28.5%	(862)	(1,134)	-24.0%
Travelling & entertainment expenses	(748)	(845)	-11.5%	(1,885)	(2,833)	-33.5%
Write-back of allowance for doubtful trade debts	654	581	12.6%	802	613	30.8%
Write-back of allowance for doubtful non-trade debts	-	-	-	-	7	-100.0%
Write-back of allowance for stock obsolescence (Note 17)	1,969	2,978	-33.9%	2,076	3,455	-39.9%
Write off of stock	-	(47)	N.M.	(6)	(67)	-91.0%
Write off of trade debts (Note 18)	7	(9,537)	N.M.	-	(9,539)	-100.0%
Others	(479)	(1,411)	-66.1%	(1,728)	(3,084)	-44.0%
Total other expenses	**(177)**	**(16,952)**	**-99.0%**	**(11,501)**	**(43,159)**	**-73.4%**

N.M. - Not Meaningful

Note 14

The reversal of provision in the corresponding quarter ended 31 March 2012 was mainly on account of settlement with a customer and its consequent write off of uncollectable portion of the debt.

Note 15

The reversal of provision in Q3 2013 was mainly due to sale of some of the stocks, provided for during previous quarters of current year.

Note 16

In accordance with the Termination Agreement dated 5th March 2012 to the Management Incentive Agreement between the Managers of Affinity Group and the Company, a sum of US$10.0 million was paid as consideration for the Termination Agreement during the corresponding quarter ended 31st March 2012.

Note 17

The write-back of allowance for stock obsolescence was mainly due to sale of some of these stocks provided for in earlier years.

Note 18

The decrease in write off of trade debts was mainly due to US$8.7 million written off in respect of a customer in the corresponding quarter ended 31 March 2012.

Note 19

The decrease in taxation for Q3 2013 and YTD 2013 was mainly due to lower reversal of deferred tax liabilities, as a result of writing back of deferred tax liabilties consequent to impairment of certain intangible assets relating to Spice CSL Group, NewTel Group and partial impairment in case of Bharat IT during the year ended 30th June 2012.

Note 20

Mobile Concepts (M) Sdn Bhd

As disclosed previously, in Q4 2012, the Group had decided to dispose of its investment in Mobile Concept (M) Sdn. Bhd. ("MCM") for a consideration of US$300,000. The disposal of MCM was subsequently completed on 17th July 2012.

The results of MCM for the period ended 17th July 2012 are as follows:

	Quarter ended 31 Mar		**Nine months ended 31 Mar**	
	2013	**2012**	**2013**	**2012**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Turnover	**-**	**1,825**	**376**	**5,818**
Other income	-	15	-	53
Direct service fees incurred and cost of goods sold	-	(1,591)	(317)	(5,013)
Commissions and other selling expenses	-	(91)	(5)	(351)
Personnel costs	-	(123)	(35)	(359)
Infrastructure costs	-	(35)	(8)	(104)
Depreciation of property, plant and equipment	-	(10)	(2)	(31)
Marketing expenses	-	(23)	(1)	(66)
Foreign exchange gain	-	31	4	57
Finance costs	-	-	-	-
Other expenses	-	(9)	(4)	(311)
Profit/ (loss) before taxation	**-**	**(11)**	**8**	**(307)**
Taxation	-	-	-	-
Profit/ (loss) for the period from operation related to disposal group classified as held for sale, net of tax	**-**	**(11)**	**8**	**(307)**

The major classes of assets and liabilities of MCM as at 17th July 2012, loss on its disposal and net cash inflow are as follows:

	7/17/2012
	US$'000
Property, plant and equipment	103
Intangible assets	43
Stocks	881
Trade debtors, current	291
Other debtors and deposits, current	116
Cash and cash equivalents	178
Tax recoverable	53
Trade creditors	(721)
Other creditors and accruals, current	(236)
Lease obligations	(68)
Deferred tax liabilities	(24)
Net assets	**616**
Non-controlling interest	(246)
Net assets attributable to owners of the parent	**370**
Fair value adjustment in fixed assets of subsidiary under disposal as at 30th June 2012	(44)
Loss on disposal of a subsidiary	(26)
Less: Cash and cash equivalents	(178)
Net cash	**122**

Spice BPO Services Limited ("SBPO")

In Q2 2013, the Group had decided to dispose of its investment in Spice BPO Services Limited ("SBPO") for a consideration of US$1. The disposal of SBPO was subsequently completed on 24th January 2013. (Please refer to annoucement 00033 dated 24th January 2013.)

The results of Spice BPO for the period ended 31st March are as follows:

	1/1/2013 - 1/24/2013	Quarter ended 31 Mar 2012	Nine months ended 31 Mar	
			2013	2012
	US$'000	US$'000	US$'000	US$'000
Turnover	**20**	**2,021**	**306**	**7,003**
Other income	4	4	146	115
Personnel costs	(22)	(1,582)	(288)	(5,439)
Infrastructure costs	(11)	(507)	(212)	(1,709)
Depreciation of property, plant and equipment	(2)	(501)	(54)	(1,144)
Amortisation of intangible assets	-	(23)	(6)	(77)
Marketing expenses	-	(5)	(2)	(17)
Foreign exchange gain/ (loss)	-	8	94	(324)
Finance costs	(1)	(273)	(397)	(804)
Other expenses	(92)	(761)	(155)	(1,660)
Loss before taxation	**(104)**	**(1,619)**	**(568)**	**(4,056)**
Taxation	-	-	-	-
Loss for the period from discontinued operations, net of tax	**(104)**	**(1,619)**	**(568)**	**(4,056)**

The major classes of assets and liabilities of SBPO as at 24th January 2013, gain on its disposal and net cash outflow are as follows:

	1/24/2013
	US$'000
Property, plant and equipment	302
Intangible assets	1
Trade debtors, current	590
Other debtors and deposits, current	978
Cash and cash equivalents	902
Tax recoverable	112
Trade creditors	(648)
Other creditors and accruals, current	(859)
Loans and borrowings	(8,781)
Hire Purchase	(24)
Translation reserve	(443)
Net assets attributable to owners of the parent	**(7,870)**
Gain on disposal of a subsidiary	7,870
Less: Cash and cash equivalents	(902)
Net cash	**(902)**

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		%	Nine months ended 31 Mar		%
	2013	2012		2013	2012	
	US$'000	US$'000	Change	US$'000	US$'000	Change
Profit/ (loss) for the period	**1,408**	**(15,290)**	**N.M.**	**(20,285)**	**(65,801)**	**-69.2%**
Other comprehensive income:						
Items that may be reclassifed subsequently to profit and loss:						
Foreign currency translation (Note 21)	(2,208)	1,909	N.M.	(3,873)	(3,176)	21.9%
Net gain/ (loss) on available-for-sale financial assets	5	(51)	N.M.	3	(17)	N.M.
Other comprehensive (loss)/ income for the period	**(2,203)**	**1,858**	**N.M.**	**(3,870)**	**(3,193)**	**21.2%**
Total comprehensive loss for the period	**(795)**	**(13,432)**	**-94.1%**	**(24,155)**	**(68,994)**	**-65.0%**
Total comprehensive (loss)/ income attributable to:						
Owners of the parent	(763)	(13,289)	-94.3%	(24,141)	(68,785)	-64.9%
Non-controlling interest	(32)	(143)	-77.6%	(14)	(209)	-93.3%
Total	**(795)**	**(13,432)**	**-94.1%**	**(24,155)**	**(68,994)**	**-65.0%**

N.M. - Not Meaningful

Note 21

The movement in foreign currency translation was mainly due to movement of SGD, MYR, THB, INR and IDR against USD in Q3 2013 and YTD 2013.

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 13	30 Jun 12	31 Mar 13	30 Jun 12
	US$'000	US$'000	US$'000	US$'000
Share capital	410,663	410,663	410,663	410,663
Accumulated losses	(279,115)	(258,843)	(253,704)	(252,528)
Other reserves	(3,591)	(3,595)	(6,762)	(6,765)
Translation reserve (Note 21)	3,733	7,652	19	16
Translation reserve of disposal group classified as held for sale (Note 1(a) 20)	-	(46)	-	-
Equity attributable to the owners of the parent	**131,690**	**155,831**	**150,216**	**151,386**
Non-controlling interest	162	264	-	-
Total Equity	**131,852**	**156,095**	**150,216**	**151,386**
Property, plant and equipment (Note 22)	**9,727**	**12,981**	**555**	**765**
Intangible assets (Note 23)	**66,397**	**69,364**	**680**	**1,554**
Investments in subsidiaries (Note 24)	**-**	**-**	**107,060**	**107,087**
Investment in associates	**-**	**68**	**144**	**144**
Investment securities	**2,549**	**2,760**	**2,549**	**2,760**
Long-term loans and advances to subsidiaries	**-**	**-**	**1,377**	**1,125**
Deferred tax assets	**637**	**539**	**-**	**-**
Trade debtors, non-current	**488**	**525**	**-**	**-**
Tax recoverable, non-current (Note 25)	**9,184**	**7,360**	**-**	**-**
Other debtors and deposits, non-current	**21**	**279**	**-**	**-**
Current assets	**96,369**	**174,330**	**52,161**	**58,555**
Stocks (Note 26)	16,962	33,131	69	49
Trade debtors, current (Note 27)	23,595	49,408	1,044	2,718
Other debtors and deposits, current (Note 28)	5,295	9,240	774	2,718
Prepayments	6,592	8,376	450	1,011
Due from subsidiaries	-	-	21,193	4,920
Cash and bank deposits pledged	4,358	7,780	1,603	183
Cash and cash equivalents	38,570	61,477	27,028	45,091
Tax recoverable, current	997	711	-	-
Assets directly associated with disposal group classified as held for sale (note 1(a) 20)	-	4,207	-	1,865
Current liabilities	**45,405**	**103,286**	**14,144**	**20,422**
Trade creditors (Note 29)	10,188	30,654	2,673	6,106
Other creditors and accruals (Note 30)	16,001	18,830	3,195	4,621
Deferred revenue	2,350	2,004	428	638
Lease obligations, current	435	644	20	19
Loans and bank borrowings (Note 31)	15,561	49,591	-	-
Due to subsidiaries	-	-	7,684	8,910
Due to associates	144	128	144	128
Tax payable	726	402	-	-
Liabilities directly associated with disposal group classified as held for sale (note 1(a) 20)	-	1,033	-	-
Net current assets	**50,964**	**71,044**	**38,017**	**38,133**
Non-current liabilities	**8,115**	**8,825**	**166**	**182**
Deferred tax liabilities	6,509	7,167	-	-
Provision for employee benefits	1,434	1,155	-	-
Lease obligations, non-current	172	503	166	182
Net Assets	**131,852**	**156,095**	**150,216**	**151,386**

Note 22

The decrease in property, plant and equipment was mainly due to depreciation of US$2.5 million recognised in YTD 2013, disposal of property, plant and equipment of US$0.5 million relating to SBPO in January 2013 and impairment of certain property, plant and equipment by Newtel Group of US$0.3 million.

Note 23

The decrease in intangible assets was mainly due to the amortisation of US$3.4 million recognised in YTD 2013 and impairment of certain intangible assets by the Company. This was partially offset by the goodwill recognised on acqusition of Mobile Services International Co. Ltd ("MSI China") and CSL Communication (Shenzhen) Co., Ltd ("CSL Shenzhen") in Q1 2013.

The purchase price allocation exercise for these acquisitions has to be finalised within a measurement period of 12 months from the respective dates of acquisition. Adjustments if any, to the above provisionally determined intangible assets will be accounted for retrospectively to the dates of acquisition during the respective measurement periods.

Note 24

The decrease in investment in subsidiaries was due to the disposal of Mobile Concepts (M) Sdn Bhd ("MCM")on 17th July 2012 and liquidation of MRTC on 10th December 2012. This was partially offset by the acqusition of MSI China and CSL Shenzhen on 9th July 2012 and 2nd August 2012 respectively.

The investment in SBPO, which was disposed off on 24th January 2013, had been fully impaired on 30th June 2012.

Note 25

The increase in tax recoverable was mainly on account of Affinity Group.

Note 26

The decrease in stocks was mainly due to reduction of US$15.3 million in stock holding by Affinity Group of which US$12.4 million were reduced during the period July 2012 to December 2012. (Please refer to announcement 00161 dated 13 March 2013)

Note 27

The decrease in trade receivables was mainly due to :
1) Decline in revenue in mobility products
2) Repayment of outstanding trade receivables by S Mobility Ltd of US$1.8 million. (Please refer to announcement 00134 dated 3rd December 2012)

Note 28
The decrease in other debtors and deposits was mainly due to lower deposits paid to vendors for purchases of mobility products, disposal of SBPO and set off of certain GST recoverable against GST payable by Affinity Group in December 2012.

Note 29
The decrease in trade creditors was mainly due to lower purchases made by the mobility business, resulting also from decrease in revenue from mobility business. In addition, disposal of SBPO and early payment to certain vendors to avail early payment discounts has also resulted in decrease in trade creditors.

Note 30
The decrease in other creditors and accruals was mainly due to the disposal of Spice BPO and lower accruals recognised due to the decrease in distribution of voice services and mobility products.

Note 31
The decrease in loans and borrowings was mainly due to the disposal of Spice BPO and the repayment of US$26.1 million of its loans by Affinity Group. Reduction in loans by Affinity Group is mainly on account of change in the management's focus on the retail and distribution of Mobility products under Affinity Group.

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

Amount repayable in one year or less, or on demand

As at 31/3/2013		As at 30/6/2012	
Secured (US$'000)	Unsecured (US$'000)	Secured (US$'000)	Unsecured (US$'000)
14,105	**1,456**	**41,563**	**8,028**

Details of any collateral

a) Subsidiaries' current assets of US$18.8 million (30/06/2012: US$7.7 million) and property, plant and equipment with carrying amount of US$2.1 million (30/6/2012: US$0.4 million) are pledged as security for bank guarantees, standby letters of credit and other bank services.

b) Corporate guarantees of US$NIL (30/06/2012: US$4.3 million) were given by the Company to enable its subsidiaries to obtain banking facilities.

c) Corporate guarantees of US$2.4 million (30/06/2012 : US$NIL) were given by the subsidiary to enable its subsidiaries to obtain banking facilities.

d) Corporate guarantees of US$9.9 million (30/06/2012 : US$9.7 million) were given by the Company to enable its subsidiaries to obtain credit facility from various suppliers.

e) Corporate guarantees of US$5.1 million (30/06/2012 : US$4.8 million) were given by the subsidiary to enable its subsidiaries to obtain credit facility from various suppliers.

f) Trust receipts of US$ Nil (30/06/2012 : US$1.3 million) is secured by corporate guarantees given by the Company and two subsidiaries.

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		Nine months ended 31 Mar	
	31 Mar 13	**31 Mar 12**	**31 Mar 13**	**31 Mar 12**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Cash flows from operating activities				
Profit/ (loss) before taxation from continuing operations	**1,534**	**(17,165)**	**(19,886)**	**(68,843)**
Loss before taxation from discontinued operations (Note 1(a) 20)	(104)	(1,630)	(560)	(4,363)
Total profit/ (loss) before taxation	**1,430**	**(18,795)**	**(20,446)**	**(73,206)**
Adjustments for:				
Allowance for/ (reversal of) doubtful trade debts	264	(3,077)	1,389	5,753
Allowance for doubtful non-trade debts	-	907	100	907
Allowance for/ (reversal of) employee benefits	343	(46)	279	(46)
(Reversal of)/ allowance for stock obsolescence	(399)	(2,377)	3,281	7,321
Amortisation of intangible assets	990	(1,006)	3,304	5,490
Impairment of investment in associate	-	288	-	288
Impairment of intangible assets	-	-	518	-
Depreciation of property, plant and equipment	785	1,660	2,549	4,411
Finance costs	637	(527)	3,067	3,817
Loss/ (gain) on disposal of property, plant and equipment	91	14	41	(395)
Gain on disposal of a subsidiary	(7,870)	-	(8,303)	-
Loss on disposal of a subsidiary	-	117	26	117
Fair value loss on investment securities	300	647	300	647
Interest income from bonds, deposits and investment securities	(122)	(155)	(582)	(516)
Property, plant and equipment written-off	-	1	-	1
Reversal of deferred purchase consideration payable	-	(10,017)	-	(10,017)
Share-based payments	-	1	1	4
Share of results of associates	-	10	68	30
Waiver of loan	-	(5,000)	-	(5,000)
Write-back of allowance for doubtful trade debts	(654)	(581)	(802)	(613)
Write-back of allowance for doubtful non-trade debts	-	-	-	(7)
Write-back of allowance for stock obsolescence	(1,969)	(2,978)	(2,076)	(3,455)
Write off of non-trade debts	-	10	-	10
Write off of trade debts	(7)	9,540	-	9,542
Write off of stock	-	47	6	67
Translation differences	(1,073)	3,134	(2,754)	(2,266)
Operating loss before working capital changes	**(7,254)**	**(28,183)**	**(20,034)**	**(57,116)**
Decrease in stocks	5,844	13,011	14,860	27,859
Decrease in trade debtors	20,821	3,843	24,494	27,091
(Increase)/ decrease in other debtors and deposits	(752)	10,171	996	8,609
(Increase)/ decrease in prepayments	(741)	580	1,844	16,894
Decrease in amount due from associates	-	-	16	-
(Decrease)/ increase in trade creditors	(10,572)	5,305	(19,688)	(9,442)
Decrease in other creditors and accruals	(1,197)	(4,849)	(2,149)	(7,311)
Increase/ (decrease) in deferred revenue	848	544	346	(442)
Cash generated from/ (used in) operating activities	**6,997**	**422**	**685**	**6,142**
Interest paid	(637)	(1,097)	(3,067)	(4,580)
Tax paid	(220)	16	(665)	(570)
Net cash generated from/ (used in) operating activities	**6,140**	**(659)**	**(3,047)**	**992**
Cash flows from investing activities				
Interest income received from bonds, deposits and investment securities	188	151	590	490
Acquisition of subsidiary MSI China, net of cash acquired	-	-	(198)	-
Acquisition of subsidiary CSL Shenzhen, net of cash acquired	-	-	(306)	-
Acquisition of subsidiary I-Gate Group, net of cash acquired	-	-	-	24
Acquisition of subsidiary Mobile Concept, net of cash acquired	-	-	-	10
Acquisition of subsidiary CSL Mobile Care, net of cash acquired	-	-	-	2
Acquisition of remaining shares in subsidiary I-Gate Group	-	-	-	(300)
Disposal of subsidiary Mobile Concept, net of cash disposed	-	-	122	-
Disposal of subsidiary Spice BPO, net of cash disposed	(902)	-	(902)	-
Proceeds from disposal of intangible assets	30	-	30	-
Proceeds from disposal of property, plant and equipment	350	688	3,396	3,941
Purchase of property, plant and equipment	(181)	(2,600)	(446)	(6,513)
Additions to intangible assets	(91)	(172)	(259)	(694)
Net cash (used in)/ generated from investing activities	**(606)**	**(1,933)**	**2,027**	**(3,040)**
Cash flows from financing activities				
Decrease/ (increase) in cash and bank deposits pledged	1,519	(889)	3,422	573
Repayment of loans	(24,944)	(11,982)	(25,069)	(38,338)
(Repayment of)/ proceeds from bank borrowings	(25)	150	108	(847)
Net proceeds from rights issue	-	17	-	17
Repayment of loan given by a director	-	-	-	(3,276)
(Repayment of)/ proceeds from obligations under finance leases	(133)	299	(516)	(602)
Net cash used in financing activities	**(23,583)**	**(12,405)**	**(22,055)**	**(42,473)**
Net decrease in cash and cash equivalents	**(18,049)**	**(14,997)**	**(23,075)**	**(44,521)**
Cash and cash equivalents at beginning of the period	56,619	68,693	61,645	98,217
Cash and cash equivalents at end of the period	**38,570**	**53,696**	**38,570**	**53,696**
Cash and cash equivalents of disposal group classified as held for sale (note 1(a) 20)	**-**	**-**	**-**	**-**
Cash and cash equivalents at the end of the period of the continuing operations	**38,570**	**53,696**	**38,570**	**53,696**

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 US$'000	Accumulated losses US$'000	Other reserves US$'000	Translation reserve US$'000	Total US$'000	US$'000	US$'000
The Group							
Balance as at 1 July 2012	**410,663**	**(258,843)**	**(3,595)**	**7,606**	**155,831**	**264**	**156,095**
Total comprehensive (loss)/ income for the period	-	(21,712)	(1)	(2,228)	**(23,941)**	18	**(23,923)**
Non-controlling interest arising from business combination	-	-	-	-	**-**	158	**158**
Disposal of a subsidiary	-	-	-	-	**-**	(246)	**(246)**
Translation reserve of disposal company classified as held for sale	-	-	-	563	**563**	-	**563**
Balance as at 31 December 2012	**410,663**	**(280,555)**	**(3,596)**	**5,941**	**132,453**	**194**	**132,647**
Total comprehensive income/ (loss) for the period	-	1,440	5	(1,645)	**(200)**	(32)	**(232)**
Translation reserve of disposal company classified as held for sale	-	-	-	(563)	**(563)**	-	**(563)**
Balance as at 31 March 2013	**410,663**	**(279,115)**	**(3,591)**	**3,733**	**131,690**	**162**	**131,852**
Balance as at 1 July 2011 as previously reported	410,663	(77,830)	(1,896)	11,287	**342,224**	(986)	**341,238**
Prior year adjustment*	-	253	-	40	**293**	-	**293**
Balance as at 1 July 2011	410,663	(77,577)	(1,896)	11,327	**342,517**	(986)	**341,531**
Total comprehensive (loss)/ income for the period	-	(50,404)	34	(5,128)	**(55,498)**	(66)	**(55,564)**
Acquisition of non-controlling interest	-	-	(1,825)	**-**	**(1,825)**	1,525	**(300)**
Value of employee services received	-	-	3	**-**	**3**	-	**3**
Balance as at 31 December 2011	**410,663**	**(127,981)**	**(3,684)**	**6,199**	**285,197**	**473**	**285,670**
Total comprehensive (loss)/ income for the period	-	(15,155)	(51)	1,940	**(13,266)**	(143)	**(13,409)**
Share Issue Cost	**-**	-	17	-	**17**	-	**17**
Value of employee services received	**-**	-	1	-	**1**	-	**1**
Translation reserve of disposal company classified as held for sale	**-**	-	-	(22)	**(22)**	**-**	**(22)**
Balance as at 31 March 2012	**410,663**	**(143,136)**	**(3,717)**	**8,117**	**271,927**	**330**	**272,257**

	Share capital US$'000	Accumulated losses US$'000	Other reserves US$'000	Translation reserve US$'000	Total US$'000
The Company					
Balance as at 1 July 2012	410,663	(252,528)	(6,765)	16	**151,386**
Total comprehensive (loss)/ income for the period	-	(260)	(1)	2	**(259)**
Balance as at 31 December 2012	**410,663**	**(252,788)**	**(6,766)**	**18**	**151,127**
Total comprehensive (loss)/ income for the period	-	(916)	4	1	**(911)**
Balance as at 31 March 2013	**410,663**	**(253,704)**	**(6,762)**	**19**	**150,216**
Balance as at 1 July 2011	410,663	(88,288)	(6,821)	28	**315,582**
Total comprehensive (loss)/ income for the period	-	(12,830)	34	7	**(12,789)**
Value of employee services received	-	-	3	-	**-** **3**
Balance as at 31 December 2011	**410,663**	**(101,118)**	**(6,784)**	**35**	**302,796**
Total comprehensive loss for the period	**-**	(6,126)	(51)	(15)	**(6,192)**
Exercise of employee share options	**-**	**-**	17	**-**	**17**
Value of employee services received	**-**	**-**	1	**-**	**1**
Balance as at 31 March 2012	**410,663**	**(107,244)**	**(6,817)**	**20**	**296,622**

**This prior year adjustment arose as a result of finalisation of the purchase price allocation in accordance with FRS 103 – Business Combinations.*

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 current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No. of Shares	
	31 Mar 13	**30 Jun 12**
Issued shares at the beginning of the period	5,484,980,836	2,742,490,418
Shares issued pursuant to the rights issue exercise in May 2011	-	2,742,490,418
Total issued shares at the end of the period	5,484,980,836	5,484,980,836

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 13	**31 Mar 12**
Options granted under 1999 S i2i Employees' Share Option Scheme II	1,019,841	1,019,841

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 2013 is 5,484,980,836 (30th June 2012 : 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 30th June 2012, 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.

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		**Nine months ended 31 March**	
	2013	**2012**	**2013**	**2012**
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 (US cent)	0.03 cent	(0.29 cent)	(0.37 cent)	(1.37 cent)
ii) On a fully diluted basis (US cent)	0.03 cent	(0.29 cent)	(0.37 cent)	(1.37 cent)

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 13	**30 Jun 12**	**31 Mar 13**	**30 Jun 12**
Net asset backing per ordinary share is calculated based on 5,484,980,836 (30/06/2012 : 5,484,980,836) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (US cent).	2.40 cent	2.84 cent	2.74 cent	2.76 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 US$115.6 million and US$432.2 million in Q3 2013 and YTD 2013 respectively – a decrease of 36.0% and 35.1% over the corresponding quarter and period respectively. The decrease was mainly due to lower revenue generated by the mobility business on account of changing preference of customers for mobility products on the 3G platform rather than the 2G platform which most of the products of the company still were built on.

Further, the company has shifted management's focus towards retailing, which is higher margin business and accordingly is moving away from distribution of third party Mobility products under Affinity Group. This change in management's focus has also resulted in a decrease in revenue contributed by the distribution business in Q3 2013 and YTD 2013. Accordingly, the company plans to move out of Blackberry distribution business, as this has low margin. However, the company continues to retail Blackberry products, which has higher margin. In addition, S Mobility Limited, a related party has not been buying mobility products through the company during the current period. Revenue from S Mobility amounted to US$13.5 million and US$16.6 million in corresponding quarter and period respectively.

There was a decrease in overheads mainly due to certain cost cutting measures initiated by the Group in its effort to rein in costs.

There was a foreign exchange gain of US$1.0 million and US$2.7 million in Q3 2013 and YTD 2013 respectively on account of movement of SGD, MYR, IDR, INR and THB against USD.

The Group had decided to dispose of its investment in Mobile Concept (M) Sdn. Bhd. ("MCM") for a consideration of US$300,000 during the year ended 30th June 2012. The disposal of MCM was completed on 17 July 2012. The Group had decided to voluntarily liquidate its dormant wholly-owned subsidiary, Mediaring TC Inc, a company registered in Japan. The liquidation was completed on 10th December 2012 resulting in a gain of US$0.4 million.

The Group had also decided to dispose of its investment in Spice BPO Services Limited ("SBPO") for a consideration of US$1. The disposal of SBPO had been approved by the shareholders on 25th October 2012. The sale was completed on 24th January 2013 resulting a gain of US$7.8 million. (Please refer to announcement 00033 dated 24th January 2013.)

Resultantly, the Group incurred a profit before tax of US$1.5 million and a loss before tax of US$19.9 million in Q3 2013 and YTD 2013 respectively, as against the loss before tax of US$17.2 million and US$68.8 million over the corresponding quarter and period respectively.

Change in the management's focus on the retail and distribution of Mobility products under Affinity Group has mainly resulted in decrease in stocks, trade receivables and trade creditors as at 31st March 2013. The decrease in loans and borrowings due to the repayment of major portion of its loans by Affinity Group was mainly on account of change in the management's focus on the retail and distribution of Mobility products under Affinity Group.

Net assets of the Group has decreased to US$131.9 million as at 31st March 2013 from US$156.1 million as at 30 June 2012.

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 Group expects that consumers increasingly will prefer mobile devices built on the 3G platform and also prefer Android platform. The Group will therefore continue to launch new products that respond to this expected shift in consumer demand.. The company is focused on launching and promoting 3G Android phones in the markets of Indonesia, Thailand and Malaysia. The consumers are moving from feature phone usage towards Smart phones/Android based phones at the mid and lower segment of the market base. The reason is an increase of VAS applications on Android platform and data usage being promoted by Operators. The company is also undertaking project based plans to align strategy with operators .

The Group has intensified its focus and efforts for collaboration with operators. The first such endorsement by Operators has happened in Malaysia with to jointly marketed Android phones in the Malaysia market. This will significantly enhance the company's brand value in Malaysia in the next 3 months. The Group continues to make efforts for such alliances with operators in Singapore and Thailand . The Company has also actively explored Myanmar market in the last quarter and is in the process of appointing distributors in the country as it plans to open up its Telecom sector. The company plans to focus more in retail sector in Indonesia and plans to move away from BlackBerry distribution due to low margins, high operating costs and also the impending future risk perceived by the Company in that business.

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

As at 5 April 2013*, the net proceeds from the 2011 Rights Issue have been utilised as follows:

	Amount S$'Million
Net Proceeds from 2011 Rights Issue	**146.4**
Less Proceeds utilised for:	
To partially fund the completion of the Proposed Acquisition of Affinity Group	**87.0**
Funding part of the Group’s working capital (up to 8th October 2012 - annoucement dated 9th October 2012)	**25.5**
Funding part of the Group’s working capital (after 8th October 2012) **	
- Payment to vendors	**1.4**
Security Deposit, Advance Rent and Capital Expenditure for new office premises	**2.3**
Loans to various subsidiaries for working capital	**5.1**
Acquisition of remaining 49% stake in I-Gate Holding Sdn Bhd	**0.4**
Capital Expenditure for new office premises	**1.7**
Termination Payment as referred to in the Company’s announcement dated 5 March 2012	**13.1**
Balance of net proceeds from 2011 Rights Issue unutilised	**9.9**

* As announced by the Company on 5 April 2013 (announcement no. 00080)
** As per revised guidelines effective October 2012

The use of proceeds was in accordance with the stated use.

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 Mar 2013 US$'000	Aggregate value of all interested person transactions conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than SGD100,000) Quarter ended 31 Mar 2013 US$'000
S Mobility Ltd	258	-

There was neither renewal nor new IPT mandate obtained during the Annual General Meeting of the Company held on 25th October 2012.

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 2013 to be false or misleading in any material respects.

BY ORDER OF THE BOARD

Maneesh Tripathi
Chief Executive Officer

14 May 2013