



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

PART I - UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED 31 MAR 2007

1(a)(i) STATEMENT OF PROFIT AND LOSS FOR THE 1ST QUARTER ENDED 31 MAR 2007

In S\$'000	1Q2007	1Q2006	+/- %
Revenue	100,824	105,926	-4.8%
Cost of sales	(92,330)	(96,394)	-4.2%
Gross profit	8,494	9,532	-10.9%
Gross Margin %	8.4%	9.0%	-0.6%
Other income	620	728	-14.8%
Selling and marketing expenses	(1,492)	(2,021)	-26.2%
Administrative expenses	(3,519)	(3,056)	15.2%
Other expenses	(133)	(195)	-31.8%
Finance costs	(2)	-	100%
Share of profit of jointly-controlled entity (net of tax)	13	32	-59.4%
Profit before income tax	3,981	5,020	-20.7%
% of revenue	3.9%	4.7%	-0.8%
Income tax expense	(915)	(1,167)	-21.6%
Profit for the year	3,066	3,853	-20.4%
Attributable to:			
Equity holders of the parent	3,066	4,016	-23.7%
% of revenue	3.0%	3.8%	-0.8%
Minority interest	-	(163)	-100.0%
	3,066	3,853	-20.4%

No. of shares 450,149 445,302

Earnings per share (in cents)

Basic	0.68	0.90
Diluted	0.68	0.90



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1(a)(ii) PROFIT BEFORE TAXATION HAS BEEN ARRIVED AT AFTER CHARGING / (CREDITING):

In S\$'000	1Q2007	1Q2006	%
Staff costs (see Note 1)	4,719	4,235	11.4%
Value of employee services received for issue of share option, included in staff costs	110	39	182.1%
Directors' remuneration	125	226	-44.7%
Depreciation of property, plant and equipment	399	311	28.3%
Amortisation of intangible assets	191	139	37.4%
Provision for bad debts (see Note 2)	144	11	1209.1%
Exchange loss	46	100	-54.0%
Other income comprises:			
Service income	279	301	-7.3%
Interest income			
-banks	174	153	13.7%
Others	167	274	-39.1%
	620	728	-14.8%

Note:

- (1) Staff cost increase is mainly attributable to increase in headcount to support Indonesia projects
- (2) Provision for bad debts increase mainly for a major Indonesia customer in Distribution services.



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1(b)(i) BALANCE SHEET

In S\$'000	Group		Company	
	31/03/2007	31/12/2006	31/03/2007	31/12/2006
<u>Non-current assets</u>				
Subsidiaries	0	0	14,170	14,170
Jointly-controlled entities	1,768	1,767	1,166	1,168
Property, plant and equipment	2,603	2,698	366	394
Intangible assets	1,850	1,918	0	0
Deferred tax assets	639	527	186	133
	6,860	6,910	15,888	15,865
<u>Current Assets</u>				
Inventories	26,281	17,824	25,233	11,550
Work-in-progress	2,056	1,050	0	0
Trade and other receivables	57,967	48,726	34,815	34,935
Cash and cash equivalent	23,300	28,941	12,528	11,542
	109,604	96,541	72,576	58,027
Total Assets	116,464	103,451	88,464	73,892
<u>Equity attributable to equity holders of the parent</u>				
Share Capital	20,439	20,439	20,439	20,439
Other Reserves	16,235	16,257	13,683	13,630
Accumulated profits	22,866	19,800	24,937	22,048
Total equity	59,540	56,496	59,059	56,117
<u>Non current liabilities</u>				
Deferred tax liabilities	187	197	0	0
Financial liabilities	3	14	0	0
<u>Current Liabilities</u>				
Trade and other payables	49,708	38,775	25,987	14,466
Provision for warranties	460	487	387	420
Current tax payable	5,094	5,214	3,031	2,889
Financial liabilities	42	603	0	0
Deferred income	1,430	1,665	0	0
	56,734	46,744	29,405	17,775
Total liabilities	56,924	46,955	29,405	17,775
Total equity and liabilities	116,464	103,451	88,464	73,892

The increase in total assets was mainly attributable to increase in inventories and trade and other receivables. The higher sales from Singapore Distribution operations resulted in an increase in inventories. Total liabilities increased mainly from increase in trade and other payables with increase in inventory purchases.



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1(b)(ii) GROUP BORROWING

	As at 31/3/2007	As at 31/12/2006
Amount repayable in one year or less		
Unsecured	NIL	561
Amount repayable after one year	NIL	NIL
Details of any collateral	NIL	NIL

1(c) CASH FLOW STATEMENT FOR THE 1ST QUARTER ENDED 31 MAR 2007

In S\$'000	1Q2007	1Q2006
Operating Activities		
Profit before income tax	3,981	5,020
Adjustments for:		
Accretion of deferred income	(768)	(134)
Amortisation of intangible assets	191	139
Depreciation of property, plant and equipment	399	312
Interest expense	2	0
Interest income	(174)	(153)
Loss on disposal of property, plant and equipment	5	0
Provision for warranties	(27)	68
Share of profits of jointly-controlled entity	(13)	(32)
Value of employees services received for issue of share options	110	39
Cash from operating profit before working capital changes	3,706	5,259
Changes in working capital	(7,182)	(2,505)
Cash generated from operations	(3,476)	2,754
Income tax paid	(1,118)	(32)
Interest received	174	137
Net cash inflow/(outflow) from operating activities	(4,420)	2,859
Investing Activities		
Acquisition of additional equity interest in subsidiary	0	(840)
Proceeds from disposal of property, plant and equipment	17	0
Purchase of intangible assets	(192)	0
Purchase of property, plant and equipment	(312)	(287)
Net cash outflow from investing activities	(487)	(1,127)
Cash Flows From Financing Activities		
Balances with related corporations (non-trade)	(41)	(134)
Interest paid	(2)	0
Proceeds from issue of shares under Pre-IPO Share Option Scheme	0	112
Repayment of financial liabilities	(571)	0
Net cash outflow from financing	(614)	(22)
Net (Decrease)/Increase In Cash And Cash Equivalents	(5,521)	1,710
Cash And Cash Equivalents At beginning of Period	28,941	44,626
Effect of exchange rate differences on balances held in foreign currency	(120)	136
Cash And Cash Equivalents At End of Period	23,300	46,472



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Cash flows from operating activities

In 1Q07, there was a negative \$3.5 M in cash flow from operating activities from lower operating profit and negative changes in working capital. The negative changes in working capital were attributable to increase in inventories and receivables, offset by increase in payables. Inventories have increased mainly due to higher sales from Singapore Distribution operations.

Cash flows from investing activities

Net cash outflow was higher 1Q06, mainly from acquisition of additional equity interest in Planet Telecoms (S) Pte Ltd

Net cash flow from financing activities

The higher cash outflow in 1Q07 was mainly from repayment of bank borrowings.



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1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 1ST QUARTER ENDED 31 MAR 2007

Group	Share capital	Accumulated profits	Other reserves	Minority Interest	Total equity
At 1 January 2006	8,906	19,360	26,589	494	55,349
Translation differences relating to financial statements of foreign subsidiaries	0	0	272	0	272
Profit for the period	0	4,016	0	(163)	3,853
Transfer of share premium to share capital	10,523	0	(10,523)	0	0
Issue of 537,000 ordinary shares under share option scheme	112	0	0	0	112
Acquisition of additional interest in subsidiary	0	0	0	(172)	(172)
Value of employee services received for issue of share option	0	0	39	0	39
At 31 March 2006	19,541	23,376	16,377	159	59,453
At 1 January 2007	20,439	19,800	16,257	0	56,496
Translation differences relating to financial statements of foreign subsidiaries	0	0	(132)	0	(132)
Profit for the period	0	3,066	0	0	3,066
Value of employee services received for issue of share option	0	0	110	0	110
At 31 March 2007	20,439	22,866	16,235	0	59,540

Company	Share capital	Accumulated profits	Other reserves	Total equity
At 1 January 2006	8,906	21,557	24,107	54,570
Profit for the period	0	2,491	0	2,491
Transfer of share premium to share capital	10,523	0	(10,523)	0
Issue of 537,000 ordinary shares under share option scheme	112	0	0	112
Value of employee services received for issue of share option	0	0	16	16
As at 31 March 2006	19,541	24,048	13,600	57,189
At 1 January 2007	20,439	22,048	13,630	56,117
Profit for the period	0	2,889	0	2,889
Value of employee services received for issue of share option	0	0	53	53
At 31 March 2007	20,439	24,937	13,683	59,059



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1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL

A) Movements in Issued and Paid up Capital

	No of ordinary shares	Issued and paid up Capital (\$'000)
Balance as at 1 Jan 2007	450,148,500	20,439
Balance as at 31 Mar 2007	450,148,500	20,439

B) Employee Share Options

As at 31 Mar 2007, there were unexercised options of 7,814,000 (31 Mar 2006: 13,435,000) unissued ordinary shares of \$0.2079 each under the TeleChoice Pre-IPO Share Option Scheme.

2. AUDIT

The figures have not been audited or reviewed by the company's auditor.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

Accounting policies and method of computation used in the preparation of the financial statements are consistent with those used in the annual report for the financial year ended 31 Dec 2006.

5. CHANGES IN ACCOUNTING POLICIES

Not Applicable

6. EARNINGS PER ORDINARY SHARE (EPS)

Group	1Q07	1Q06	FY06
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Based on weighted average number of ordinary shares on issue (in cents)

Basic	0.68	0.90	3.84
Diluted	0.68	0.90	3.82

7. NET ASSET VALUE

	GROUP		
	1Q07	1Q06	FY06
Net assets value per ordinary share based on issued share capital at the end of the financial period/year (in cents):	13.23	13.30	12.55

	COMPANY		
	1Q07	1Q06	FY06
Net assets value per ordinary share based on issued share capital at the end of the financial period/year (in cents):	13.12	12.83	12.47



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8. REVIEW OF GROUP PERFORMANCE

A) Revenue

S\$ M s	1Q07	1Q06	Growth	
			\$	%
Distribution Services	86.1	93.3	(7.2)	-8%
Telecommunications Services	5.8	6.7	(0.9)	-13%
Network Engineering Services	8.9	5.9	3.0	51%
Total	100.8	105.9	(5.1)	-5%

- Singapore contributed 90% of the revenue in 1Q07. The increase in Singapore Distribution Services revenue of \$8.3 M or 12% was offset by decrease in overseas operations. This resulted in an overall decrease in Distribution Services revenue by \$7.2 M or 8%.
- Telecommunications Services revenue decreased by \$0.9 M or 13% from lower iDD and mobile data usage, partially offset by contribution from Malaysia operation.
- Projects in Singapore and Indonesia contributed to an increase in revenue for Network Engineering Services by \$3.0 M or 51%.

B) PBT

S\$ M s	1Q07	1Q06	Growth	
			\$	%
Distribution Services	2.7	2.6	0.1	4%
Telecommunications Services	1.0	2.1	(1.1)	-52%
Network Engineering Services	0.3	0.3	-	-
Total	4.0	5.0	(1.0)	-20%

- PBT for Distribution Services increased by \$0.1 M or 4%. Improvement from Singapore was partially offset by a bad debt provision for a major customer in Indonesia. There were also profits from Blackberry sales in 1Q06.
- The \$1.1 M or 52% decrease in PBT for Telecommunications Services was from lower revenue. There was also start up losses for the Malaysian operation and development costs for new services. PBT margins decrease mainly from lower mobile data usage.
- PBT for Network Engineering Services was maintained at \$0.3 M. The increase in gross profit from higher revenue was offset by higher operating expenses mainly from higher manpower cost to support higher level of activities.



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9. VARIANCE FROM PROSPECT STATEMENT

*In its FY06 results announcement dated 28 Feb 2007, the following prospects statement was disclosed:
Barring unforeseen circumstances, the Group expects the business outlook to remain positive. Overall, the Group expects to maintain its operating performance for FY2007.*

Group PBT in 1Q07 declined by 21 % over 1Q06. The decline is primarily attributable to the more competitive operating environment in our Telecommunications Services business, which resulted in a decline in IDD revenue.

10. PROSPECTS

In light of the weaker 1Q07 performance, and barring unforeseen circumstances, the Group may have difficulty maintaining its operating performance for FY2007, as compared to FY2006.

The Group expects to be in a better position to provide further guidance on the overall performance for FY2007, after 2Q07.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

11. DIVIDEND

(a) Any dividend declared for the current financial period reported on? No

The Company targets to pay dividends of 2.5 cents per share for FY2007.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

N/A

(d) Books closure date

N/A

12. If no dividend has been declared/recommendeded, a statement to that effect.

N/A



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13. Interested Person Transactions - DISCLOSURE PURSUANT TO RULE 920(1)(a)(ii)

S\$ M s	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX listing manual	
	1Q07	1Q06
<u>Transactions for the sales of goods and services</u>	37.4	43.7
Temasek Holdings (Private) Limited and its Associates	37.4	43.7
<u>Transactions for the purchases of goods and services</u>	2.2	3.0
Temasek Holdings (Private) Limited and its Associates	1.6	2.2
Singapore Telecommunications Limited and its Associates	0.6	0.8
Total Interested Person Transactions	39.6	46.7

Note: All transactions are conducted under the shareholders' mandate pursuant to Rule 920.

BY ORDER OF THE BOARD

Andrew Loh Sur Jin
President


Date: 4 May 2007

UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2007: CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(4) OF THE LISTING MANUAL

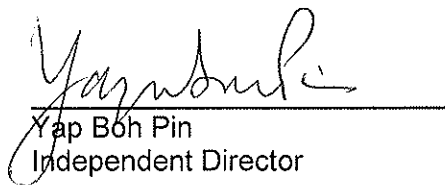
On behalf of the Board of Directors (the "Board") of TeleChoice International Limited, we, the undersigned, hereby confirm that, to the best of our knowledge, nothing has come to the attention of the Board which may render the unaudited financial statements for the first quarter ended 31 March 2007 to be false or misleading.

Date: 4 May 2007

For and on behalf of the Board:-



Bertie Cheng
Chairman & Independent Director



Yap Boh Pin
Independent Director

Note:

Rule 705(4) of the Listing Manual provides as follows:-

In the case of an announcement of interim financial statements (quarterly or half-yearly, as applicable), an issuer's directors must provide a confirmation that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial results to be false or misleading. In order to make this confirmation, Directors would not be expected to commission an audit of these financial statements. The confirmation may be signed by 2 directors on behalf of the board of directors.

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(Reg No 199802072R)

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