



## Fourth Quarter Financial Statement Announcement for the Period Ended 31/12/2010 (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 Dec			Twelve months ended 31 Dec		
	2010	2009	%	2010	2009	%
	US\$'000	US\$'000	Change	US\$'000	US\$'000	Change
<b>Turnover (Note 1)</b>	<b>97,391</b>	<b>29,625</b>	<b>228.7%</b>	<b>267,682</b>	<b>114,963</b>	<b>132.8%</b>
Other income (Note 2)	506	5,299	-90.5%	5,450	6,807	-19.9%
Direct service fees incurred and cost of goods sold (Note 1)	(80,571)	(17,640)	356.8%	(208,468)	(62,596)	233.0%
Commissions and other selling expenses (Note 6)	(3,172)	(5,521)	-42.5%	(14,768)	(25,660)	-42.4%
Personnel costs (Note 7)	(6,130)	(2,642)	132.0%	(23,958)	(15,418)	55.4%
Infrastructure costs (Note 8)	(1,298)	(981)	32.3%	(5,543)	(4,049)	36.9%
Depreciation of property, plant and equipment (Note 9)	(927)	(800)	15.9%	(4,130)	(3,452)	19.6%
Amortisation of intangible assets (Note 9)	(3,049)	(245)	1144.5%	(4,879)	(1,417)	244.3%
Marketing expenses (Note 10)	(1,515)	(504)	200.6%	(3,258)	(1,931)	68.7%
Foreign exchange gain (Note 11)	5,082	131	N.M.	8,923	272	N.M.
Finance costs (Note 12)	(497)	(113)	339.8%	(1,726)	(323)	434.4%
Other expenses (Note 13)	(4,056)	(2,529)	60.4%	(10,884)	(5,453)	99.6%
Share of results of associates	(13)	2	N.M.	(48)	18	N.M.
<b>Profit before taxation</b>	<b>1,751</b>	<b>4,082</b>	<b>-57.1%</b>	<b>4,393</b>	<b>1,761</b>	<b>149.5%</b>
Taxation (Note 16)	43	46	-6.5%	117	(20)	N.M.
<b>Profit for the period</b>	<b>1,794</b>	<b>4,128</b>	<b>-56.5%</b>	<b>4,510</b>	<b>1,741</b>	<b>159.0%</b>
<b>Profit/ (loss) attributable to:</b>						
Owners of the parent	1,909	4,128	-53.8%	3,937	1,741	126.1%
Non-controlling interest	(115)	-	N.M.	573	-	N.M.
<b>Total</b>	<b>1,794</b>	<b>4,128</b>	<b>-56.5%</b>	<b>4,510</b>	<b>1,741</b>	<b>159.0%</b>

N.M. - Not Meaningful

Note: The Company changed its financial year end from 31 December to 31 March (refer to the earlier announcement dated 3 January 2011). Interim financial statements are prepared for the fourth quarter ended 31 December 2010.

#### Note 1

The increases in revenues for the quarter and period ended 31 December 2010 were mainly due to the sales of mobile handsets amounting to US\$74.8 million ("Q4 2010") and US\$165.7 million ("YTD 2010") respectively, of which, US\$32.2 million ("Q4 2010") and US\$79.5 million ("YTD 2010") were sales made to a related party.

In addition, revenue generated from newly acquired subsidiaries, Spice BPO Services Limited and Bharat IT Services Limited had led to the increase in revenues for the above mentioned periods.

As a result of the increases in revenues, direct service fees incurred and cost of goods sold had increased by 356.8% ("Q4 2010") and 233.0% ("YTD 2010") respectively. The significant increases as compared to revenue were mainly attributed to different sales mixes for the above mentioned periods.

#### Note 2

##### Other income

	Quarter ended 31 Dec			Twelve months ended 31 Dec		
	2010	2009	%	2010	2009	%
	US\$'000	US\$'000	Change	US\$'000	US\$'000	Change
Interest income from bonds, deposits and investment securities (Note 3)	243	212	14.6%	780	910	-14.3%
Gain on disposal of investment in bonds (Note 3)	-	-	N.M.	176	-	N.M.
Fair value gain on investment securities (Note 4)	62	500	-87.6%	1,555	1,126	38.1%
Gain on bargain purchase based on provisional valuation (Note 5)	-	4,476	N.M.	2,310	4,476	-48.4%
Others	201	111	81.1%	629	295	113.2%
<b>Total other income</b>	<b>506</b>	<b>5,299</b>	<b>-90.5%</b>	<b>5,450</b>	<b>6,807</b>	<b>-19.9%</b>

N.M. - Not Meaningful

Note 3

The increase in interest income from bonds, deposits and investment securities for Q4 2010 was due to interest income arising from the proceeds of the rights issue. Meanwhile, the decrease in interest income for YTD 2010 was mainly due to the early redemption of bonds in Q1 2010, which subsequently led to a gain on disposal amounting to US\$0.18 million. The decrease was offset by interest income contributed by Spice BPO Services Limited, Bharat IT Services Limited as well as the subsidiary incorporated in Q1 2010, Spice-CSL Pte Ltd, in which it holds 65% stake.

Note 4

The fair value gain on investment securities for Q4 2010 and YTD 2010 arose from the changes in the fair value of investment securities. The decrease for Q4 2010 was mainly due to the redemption of matured investment securities in November 2010.

Note 5

The gain on bargain purchase recognised based on provisional valuation during YTD 2010 arose from the acquisition of Spice BPO Services Limited in January 2010, while the gain in FY2009 relates to the acquisition of Bharat IT Services Limited in December 2009, which had been finalised in Q4 2010.

Note 6

Commissions and other selling expenses, which were mainly incurred for the distribution of voice services had decreased by US\$2.3 million and US\$10.9 million for Q4 2010 and YTD 2010 respectively. The decreases were mainly due to the reduction in the revenue of voice services during the respective periods.

Note 7

The increases in personnel costs for Q4 2010 and YTD 2010 were mainly due to the increases in Group headcount resulting from Spice BPO Services Limited, Bharat IT Services Limited, Spice-CSL Pte Ltd, as well as cessation of benefits from the Government's Jobs Credit Scheme in Q2 2010.

Note 8

The increases in infrastructure costs for Q4 2010 and YTD 2010 were mainly due to office rental incurred by Spice BPO Services Limited, which is in the business process outsourcing industry.

Note 9

The increases in depreciation of property, plant and equipment and amortisation of intangible assets in Q4 2010 and YTD 2010 were mainly due to additional tangible assets acquired and intangible assets recognised upon the acquisition of Spice BPO Services Limited, Bharat IT Services Limited and the commencement of amortisation of intangibles assets in Q4 2010 for Spice-CSL Pte Ltd.

Note 10

The increases in marketing costs for Q4 2010 and YTD 2010 were mainly due to advertising and promotional costs incurred by a newly acquired subsidiary Newtel Corporation Company Limited and Spice-CSL Pte Ltd.

Note 11

As a result of the depreciation of United State Dollar "USD" against major Asian currencies such as Singapore Dollar "SGD" and Malaysia Ringgit "MYR", the Group has recognised a foreign exchange gain amounting to US\$5.1 million and US\$8.9 million in Q4 2010 and YTD 2010 respectively. The gain arose mainly from the gain on revaluation of the SGD rights issue proceeds, redemption of SGD investment securities in November 2010 and the gain on revaluation of a USD loan provided by a Director to a Malaysian subsidiary, of which its functional currency is in MYR.

Note 12

The increases in finance costs by 339.5% ("Q4 2010") and 434.4% ("YTD 2010") were mainly due to a loan given by a director in Q4 2010 and the inclusion of finance costs from Spice BPO Services Limited, Newtel Corporation Company Limited and Spice-CSL Pte Ltd.

Note 13

Other expenses include the following:

	Quarter ended 31 Dec			Twelve months ended 31 Dec		
	2010	2009	%	2010	2009	%
	US\$'000	US\$'000	Change	US\$'000	US\$'000	Change
Allowance for doubtful trade debts	(122)	(68)	79.4%	(706)	(242)	191.7%
Allowance for doubtful non-trade debts	(7)	-	N.M.	(7)	(263)	-97.3%
Allowance for stock obsolescence	(62)	(152)	-59.2%	(72)	(298)	-75.8%
Bank charges	(108)	(253)	-57.3%	(490)	(362)	35.3%
Collection service fees	(48)	(52)	-7.9%	(214)	(207)	3.3%
Equipment maintenance (Note 14)	(305)	(160)	90.6%	(1,001)	(539)	85.7%
Equipment rental	(4)	(3)	33.3%	(14)	(14)	0.0%
Fair value loss on investment securities	(19)	(295)	-93.6%	(19)	(295)	-93.6%
Freight and postage charges	(64)	(72)	-10.8%	(216)	(297)	-27.2%
Gain on disposal of property, plant and equipment	3	18	-83.3%	108	82	31.7%
Loss on disposal of unquoted equity investment	-	-	N.M.	-	(4)	N.M.
Professional fees (Note 15)	(2,206)	(280)	687.9%	(4,835)	(786)	515.1%
Property, plant and equipment written off	(9)	(40)	-77.5%	(11)	(57)	-80.7%
Telecommunication expenses	(137)	(70)	97.0%	(464)	(268)	73.1%
Travelling & entertainment expenses (Note 14)	(522)	(380)	37.4%	(1,736)	(942)	84.3%
Write-back of allowance for doubtful trade debts	-	8	N.M.	119	129	-7.8%
Write off of quoted investment securities	(60)	-	N.M.	(60)	-	N.M.
Others	(386)	(731)	-47.2%	(1,266)	(1,090)	16.1%
<b>Total other expenses</b>	<b>(4,056)</b>	<b>(2,529)</b>	<b>60.4%</b>	<b>(10,884)</b>	<b>(5,453)</b>	<b>99.6%</b>

N.M. - Not Meaningful

Note 14

The overall increases in equipment maintenance, and travelling and entertainment expenses were mainly due to the Group's expansion of business presence in India, Malaysia and Thailand via the acquisitions of Spice BPO Services Limited and Newtel Corporation Company Limited, and incorporation of Spice-CSL Pte Ltd.

Note 15

The increases in professional fees for Q4 2010 and YTD 2010 were attributable to the legal and consultancy fees incurred in relation to the acquisitions and incorporation of new subsidiaries in 2010.

Note 16

The movements in taxation for Q4 2010 and YTD 2010 were mainly due to reversal of deferred tax liabilities arising from the amortisation of intangibles during 2010.

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

	Quarter ended 31 Dec			Twelve months ended 31 Dec		
	2010	2009	%	2010	2009	%
	US\$'000	US\$'000	Change	US\$'000	US\$'000	Change
<b>Profit for the period</b>	<b>1,794</b>	<b>4,128</b>	<b>-56.5%</b>	<b>4,510</b>	<b>1,741</b>	<b>159.0%</b>
<b>Other comprehensive income:</b>						
Foreign currency translation (Note 17)	5,602	214	N.M.	10,123	799	1167.0%
Net gain on available-for-sale financial assets	76	-	N.M.	59	34	73.5%
<b>Other comprehensive income for the period</b>	<b>5,678</b>	<b>214</b>	<b>N.M.</b>	<b>10,182</b>	<b>833</b>	<b>N.M.</b>
<b>Total comprehensive income for the period</b>	<b>7,472</b>	<b>4,342</b>	<b>72.1%</b>	<b>14,692</b>	<b>2,574</b>	<b>470.8%</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parents	7,216	4,342	66.2%	12,737	2,574	394.8%
Non-controlling interest	256	-	N.M.	1,955	-	N.M.
<b>Total</b>	<b>7,472</b>	<b>4,342</b>	<b>72.1%</b>	<b>14,692</b>	<b>2,574</b>	<b>470.8%</b>

N.M. - Not Meaningful

Note 17

The significant gain of foreign currency translation was essentially due to the appreciation of SGD and MYR against USD in Q4 2010 and YTD 2010.

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 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
	US\$'000	US\$'000	US\$'000	US\$'000
Share capital (Note 18)	288,055	168,534	288,055	168,534
Accumulated losses	(67,311)	(70,268)	(74,828)	(76,934)
Other reserves (Note 19)	(3,194)	(80)	(3,194)	(80)
Translation reserve (Note 17)	11,692	2,951	36	28
<b>Equity attributable to the owners of the parent</b>	<b>229,242</b>	<b>101,137</b>	<b>210,069</b>	<b>91,548</b>
Non-controlling interest (Note 20)	17,247	-	-	-
<b>Total Equity</b>	<b>246,489</b>	<b>101,137</b>	<b>210,069</b>	<b>91,548</b>
<b>Property, plant and equipment (Note 21)</b>	<b>11,182</b>	<b>4,563</b>	<b>710</b>	<b>1,216</b>
<b>Intangible assets (Note 22)</b>	<b>103,823</b>	<b>18,486</b>	<b>1,725</b>	<b>556</b>
<b>Investments in subsidiaries (Note 23)</b>	<b>-</b>	<b>-</b>	<b>82,318</b>	<b>24,673</b>
<b>Investment in associates</b>	<b>415</b>	<b>463</b>	<b>479</b>	<b>479</b>
<b>Investment in long-term bonds and deposits (Note 24)</b>	<b>-</b>	<b>3,300</b>	<b>-</b>	<b>3,300</b>
<b>Investment securities</b>	<b>4,220</b>	<b>3,905</b>	<b>4,220</b>	<b>3,905</b>
<b>Long-term loans and advances to subsidiaries</b>	<b>-</b>	<b>-</b>	<b>1,861</b>	<b>1,214</b>
<b>Deferred tax assets (Note 25)</b>	<b>1,104</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Trade debtors, non-current</b>	<b>365</b>	<b>488</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>	<b>258,503</b>	<b>107,490</b>	<b>173,371</b>	<b>78,149</b>
Stocks (Note 26)	21,510	7,487	723	266
Trade debtors (Note 27)	71,529	16,327	29,187	6,866
Other debtors and deposits (Note 28)	24,085	1,792	10,243	577
Prepayments (Note 29)	2,391	4,499	523	2,378
Due from subsidiaries	-	-	10,707	4,572
Due from associates	60	28	60	28
Investment in short-term bonds and deposits (Note 24)	-	4,184	-	4,184
Investment securities (Note 30)	-	54,688	-	54,688
Tax recoverable	100	-	-	-
Cash and bank deposits pledged	938	147	-	-
Cash and cash equivalents (Note 31)	137,890	18,338	121,928	4,590
<b>Current liabilities</b>	<b>88,800</b>	<b>32,338</b>	<b>46,383</b>	<b>21,944</b>
Trade creditors (Note 32)	39,727	11,860	24,190	6,704
Other creditors and accruals, current (Note 33)	26,231	8,619	13,776	3,625
Deferred revenue (Note 34)	3,665	6,180	973	2,636
Lease obligations, current	1,598	1,035	-	-
Loans and bank borrowings (Note 35)	16,183	4,246	-	-
Due to subsidiaries	-	-	7,316	8,957
Due to associates	128	22	128	22
Tax payable (Note 36)	1,268	376	-	-
<b>Net current assets</b>	<b>169,703</b>	<b>75,152</b>	<b>126,988</b>	<b>56,205</b>
<b>Non-current liabilities</b>	<b>44,323</b>	<b>5,220</b>	<b>8,232</b>	<b>-</b>
Deferred tax liabilities (Note 37)	8,085	1,715	-	-
Lease obligations, non-current	899	834	-	-
Loans and bank borrowings (Note 35)	27,107	2,671	-	-
Other creditors and accruals, non-current (Note 33)	8,232	-	8,232	-
<b>Net Assets</b>	<b>246,489</b>	<b>101,137</b>	<b>210,069</b>	<b>91,548</b>

Note 18

During the period, the Company's issued and paid up share capital increased by 1,474,046,687 new ordinary shares, of which 102,840,466 shares were issued as part of the purchase consideration paid for the acquisition of certain intangible assets from Dato Eric Chuah ("DEC") and certain companies controlled by him in March 2010 and the issuance of 1,371,206,221 ordinary shares pursuant to a rights issue exercise undertaken in August 2010.

Note 19

The increase in other reserves was mainly due to the capitalisation of rights issue costs of approximately US\$3.2 million.

Note 20

The Company has incorporated a subsidiary, Spice-CSL Pte Ltd.

Note 21

The increase in the Group's property, plant and equipment arose mainly from the subsidiaries, Spice BPO Services Limited and Newtel Corporation Company Limited.

Note 22

The increase in intangibles assets was mainly due to recognition of US\$53.8 million intangibles in relation to the acquisition of the 65% interest in Spice-CSL Pte Ltd, US\$30.4 million of intangibles recognised on the acquisition of Newtel Corporation Company Limited and US\$2.7 million of intangible assets recognised on the acquisition of Spice BPO Services Limited.

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

Note 23

The increase in investments in subsidiaries was mainly due to the Company's investments in Spice BPO Services Limited, Spice-CSL Pte Ltd and Newtel Corporation Company Limited in 2010.

Note 24

The decrease was due to early redemption of bonds during Q1 2010.

Note 25

The increase in deferred tax assets was mainly due to deferred tax assets recognised on unutilised tax losses of Spice BPO Services Limited.

Note 26

The Group's stocks increased by US\$14.0 million, mainly due to the expansion into the mobility business via the subsidiaries, Newtel Corporation Company Limited and Spice-CSL Pte Ltd.

Note 27

The increases in the Group's trade debtors were mainly due to US\$24.1 million recoverable from a related party in relation to the sale of mobile handsets and US\$30.7 million on account of the trading activities of the subsidiaries Spice BPO Services Limited, Newtel Corporation Company Limited and Spice-CSL Pte Ltd.

Note 28

The increases in other debtors and deposits were mainly due to US\$12.5 million arising from Spice BPO Services Limited, Newtel Corporation Company Limited and Spice-CSL Pte Ltd, and US\$9.1 million of advances paid to suppliers for the purchase of mobile handsets.

Note 29

A total of US\$0.9 million was paid for the acquisition of Spice BPO Services Limited in Q4 2009. As the deal was completed in Q1 2010, the prepayment recognised previously was reversed in Q1 2010 to investment in subsidiaries.

Note 30

The decrease in short-term investment securities was due to redemption of matured investment securities in November 2010.

Note 31

The increases in cash and cash equivalents were mainly due to the receipt of rights issue proceeds and the redemption of matured investment securities.

Note 32

The increases in the Group's trade creditors were mainly due to US\$7.4 million trade payables arising from the subsidiaries Spice BPO Services Limited, Newtel Corporation Company Limited and Spice-CSL Pte Ltd in 2010, and also significantly higher purchases of mobile handsets.

Note 33

The increases in current and non-current other creditors and accruals were mainly due to a deferred purchase consideration (at fair value) of US\$2.9 million and US\$8.2 million payable to vendor on fulfillment of certain conditions agreed during the purchase of Newtel Corporation Company Limited, couple with an advance of US\$5.9 million deposits received for purchase of mobile handsets from a related party and also US\$4.8 million arising from the acquisition of Spice BPO Services Limited, Newtel Corporation Company Limited and Spice-CSL Pte Ltd.

Note 34

The decreases in deferred revenue were mainly due to fulfillment of IT services during the period.

Note 35

The increase in loans and bank borrowings was mainly due to USD loan provided by a Director to a Malaysian subsidiary, Spice CSL International Sdn Bhd in Q2 2010 and from the newly acquired subsidiaries, Spice BPO Services Limited and Newtel Corporation Company Limited.

Note 36

The increase in tax payable was mainly due to US\$0.5 million and US\$0.4 million of tax obligations recognised in Spice-CSL Pte Ltd and Spice BPO Services Limited respectively.

Note 37

The increase in deferred tax liabilities was mainly due to deferred tax arising from business combinations.

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

**Amount repayable in one year or less, or on demand**

As at 31/12/2010		As at 31/12/2009	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
<b>1,255</b>	<b>14,928</b>	4,246	Nil

**Amount repayable after one year**

As at 31/12/2010		As at 31/12/2009	
Secured (US\$'000)	Unsecured (US\$'000)	Secured (US\$'000)	Unsecured (US\$'000)
<b>2,250</b>	<b>24,857</b>	2,671	Nil

**Details of any collateral**

- a) Subsidiaries' current assets of US\$7.3 million (31/12/2009 : US\$0.15 million) and property, plant and equipment with carrying amount of US\$5.1 million (31/12/2009 : US\$Nil million) were pledged as securities for banking facilities relating to bank guarantees, standby letters of credit and other bank services.
- b) Corporate guarantees of US\$5.8 million (31/12/2009 : US\$19.4 million) were given by the Company to enable its subsidiaries to obtain banking facilities.
- c) Corporate guarantees of US\$6.2 million (31/12/2009 : US\$5.7 million) were given by the Company to enable a subsidiary to obtain credit facility from a supplier.
- d) Corporate guarantees of US\$4.6 million (31/12/2009 : US\$3.7 million) were given by a subsidiary to enable its subsidiaries to obtain credit facility from a supplier.
- e) Trust receipts of US\$0.9 million (31/12/2009 : US\$3.3 million) were 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		Twelve months ended	
	31 Dec 10	31 Dec 09	31 Dec 10	31 Dec 09
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit before taxation	1,751	4,082	4,393	1,761
<b>Adjustments for:</b>				
Allowance for doubtful trade debts	122	68	706	242
Allowance for doubtful non-trade debts	7	-	7	263
Allowance for stock obsolescence	62	152	72	298
Amortisation of intangible assets	3,049	245	4,879	1,417
Depreciation of property, plant and equipment	927	800	4,130	3,452
Fair value gain on investment securities	(62)	(500)	(1,555)	(1,126)
Fair value loss on investment securities	19	295	19	295
Finance costs	497	113	1,726	323
Gain on bargain purchase based on provisional valuation	-	(4,476)	(2,310)	(4,476)
Gain on disposal of property, plant and equipment	(3)	(18)	(108)	(82)
Gain on disposal of investment in bonds	-	-	(176)	-
Interest income from bonds, deposits and investment securities	(243)	(212)	(780)	(910)
Loss on disposal of an unquoted equity investment	-	-	-	4
Property, plant and equipment written-off	9	40	11	57
Share-based payments	4	(41)	24	7
Share of results of associates	13	(2)	48	(18)
Write-back of allowance for doubtful trade debts	-	(8)	(119)	(129)
Write off of investment securities	60	-	60	-
Translation differences	177	67	1,444	332
<b>Operating profit before working capital changes</b>	<b>6,389</b>	<b>605</b>	<b>12,471</b>	<b>1,710</b>
Increase in stocks	(2,446)	(628)	(6,841)	(3,141)
(Increase)/ decrease in trade debtors	(12,997)	(4,019)	(43,094)	810
(Increase)/ decrease in other debtors and deposits	(3,149)	(269)	(8,905)	35
Decrease/ (increase) in prepayments	167	349	2,343	(657)
Decrease in amount due from associates	2	123	74	391
(Decrease)/ increase in trade creditors	(3,881)	4,339	6,281	901
(Decrease)/ increase in other creditors and accruals	(20)	(1,599)	8,192	(4,892)
Decrease in deferred revenue	(683)	(1,169)	(2,719)	(2,595)
<b>Cash used in operating activities</b>	<b>(16,618)</b>	<b>(2,268)</b>	<b>(32,198)</b>	<b>(7,438)</b>
Interest paid	(497)	(113)	(1,726)	(323)
Tax paid	(769)	(5)	(1,046)	(219)
<b>Net cash used in operating activities</b>	<b>(17,884)</b>	<b>(2,386)</b>	<b>(34,970)</b>	<b>(7,980)</b>
<b>Cash flows from investing activities</b>				
Interest income received from bonds, deposits and investment securities	416	145	1,126	1,050
Acquisition of subsidiary Bharat IT Services Limited, net of cash acquired	-	2,384	-	2,384
Acquisition of subsidiary Spice BPO Services Limited, net of cash acquired	-	-	1,362	-
Acquisition of subsidiary Newtel Corporation Company Limited, net of cash acquired	(9,535)	-	(9,535)	-
Acquisition of certain intangible assets of DEC and certain companies controlled by him	-	-	(10,000)	-
Capital injection by non-controlling interest	-	-	25	-
Proceeds from disposal of property, plant and equipment	9	19	128	93
Proceeds from disposal of investment securities	-	-	-	105
Proceeds from redemption of short-term bonds	503	-	4,732	300
Proceeds from redemption of investment securities	51,743	-	56,243	-
Proceeds from redemption of long-term bonds	-	-	2,904	1,000
Purchase of investment securities	-	(49,789)	-	(49,789)
Purchase of property, plant and equipment	(488)	(582)	(2,494)	(2,757)
Additions to intangible assets	(659)	(267)	(1,919)	(284)
<b>Net cash generated from/ (used in) investing activities</b>	<b>41,989</b>	<b>(48,090)</b>	<b>42,572</b>	<b>(47,898)</b>
<b>Cash flows from financing activities</b>				
Dividend paid on ordinary shares	-	-	(980)	-
(Increase)/ decrease in cash and bank deposits pledged	(39)	(1)	(791)	807
(Repayment of)/ proceeds from loans	(1,860)	3,565	(1,549)	3,565
(Repayment of)/ proceeds from bank borrowings	(175)	(1,330)	(2,370)	1,972
Net proceeds received from rights issue	-	-	97,971	-
Loan provided by a director	1,400	-	21,400	-
Proceeds from exercise of employee share options	-	1,098	-	6,126
Repayment of obligations under finance leases	(445)	(247)	(1,731)	(408)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(1,119)</b>	<b>3,085</b>	<b>111,950</b>	<b>12,062</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>22,986</b>	<b>(47,391)</b>	<b>119,552</b>	<b>(43,816)</b>
Cash and cash equivalents at beginning of the period	114,904	65,729	18,338	62,154
<b>Cash and cash equivalents at end of the period</b>	<b>137,890</b>	<b>18,338</b>	<b>137,890</b>	<b>18,338</b>

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 US\$'000	Total Equity US\$'000
	Share capital US\$'000	Accumulated losses US\$'000	Other reserves US\$'000	Translation reserve US\$'000	Total US\$'000		
<b>The Group</b>							
<b>Balance as at 1 January 2010</b>	168,534	(70,268)	(80)	2,951	101,137	-	101,137
Total comprehensive income/ (loss) for the period	-	2,028	(17)	3,510	5,521	1,699	7,220
Issuance of shares	101,167	-	-	-	101,167	-	101,167
Cost of issuance	-	-	(3,197)	-	(3,197)	-	(3,197)
Capital injection by way of shares issuance to a subsidiary	18,354	-	-	-	18,354	-	18,354
Capital contribution by non-controlling interest	-	-	-	-	-	15,292	15,292
Dividend on ordinary shares	-	(980)	-	-	(980)	-	(980)
Value of employee services received	-	-	20	-	20	-	20
<b>Balance as at 30 September 2010</b>	<b>288,055</b>	<b>(69,220)</b>	<b>(3,274)</b>	<b>6,461</b>	<b>222,022</b>	<b>16,991</b>	<b>239,013</b>
Total comprehensive income for the period	-	1,909	76	5,231	7,216	256	7,472
Value of employee services received	-	-	4	-	4	-	4
<b>Balance as at 31 December 2010</b>	<b>288,055</b>	<b>(67,311)</b>	<b>(3,194)</b>	<b>11,692</b>	<b>229,242</b>	<b>17,247</b>	<b>246,489</b>
<b>Balance as at 1 January 2009</b>	161,723	(72,009)	564	2,152	92,430	-	92,430
Total comprehensive (loss)/ income for the period	-	(2,387)	34	585	(1,768)	-	(1,768)
Exercise of employees share options	5,452	-	(424)	-	5,028	-	5,028
Value of employee services received	-	-	48	-	48	-	48
<b>Balance as at 30 September 2009</b>	<b>167,175</b>	<b>(74,396)</b>	<b>222</b>	<b>2,737</b>	<b>95,738</b>	<b>-</b>	<b>95,738</b>
Total comprehensive income for the period	-	4,128	-	214	4,342	-	4,342
Exercise of employees share options	1,359	-	(261)	-	1,098	-	1,098
Value of employee services received	-	-	(41)	-	(41)	-	(41)
<b>Balance as at 31 December 2009</b>	<b>168,534</b>	<b>(70,268)</b>	<b>(80)</b>	<b>2,951</b>	<b>101,137</b>	<b>-</b>	<b>101,137</b>

	Share capital US\$'000	Accumulated losses US\$'000	Other reserves US\$'000	Translation reserve US\$'000	Total US\$'000
<b>The Company</b>					
<b>Balance as at 1 January 2010</b>	168,534	(76,934)	(80)	28	<b>91,548</b>
Total comprehensive (loss)/ income for the period	-	(438)	(17)	5	<b>(450)</b>
Issuance of shares	101,167	-	-	-	<b>101,167</b>
Cost of issuance	-	-	(3,197)	-	<b>(3,197)</b>
Capital injection by way of shares issuance to a subsidiary	18,354	-	-	-	<b>18,354</b>
Dividend on ordinary shares	-	(980)	-	-	<b>(980)</b>
Value of employee services received	-	-	20	-	<b>20</b>
<b>Balance as at 30 September 2010</b>	<b>288,055</b>	<b>(78,352)</b>	<b>(3,274)</b>	<b>33</b>	<b>206,462</b>
Total comprehensive income for the period	-	3,524	76	3	<b>3,603</b>
Issuance of shares	-	-	-	-	-
Cost of issuance	-	-	-	-	-
Value of employee services received	-	-	4	-	<b>4</b>
<b>Balance as at 31 December 2010</b>	<b>288,055</b>	<b>(74,828)</b>	<b>(3,194)</b>	<b>36</b>	<b>210,069</b>
<b>2009</b>					
<b>Balance as at 1 January 2009</b>	161,723	(78,317)	564	18	<b>83,988</b>
Total comprehensive (loss)/ income for the period	-	(3,063)	34	9	<b>(3,020)</b>
Exercise of employees share options	5,452	-	(424)	-	<b>5,028</b>
Value of employee services received	-	-	48	-	<b>48</b>
<b>Balance as at 30 September 2009</b>	<b>167,175</b>	<b>(81,380)</b>	<b>222</b>	<b>27</b>	<b>86,044</b>
Total comprehensive income for the period	-	4,446	-	1	<b>4,447</b>
Exercise of employees share options	1,359	-	(261)	-	<b>1,098</b>
Value of employee services received	-	-	(41)	-	<b>(41)</b>
<b>Balance as at 31 December 2009</b>	<b>168,534</b>	<b>(76,934)</b>	<b>(80)</b>	<b>28</b>	<b>91,548</b>

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	
	31/12/2010	31/12/2009
Issued shares at the beginning of the period	1,268,365,755	1,202,990,947
Shares issued to DEC on 24 March 2010 as part of the consideration paid for the acquisition of certain intangible assets of DEC and certain companies controlled by him, as announced on 25 March 2010 (Announcement no. 00060)	102,840,466	-
Shares issued upon the exercised of options granted under the Employees' Share Option Schemes and Employees' Performance Share Schemes	-	65,374,808
Shares issued pursuant to the rights issue exercise in August 2010	1,371,206,221	-
Total issued shares at the end of the period	2,742,412,442	1,268,365,755

As a result of the rights issue completed in August 2010, the exercise price per share and number of option shares outstanding for options granted under 1999 Spice i2i Employees' Share Option Scheme II had been adjusted in accordance with the formula outlined in the offer circular dated 8 July 2010. The adjusted exercise prices per share are as follows:

Expiry Date	Adjusted exercise price	Adjusted number of options	Adjusted number of options outstanding as at 31 December 2010
28-May-13	0.0857	196,277	196,277
26-Apr-14	0.1680	233,359	233,359
27-Apr-15	0.1294	233,359	233,359
27-Apr-16	0.3016	314,286	314,286
27-Apr-16	0.2708	700,078	700,078
30-Oct-17	0.2253	373,217	189,883
27-Feb-19	0.0592	1,571,430	733,334
		<b>3,622,006</b>	<b>2,600,576</b>

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	
	31/12/2010	31/12/2009
Options granted under 1999 Spice i2i Employees' Share Option Scheme II	2,600,576	4,185,288

**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 31 December 2010 is 2,742,412,442 ( 31 December 2009 : 1,268,365,755).

**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 2009, 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.**

On 1 January 2010, the Group adopted the new or revised Singapore Financial Reporting Standards (FRS) and Interpretations (INT FRS) that are effective in this financial year. The FRS that are relevant to the Group include:

(a) FRS 27 (revised) Consolidated and Separate Financial Statements

FRS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control. These transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. The Group will apply FRS 27 (revised) prospectively to transactions from 1 January 2010.

(b) FRS 103 (revised) Business Combinations

FRS 103 (revised) continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as financial liability subsequently re-measured through profit or loss. There is a choice on an acquisition-by acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed off. The Group will apply FRS 103 (revised) prospectively to all business combinations from 1 January 2010.

(c) FRS 32 (revised) Financial Instruments

FRS 32 (revised) which requires the classification of Rights Issues is applicable for annual periods beginning on or after 1 February 2010. The FRS 32 (revised) addresses the accounting for rights issues (rights, options, or warrants) that are denominated in a currency other than the functional currency of the issuer. The amendments states that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount of any currency are equity instruments, regardless of the currency in which the exercise price is denominated, if the entity offers the rights, options, or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments.

There was no material impact of such changes in the above mentioned accounting policies to the Group's results for the quarter ended 31 December 2010, except for the early adoption of FRS 32 (revised) to the recent rights issue in August 2010 in SGD, which has been classified as equity instruments.

**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 December		Twelve months ended 31 December	
	2010	2009	2010	2009
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)	0.10 cent	0.34 cent	0.21 cent	0.14 cent
ii) On a fully diluted basis (US cent)	0.10 cent	0.33 cent	0.21 cent	0.14 cent

Basic earning per share is calculated based on the weighted average number of 1,885,205,175 (31/12/2009 : 1,228,168,862) ordinary shares in issue.

Diluted earning per share is calculated based on the adjusted weighted average number of 1,886,146,396 (31/12/2009 : 1,234,917,179) ordinary shares in issue.

**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	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
Net asset backing per ordinary share is calculated based on 2,742,412,442 (31/12/2009 : 1,268,365,755) ordinary shares in issue at the end of the period under review and of the immediate preceding financial year (US cent).	8.36 cent	7.97 cent	7.66 cent	7.22 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's turnover recorded a significant growth of 229% to US\$97.4 million in Q4 2010, whereas YTD 2010 turnover of US\$267.7 million has shown an impressive growth of 133% over last year.

The significant improvement in turnover was primarily due to the commencement of mobility business in December 2009 which is further supported by demand of mobile handsets loaded with features, and expansion of markets. Thus strong mobile handsets revenue was recorded in the year. In addition, the increase in turnover was also contributed by the inorganic efforts i.e. acquisition of subsidiaries, Spice BPO Services Limited and Newtel Corporation Company Limited and also incorporation of Spice-CSL Pte Ltd.

In line with increases in revenue, direct service fees incurred and costs of goods sold had also increased by US\$62.9 million to US\$80.6 million in Q4 2010, and by US\$145.9 million to US\$208.5 million for financial period 2010. The above increases were not in proportion to the increases in revenue, due to change in sales mix (revenue generated from the mobile handsets business has comparatively higher cost of goods sold and lower margin as compared to the voice business).

Similarly, personnel costs, infrastructure costs, depreciation of property, plant and equipment, amortisation of intangible assets and finance costs had increased in comparison to last year's same period, resulting from the acquisition of the subsidiaries, Spice BPO Services Limited, Bharat IT Services Limited and Newtel Corporation Company Limited and incorporation of subsidiary, Spice-CSL Pte Ltd.

Overall, the Group recognized net profits attributable to the equity owners of the Company of US\$3.9 million and US\$1.9 million for twelve months results ended 31 December 2010 and Q4 2010 respectively due to appreciation of SGD and MYR against USD in 2010 and also due to a strong business model.

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 continues to focus on the high potential markets of mobile communication in the emerging markets that span between Indonesia and the Ivory Coast. In this respect, the Group intends to consolidate its position further in the markets of Malaysia, Indonesia, Thailand, Bangladesh, Singapore and Myanmar. The Group is also in the advanced stages, of realizing its plan to enter other markets of the region which have high potential. In the i2i region, the Group is competing with global brands by meeting the consumers aspirations of quality and value for money.

The Group is buoyant about its outlook for the future and expects marketing and sales of mobile devices to be its dominant selling point in the foreseeable future. Operator dependency continues to be both a challenge as well as an area of opportunity in the near future.

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? Yes

Name of dividend	<b>Final for FY2009</b>
Dividend Type	<b>Cash; Tax exempt (1-tier) dividend</b>
Dividend Amount	<b>SGD 0.1 cent per ordinary share</b>
Tax Rate	<b>Exempt (1-tier)</b>

**(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. 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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	Quarter ended 31 Dec 2010	Quarter ended 31 Dec 2010
	US\$'000	US\$'000
Spice Mobility Limited (formerly known as Spice Mobiles Limited)	122	13,583
Spice CSL International Sdn. Bhd.	2,730	-
Gibson Dunn & Crutcher LLP	1,070	-
Dot Mobile Sdn. Bhd.	138	-
J & B Mobile Care Sdn. Bhd.	189	-
CSL Manufacturing (M) Sdn. Bhd.	-	27,540
Mobile Concepts (M) Sdn. Bhd.	-	158

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

14. 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.

15. 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.

16. A breakdown of sales.

Not Applicable.

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

Not Applicable.

18. 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 and period ended 31 December 2010 to be false or misleading in any material respects.

On behalf of the Board of Directors,

Dato' Chuah Seong Ling  
Managing Director

Ashok Kumar Goyal  
Executive Director

**BY ORDER OF THE BOARD**

Maneesh Tripathi  
Chief Executive Officer

25 January 2011