



**TELECHOICE INTERNATIONAL LIMITED**  
(REG. NO. 199802072R)

**PART I - UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2008**

1(a)(i) STATEMENT OF PROFIT AND LOSS FOR THE 4<sup>TH</sup> QUARTER AND FULL YEAR ENDED 31 DECEMBER 2008

In S\$'000s	2008	2007	+/- %	2008	2007	+/- %
	4Q			FY		
<b>Revenue</b>	<b>78,808</b>	<b>125,745</b>	-37.3	<b>353,135</b>	<b>420,404</b>	-16.0
Cost of sales	(69,153)	(113,742)	-39.2	(316,824)	(380,858)	-16.8
<b>Gross profit</b>	<b>9,655</b>	<b>12,003</b>	-19.6	<b>36,311</b>	<b>39,546</b>	-8.2
<i>Gross margin %</i>	12.3%	9.5%	2.8 pt	10.3%	9.4%	0.9 pt
Other income	198	580	-65.9	1,247	2,340	-46.7
Selling and marketing expenses	(1,224)	(1,637)	-25.2	(5,678)	(6,352)	-10.6
Administrative expenses	(3,544)	(4,580)	-22.6	(14,110)	(16,414)	-14.0
Other expenses	(150)	(790)	-81.0	(544)	(1,286)	-57.7
Finance costs	(38)	(122)	-68.9	(172)	(202)	-14.9
Share of profit of associate and jointly-controlled entity (net of tax)	193	84	+129.8	1,142	154	+641.6
<b>Profit before income tax</b>	<b>5,090</b>	<b>5,538</b>	-8.1	<b>18,196</b>	<b>17,786</b>	2.3
<i>% of revenue</i>	6.5%	4.4%	2.1 pt	5.2%	4.2%	1.0 pt
Income tax expense	(1,545)	(621)	148.8	(4,009)	(3,607)	11.1
Profit for the period/year	<b>3,545</b>	<b>4,917</b>	-27.9	<b>14,187</b>	<b>14,179</b>	0.1
Attributable to:						
<b>Equity holders of the Company</b>	<b>3,545</b>	<b>4,917</b>	-27.9	<b>14,187</b>	<b>14,179</b>	0.1
<i>% of revenue</i>	4.5%	3.9%	0.6 pt	4.0%	3.4%	0.6 pt
Minority interests	-	-	-	-	-	-
	3,545	4,917	-27.9	14,187	14,179	0.1

Weighted average no. of shares 452,968 451,742 452,408 450,909

**Earnings per share (in cents)**

<b>Basic</b>	<b>0.78</b>	1.09	<b>3.14</b>	3.14
<b>Diluted</b>	<b>0.78</b>	1.09	<b>3.13</b>	3.14

*nm: not meaningful*



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

In S\$'000s	2008	2007	+/- %	2008	2007	+/- %
	4Q			FY		
Staff costs (note 1)	6,196	6,276	-1.3	24,207	22,723	6.5
Directors' remuneration	14	112	-87.9	366	463	-21.0
Depreciation of property, plant and equipment (note 2)	563	371	51.8	1,528	1,603	-4.7
Amortisation of intangible assets (note 2)	115	14	nm	521	564	-7.6
Impairment losses recognised on:						
- goodwill (note 3)	313	522	-40.0	313	522	-40.0
- property plant and equipment (note 4)	175	-	nm	175	-	nm
Provision for bad debts (note 5)	97	1,323	-92.7	217	3,136	-93.1
Exchange (gain)/loss (note 6)	(290)	203	242.9	(180)	396	145.4
<b>Other income comprises:</b>						
Service income	206	268	-23.1	910	1,038	-12.3
Interest income (note 7)						
-banks	20	67	-70.1	97	471	-79.8
-jointly-controlled entity	-	16	nm	3	42	-92.9
Others (note 8)	(28)	229	-12.2	237	789	-70.0
	<b>198</b>	<b>580</b>	<b>-65.9</b>	<b>1,247</b>	<b>2,340</b>	<b>-46.7</b>

nm: not meaningful

Note:

- (1) Higher staff costs in FY08 was mainly attributable to increase in Engineering department headcount to support projects in Indonesia.
- (2) Higher depreciation in 4Q08 was due to accrual of reinstatement costs for Telecoms business. Lower capital expenditure in the current financial year had resulted in an overall decrease in depreciation and amortisation expenses for the full year.
- (3) Impairment losses on goodwill recognised under "Other expenses" mainly refer to impairment of benefits acquired from customer base and distribution networks, attributable to the investment in N-Wave Telecom (Malaysia) Sdn Bhd.
- (4) Impairment losses on property, plant and equipment refer to write-off of non-income producing property, plant and equipment in Malaysia.
- (5) There was a one-time provision for bad debts for a major Indonesian customer in Personal Communications Solutions Services in FY07.
- (6) Exchange differences arose mainly from revaluation of intra-company loans.
- (7) Lower interest income was mainly due to lower interest rates for the year.
- (8) The reduction in other income in FY08 was mainly due to reclassification of subsidies to cost of sales and selling and marketing expenses with effect from FY08



**TELECHOICE INTERNATIONAL LIMITED**  
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**1(b)(i) BALANCE SHEET**

In S\$'000	Group		Company	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
<b><u>Non-current assets</u></b>				
Subsidiaries	-	-	13,071	13,261
Jointly-controlled entity	941	1,295	955	955
Associate	-	9,785	-	9,760
Property, plant and equipment	1,742	2,094	187	272
Intangible assets	262	1,015	-	-
Deferred tax assets	208	558	91	90
	<b>3,153</b>	<b>14,747</b>	<b>14,304</b>	<b>24,338</b>
<b><u>Current Assets</u></b>				
Inventories	6,694	33,759	4,563	32,473
Work-in-progress	11,446	14,204	-	-
Trade and other receivables	44,873	62,101	30,053	46,900
Cash and cash equivalent	42,609	25,008	25,789	5,969
	<b>105,622</b>	<b>135,072</b>	<b>60,405</b>	<b>85,342</b>
<b>Total Assets</b>	<b>108,775</b>	<b>149,819</b>	<b>74,709</b>	<b>109,680</b>
<b>Equity attributable to equity holders of the Company</b>				
Share capital	21,066	20,770	21,066	20,770
Other reserves	13,557	15,489	14,054	13,939
Accumulated profits	31,235	28,352	24,224	24,795
<b>Total equity</b>	<b>65,858</b>	<b>64,611</b>	<b>59,344</b>	<b>59,504</b>
<b>Non current liabilities</b>				
Deferred tax liabilities	86	184	-	-
<b><u>Current Liabilities</u></b>				
Trade and other payables	33,019	67,943	9,940	36,538
Provision for warranties	104	434	49	362
Current tax payable	3,346	3,258	2,376	2,276
Financial liabilities	5,000	11,786	3,000	11,000
Deferred income	1,362	1,603	-	-
	<b>42,831</b>	<b>85,024</b>	<b>15,365</b>	<b>50,176</b>
<b>Total liabilities</b>	<b>42,917</b>	<b>85,208</b>	<b>15,365</b>	<b>50,176</b>
<b>Total equity and liabilities</b>	<b>108,775</b>	<b>149,819</b>	<b>74,709</b>	<b>109,680</b>

The decrease in total assets was mainly attributable to the decrease in inventories, trade and other receivables. The put option has been exercised on the investment in associate company and the cash consideration is included in other receivables. The lower inventories, trade and other receivables in December 2008 were due to lower sales activities and purchases as a result of weak market sentiment. Total liabilities decreased mainly from decrease in trade and other payables, and bank borrowings.



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**1(b)(ii) GROUP BORROWING in S\$'000**

	As at 31/12/2008	As at 31/12/2007
<b>Amount repayable in one year or less</b>		
Unsecured	5,000	11,772
<b>Amount repayable after one year</b>	NIL	NIL
<b>Details of any collateral</b>	NIL	NIL

**1(c) CASH FLOW STATEMENT FOR THE 4<sup>TH</sup> QUARTER AND FULL YEAR ENDED 31 DECEMBER 2008**

In S\$'000	2008	2007	2008	2007
	4Q		FY	
<b>Operating Activities</b>				
Profit before taxation	5,090	5,538	18,196	17,786
Adjustments for:				
Accretion of deferred income	42	1	(322)	(1,376)
Amortisation of intangible assets	115	14	521	564
Depreciation of property, plant and equipment	563	371	1,528	1,603
Interest expense	38	122	172	202
Interest income	(20)	(83)	(100)	(513)
Loss/(gain) on disposal of property, plant and equipment	12	(11)	9	31
Gain on disposal of investments	(4)	-	(4)	-
Impairment losses on goodwill	313	522	313	522
Impairment losses on property, plant and equipment	175	-	175	-
Provision for warranties	(380)	1	(325)	22
Share of profits of associate & jointly-controlled entity	(193)	(84)	(1,142)	(154)
Value of employees services received for issue of share options	9	(224)	115	61
Cash from operating profit before working capital changes	5,760	6,167	19,136	18,748
Changes in working capital	27,405	457	20,893	(11,707)
Cash generated from operations	33,165	6,624	40,029	7,041
Income tax paid	(925)	(1,055)	(3,698)	(5,390)
Interest received	20	83	100	513
<b>Net cash inflow from operating activities</b>	<b>32,260</b>	<b>5,652</b>	<b>36,431</b>	<b>2,164</b>
<b>Investing Activities</b>				
Acquisition of an associate	-	-	-	(9,760)
Loan repayment from jointly-controlled entity	-	261	466	-
Dividend from jointly-controlled entity	-	-	190	-
Proceeds from disposal of property, plant and equipment	1	7	84	32
Purchase of intangible assets	(14)	(180)	(88)	(401)
Purchase of property, plant and equipment	(824)	(347)	(1,497)	(1,082)
<b>Net cash outflow from investing activities</b>	<b>(837)</b>	<b>(259)</b>	<b>(845)</b>	<b>(11,211)</b>



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**1(c) CASH FLOW STATEMENT FOR THE 4<sup>TH</sup> QUARTER AND FULL YEAR ENDED 31 DECEMBER 2008**  
**(Continued)**

In S\$'000	2008	2007	2008	2007
	4Q		FY	
<b>Financing Activities</b>				
Balances with related corporations (non-trade)	274	194	189	162
Dividend paid	-	-	(11,304)	(5,627)
Interest paid	(38)	(122)	(172)	(202)
Purchase of treasury shares	-	-	-	(72)
Proceeds from issue of shares under Pre-IPO Share Option Scheme	-	-	296	331
(Repayment of)/proceed from bank loans	(5,000)	(3,976)	(6,772)	11,211
Repayment of finance lease	-	(42)	(14)	(42)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(4,764)</b>	<b>(3,946)</b>	<b>(17,777)</b>	<b>5,761</b>
Net Increase/(Decrease) In Cash And Cash Equivalents	26,659	1,447	17,809	(3,286)
Cash And Cash Equivalents At beginning of Period/Year	16,136	23,918	25,008	28,941
Effect of exchange rate differences on balances held in foreign currency	(186)	(357)	(208)	(647)
<b>Cash And Cash Equivalents At End of Period/Year</b>	<b>42,609</b>	<b>25,008</b>	<b>42,609</b>	<b>25,008</b>

Cash flows from operating activities

In 4Q2008, net cash flow from operating activities was \$26.8M higher than 4Q2007 as a result of positive changes in working capital. The positive changes in working capital were attributable to lower inventories and receivables.

Against FY2007, the net cash inflow from operating activities for FY2008 increased by \$34.4M mainly from improvement in working capital and lower income tax paid.

Cash flows from investing activities

In 4Q2008, cash outflow for investing activities was higher than 4Q2007 because of repayment of loan from a jointly-controlled entity last year.

There was an improvement in cash flow from investing activities in FY2008 compared to last financial year mainly due to an acquisition of an associated company for \$9.8M in FY2007. In addition, there was a dividend income of \$0.2M received in 3Q2008 and loan repayment of \$0.5M in 1Q2008 from a jointly-controlled entity.

Cash flow from financing activities

The net cash outflow from financing activities in 4Q2008 and FY2008 was due to the repayment of bank loans. In addition, higher cash outflow in FY2008 resulted from higher dividend payment of \$11.3M in 2Q2008.



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**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 4<sup>TH</sup> QUARTER ENDED 31 DECEMBER 2007 AND 2008**

<b>In S\$'000</b>	<b>Share capital</b>	<b>Accumulated profits</b>	<b>Other Reserves</b>	<b>Total equity</b>
<b>Group</b>				
At 1 October 2007	<b>20,770</b>	<b>23,435</b>	<b>16,264</b>	<b>60,469</b>
Translation differences relating to financial statements of foreign subsidiaries	-	-	(479)	(479)
<b>Net losses recognised directly in equity</b>	-	-	<b>(479)</b>	<b>(479)</b>
Profit for the period	-	4,917	-	4,917
<b>Total recognised income and expense for the period</b>	-	<b>4,917</b>	<b>(479)</b>	<b>4,438</b>
Value of employee services received for issue of share option	-	-	(224)	(224)
Purchase of treasury shares	-	-	(72)	(72)
<b>At 31 December 2007</b>	<b>20,770</b>	<b>28,352</b>	<b>15,489</b>	<b>64,611</b>
At 1 October 2008	<b>21,066</b>	<b>27,690</b>	<b>15,549</b>	<b>64,305</b>
Translation differences relating to financial statements of foreign subsidiaries	-	-	(1,120)	(1,120)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	(881)	(881)
<b>Net loss recognised directly in equity</b>	-	-	<b>(2,001)</b>	<b>(2,001)</b>
Profit for the period	-	3,545	-	3,545
<b>Total recognised income and expense for the period</b>	-	<b>3,545</b>	<b>(2,001)</b>	<b>1,544</b>
Value of employee services received for issue of share option	-	-	9	9
<b>At 31 December 2008</b>	<b>21,066</b>	<b>31,235</b>	<b>13,557</b>	<b>65,858</b>



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**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007 AND 2008**

In S\$'000	Share capital	Accumulated profits	Other reserves	Total equity
<b>Group</b>				
<b>At 1 January 2007</b>	<b>20,439</b>	<b>19,800</b>	<b>16,257</b>	<b>56,496</b>
Translation differences relating to financial statements of foreign subsidiaries	-	-	(757)	(757)
<b>Net losses recognised directly in equity</b>	-	-	<b>(757)</b>	<b>(757)</b>
Profit for the year	-	14,179	-	14,179
<b>Total recognised income and expense for the year</b>	-	<b>14,179</b>	<b>(757)</b>	<b>13,422</b>
Issue of 1,593,000 ordinary shares under share option scheme	331	-	-	331
Value of employee services received for issue of share option	-	-	61	61
Purchase of treasury shares	-	-	(72)	(72)
FY2006 final dividend of 1.25 cents per share (one tier tax exempt)	-	(5,627)	-	(5,627)
<b>At 31 December 2007</b>	<b>20,770</b>	<b>28,352</b>	<b>15,489</b>	<b>64,611</b>
<b>At 1 January 2008</b>	<b>20,770</b>	<b>28,352</b>	<b>15,489</b>	<b>64,611</b>
Translation differences relating to financial statements of foreign subsidiaries	-	-	(803)	(803)
Exchange differences on monetary items forming part of net investments in foreign operations	-	-	(1,244)	(1,244)
<b>Net loss recognised directly in equity</b>	-	-	<b>(2,047)</b>	<b>(2,047)</b>
Profit for the year	-	14,187	-	14,187
<b>Total recognised income and expense for the year</b>	-	<b>14,187</b>	<b>(2,047)</b>	<b>12,140</b>
Issue of 1,423,000 ordinary shares under share option scheme at \$0.2079 per share	296	-	-	296
Value of employee services received for issue of share option	-	-	115	115
FY2007 final dividend of 2.5 cents per share (one tier tax exempt)	-	(11,304)	-	(11,304)
<b>At 31 December 2008</b>	<b>21,066</b>	<b>31,235</b>	<b>13,557</b>	<b>65,858</b>



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**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 4<sup>TH</sup> QUARTER ENDED 31 DECEMBER 2007 AND 2008**

In S\$'000 Company	Share capital	Accumulated profits	Other reserves	Total equity
<b>At 1 October 2007</b>	<b>20,770</b>	<b>25,111</b>	<b>14,033</b>	<b>59,914</b>
Profit for the period	-	(316)	-	(316)
Total recognised income for the period	-	<b>(316)</b>	-	<b>(316)</b>
Share-based payments to employees of Company subsidiaries	-	-	(3)	(3)
Value of employee services received for issue of share option	-	-	(91)	(91)
<b>As at 31 December 2007</b>	<b>20,770</b>	<b>24,795</b>	<b>13,939</b>	<b>59,504</b>
<b>At 1 October 2008</b>	<b>21,066</b>	<b>21,423</b>	<b>14,045</b>	<b>56,534</b>
Profit for the period	-	2,801	-	2,801
Total recognised income for the period	-	<b>2,801</b>	-	<b>2,801</b>
Share-based payments to employees of Company subsidiaries	-	-	(13)	(13)
Value of employee services received for issue of share option	-	-	22	22
<b>As at 31 December 2008</b>	<b>21,066</b>	<b>24,224</b>	<b>14,054</b>	<b>59,344</b>





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**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007 AND 2008**

In S\$'000 Company	Share capital	Accumulated profits	Other reserves	Total equity
<b>At 1 January 2007</b>	<b>20,439</b>	<b>22,048</b>	<b>13,630</b>	<b>56,117</b>
Effect of adopting INT FRS 108	-	-	320	320
At 1 January 2007, restated	20,439	22,048	13,950	56,437
Profit for the year	-	8,374	-	8,374
Total recognised income for the year	-	<b>8,374</b>	-	<b>8,374</b>
Issue of 1,593,000 ordinary shares under share option scheme	331	-	-	331
Share-based payments to employees of Company subsidiaries	-	-	(9)	(9)
Value of employee services received for issue of share option	-	-	70	70
Purchase of treasury shares	-	-	(72)	(72)
FY2006 final dividend of 1.25 cents per share (one tier tax exempt)	-	(5,627)	-	(5,627)
<b>At 31 December 2007</b>	<b>20,770</b>	<b>24,795</b>	<b>13,939</b>	<b>59,504</b>
<b>At 1 January 2008</b>	<b>20,770</b>	<b>24,795</b>	<b>13,939</b>	<b>59,504</b>
Profit for the year	-	10,733	-	10,733
Total recognised income for the year	-	<b>10,733</b>	-	<b>10,733</b>
Issue of 1,423,000 ordinary shares under share option scheme at \$0.2079 per share	296	-	-	296
Share-based payments to employees of Company subsidiaries	-	-	32	32
Value of employee services received for issue of share option	-	-	83	83
FY2007 final dividend of 2.5 cents per share (one tier tax exempt)	-	(11,304)	-	(11,304)
<b>At 31 December 2008</b>	<b>21,066</b>	<b>24,224</b>	<b>14,054</b>	<b>59,344</b>

*Note:*

*The adoption of INT FRS 108 has resulted in a change in the Company's accounting policy for share options granted to employees of its subsidiaries. The fair value of the options granted is recognised as an increase in the Company's investment in subsidiaries with a corresponding increase in equity over the vesting period.*



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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
<b>Balance as at 1 October 2008</b>	453,164,500	\$'000 21,066
Issues of ordinary shares under share option scheme	-	-
<b>Balance as at 31 December 2008</b>	453,164,500	21,066

**B) Employee Share Options**

As at 31 December 2008, there were unexercised options of 2,784,000 (31 December 2007:4,457,000) of unissued ordinary shares of \$0.2079 each under TeleChoice Pre-IPO Share Option Scheme.

**C) Treasury Shares**

As at 31 December 2008, there were 197,000 (31 December 2007: 300,000) treasury shares representing approximately 0.04% of the total issued share capital of the Company.

**2. AUDIT**

The results for the financial year have not been audited nor reviewed by the Company's auditor.

**3. AUDITORS' REPORT**

Not applicable.

**4. ACCOUNTING POLICIES**

The Group has applied the same accounting policies and method of computation in the preparation of the current period financial statements compared to those used in the annual report for the financial year ended 31 December 2007.

**5. CHANGES IN ACCOUNTING POLICIES**

Not Applicable

**6. EARNINGS PER ORDINARY SHARE (EPS)**

Based on weighted average number of ordinary shares on issue (in cents)

Group	4Q08	4Q07	FY08	FY07
Basic	0.78	1.09	3.14	3.14
Diluted	0.78	1.09	3.13	3.14



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**7. NET ASSET VALUE**

	GROUP		COMPANY	
	31/12/2008	31/12/2007	31/12/2008	31/12/2007
Net assets value per ordinary share based on issued share capital at the end of the financial period/year (in cents):	14.53	14.30	13.10	13.10

**8. REVIEW OF GROUP PERFORMANCE**

**A) Revenue**

**i) 4Q08 vs 4Q07**

S\$ M s	4Q08	4Q07	Growth	
			\$	%
Personal Communications Solutions Services (PCS)	60.3	102.7	(42.4)	-41%
Telecommunications Services (Telecom)	5.4	6.0	(0.6)	-10%
Network Engineering Services (Engineering)	13.1	17.0	(3.9)	-22%
Total	78.8	125.7	(46.9)	-37%

- **PCS** – The decrease in revenue by \$42.4M or 41% was mainly due to lower sales from a major customer in Singapore.
- **Telecom** – Revenue decreased by \$0.6M or 10% from lower iDD usage attributable to the intense competitive environment and lower revenue contribution from the Malaysian operations.
- **Engineering** – Projects in Singapore recorded lower revenue, partially offset by higher revenue from Indonesia. This caused the overall revenue to decrease by \$3.9M or 22%.

**ii) FY08 vs FY07**

S\$ M s	FY08	FY07	Growth	
			\$	%
Personal Communications Solutions Services (PCS)	291.6	345.2	(53.6)	-16%
Telecommunications Services (Telecom)	20.8	23.8	(3.0)	-13%
Network Engineering Services (Engineering)	40.8	51.4	(10.6)	-21%
Total	353.2	420.4	(67.2)	-16%

- **PCS** – Lower revenue in 2H08 for Singapore and from overseas operations resulted in an overall decrease in revenue of \$53.6M or 16%.
- **Telecom** – Revenue decreased by \$3.0M or 13% from lower iDD usage attributable to the intense competitive environment and lower mobile data usage, partially offset by increase in enterprise sales and contribution from the Malaysian operations.
- **Engineering** – Projects in Indonesia recorded higher revenue but this was offset by lower revenue recognised in Singapore resulting in the overall revenue to decrease by \$10.6M or 21%.



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**B) PBT**

**i) 4Q08 vs 4Q07**

S\$ M s	4Q08	4Q07	Growth	
			\$	%
Personal Communications Solutions Services (PCS)	2.9	3.7	(0.8)	-22%
Telecommunications Services (Telecom)	0.5	1.1	(0.6)	-55%
Network Engineering Services (Engineering)	1.7	0.7	1.0	+143%
<b>Total</b>	<b>5.1</b>	<b>5.5</b>	<b>(0.4)</b>	<b>-7%</b>

- **PCS** - The \$0.8M or 22% decrease in PBT was mainly from lower revenue in Singapore operations amid the economic downturn. This was offset by improvements in profits from overseas operations.
- **Telecom** - The \$0.6M or 55% decrease in PBT was from lower revenue and lower gross margin. There was also additional impairment on the assets in Malaysia.
- **Engineering** – PBT increased by \$1.0M or 143% from higher gross margins for both Singapore and Indonesia projects. PBT also included an unrealised exchange gain.

**ii) FY08 vs FY07**

S\$ M s	FY08	FY07	Growth	
			\$	%
Personal Communications Solutions Services (PCS)	12.9	11.3	1.6	+14%
Telecommunications Services (Telecom)	2.2	4.3	(2.1)	-49%
Network Engineering Services (Engineering)	3.1	2.2	0.9	+41%
<b>Total</b>	<b>18.2</b>	<b>17.8</b>	<b>0.4</b>	<b>+2%</b>

- **PCS** - PBT increased by \$1.6M or 14%. There were improvements from overseas operations including a one-time profit from the investment in China. These were offset by lower profits in Singapore.
- **Telecom** - The \$2.1M or 49% decrease in PBT was from lower revenue and lower gross margin, partially offset by lower operating expenses. There was also additional impairment on the assets in Malaysia.
- **Engineering** – PBT increased by \$0.9M or 41% mainly due to higher gross profit partially offset by higher operating expenses.

**9. VARIANCE FROM PROSPECT STATEMENT**

In 3Q2008 announcement, it was mentioned that FY2008 operating performance is expected to be marginally lower than FY2007. Additional revenue recognition and lower operating expenses had resulted in FY2008 actual operating performance to be better than our previous forecast and the same as FY2007.



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**10. PROSPECTS**

Based on the prevailing weak global economic conditions and bleak prospects for recovery in 2009, the Group expects 1Q09 operating performance to be weaker than for the same period last year and for FY09 overall to be a difficult year.

The weakened global economy is expected to adversely impact PCS and Telecommunications Services businesses which are sensitive to consumer demand. For Network Engineering Services, its customers are expected to reduce their capex and operational spending by scaling down or postponing the execution of planned projects.

Despite the weak economic outlook, the telecommunications industry can be expected to provide growth opportunities in the mid to longer term. With the Group's focus on containing operational expenditure, its prudent working capital management and healthy cash reserves, it expects to be able to successfully manage through the next difficult 12 months and at the same time take advantage of any growth opportunities which can further augment and add-value to its existing operations.

*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. Yes**

<b>Period</b>	<b>4Q08 and FY08</b>
<b>Name of Dividend</b>	<b>Final</b>
<b>Dividend Type</b>	<b>Cash</b>
<b>Dividend Rate</b>	<b>2 cents per ordinary share</b>
<b>Tax Rate</b>	<b>one tier tax exempt</b>

**(b) Corresponding Period of the Immediately Preceding Financial Year**

<b>Period</b>	<b>4Q07 and FY07</b>
<b>Name of Dividend</b>	<b>Final</b>
<b>Dividend Type</b>	<b>Cash</b>
<b>Dividend Rate</b>	<b>2.5 cents per ordinary share</b>
<b>Tax Rate</b>	<b>one tier tax exempt</b>

**(c) Date payable**

The proposed dividends, if approved by shareholders, will be paid on 20 May 2009.

**(d) Books closure date**

Notice is hereby given that, subject to shareholders' approval of the payment of the abovementioned proposed final dividend at the forthcoming Annual General Meeting to be convened, the Share Transfer Books and Registers of Members of the Company will be closed from 7 May to 8 May 2009, both dates inclusive. Duly completed transfers received by the Company's Registrar, M & C Services Private Limited, 138 Robinson Road #17-00 The Corporate Office Singapore 068906, up to 5 p.m. on 6 May 2009 will be registered to determine shareholders' entitlement to the proposed dividends. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd ("CDP"), the proposed dividends will be paid by the Company to CDP which will, in turn, distribute the dividend entitlement to the shareholders.



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12. If no dividend has been declared/recommended, a statement to that effect.  
N/A

**PART II -- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

13. 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.

(a) Business segment

In \$'000	Personal Communications Solutions Services	Telecommunications Services	Network Engineering Services	Eliminations	Consolidated
<b>FY2008</b>					
<b>REVENUE AND EXPENSES</b>					
Total revenue from external customers	291,479	20,821	40,835	-	353,135
Inter-segment revenue	76	15	-	(91)	-
<b>Total revenue</b>	<b>291,555</b>	<b>20,836</b>	<b>40,835</b>	<b>(91)</b>	<b>353,135</b>
<b>Segment results</b>	<b>11,872</b>	<b>2,060</b>	<b>3,122</b>	<b>-</b>	<b>17,054</b>
Taxation					(4,009)
Share of profit of jointly-controlled entity/associate (net of tax)					1,142
<b>Profit for the year</b>					<b>14,187</b>
<b>ASSETS AND LIABILITIES</b>					
Segment assets	63,937	14,395	34,406	(5,112)	107,626
Investment in jointly-controlled entity					941
Deferred tax assets					208
					<b>108,775</b>
Segment liabilities	14,560	5,440	24,597	(5,112)	39,485
Tax liabilities					3,346
Deferred tax liabilities					86
					<b>42,917</b>
<b>OTHER SEGMENT INFORMATION</b>					
Capital expenditure:					
-property plant and equipment	436	771	265	-	1,472
-intangible assets	-	74	14	-	88
Depreciation charge	428	752	348	-	1,528
Amortisation charge	319	149	53	-	521
Impairment losses recognised on					
- goodwill	-	313	-	-	313
- property plant and equipment	-	175	-	-	175
Value of employee services received for issued of share option	83	3	29	-	115



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In S\$'000	Personal Communications Solutions Services	Telecommunications Services	Network Engineering Services	Eliminations	Consolidated
<b>FY2007</b>					
<b>REVENUE AND EXPENSES</b>					
Total revenue from external customers	345,234	23,774	51,396	-	420,404
Inter-segment revenue	32	26	-	(58)	-
<b>Total revenue</b>	<b>345,266</b>	<b>23,800</b>	<b>51,396</b>	<b>(58)</b>	<b>420,404</b>
<b>Segment results</b>	<b>11,286</b>	<b>4,154</b>	<b>2,192</b>	<b>-</b>	<b>17,632</b>
Taxation					(3,607)
Share of profit of Jointly-controlled entity/associate (net of tax)					154
<b>Profit for the year</b>					<b>14,179</b>
<b>ASSETS AND LIABILITIES</b>					
Segment assets	89,184	13,998	40,396	(5,397)	138,181
Investment in jointly-controlled entity					1,295
Investment in associate					9,785
Deferred tax assets					558
					<b>149,819</b>
Segment liabilities	50,254	5,500	31,409	(5,397)	81,766
Tax liabilities					3,258
Deferred tax liabilities					184
					<b>85,208</b>
<b>OTHER SEGMENT INFORMATION</b>					
Capital expenditure:					
-property plant and equipment	408	301	366	-	1,075
-intangible assets	0	88	90	-	178
Depreciation charge	367	754	482	-	1,603
Amortisation charge	319	183	62	-	564
Impairment loss recognised on goodwill	95	427	0	-	522
Value of employee services received for issued of share option	70	(26)	17	-	61



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**(b) Geographical segments**

<b>FY2008</b>	<b>Singapore</b>	<b>Malaysia</b>	<b>Indonesia</b>	<b>Hong Kong</b>	<b>Dubai</b>	<b>Other Countries</b>	<b>Consolidated</b>
<b>In S\$'000</b>							
Revenue from external customers	299,481	1,511	20,208	30,544	397	994	353,135
Segment assets	88,932	357	18,256	-	-	81	107,626
Capital expenditure							
-property, plant and equipment	1,217	11	244	-	-	-	1,472
-intangible assets	88	-	-	-	-	-	88

<b>FY2007</b>	<b>Singapore</b>	<b>Malaysia</b>	<b>Indonesia</b>	<b>Hong Kong</b>	<b>Dubai</b>	<b>Other Countries</b>	<b>Consolidated</b>
<b>In S\$'000</b>							
Revenue from external customers	356,730	1,191	27,885	29,188	3,341	2,069	420,404
Segment assets	121,589	1,373	14,679	-	-	540	138,181
Capital expenditure							
-property, plant and equipment	808	29	238	-	-	-	1,075
-intangible assets	178	-	-	-	-	-	178

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

a) Business segment

Refer to Note 8 – Review of Group Performance

b) Geographical segment

Lower revenue in Singapore mainly due to weak market sentiments in 4Q2008. The scale down of PCS activities in Indonesia, has resulted in lower revenue in FY2008. Revenue from Hong Kong, Dubai and other countries are from the Group's export business.





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**15 Breakdown of sales and profit**

In S\$'000s	FY08	FY07
Sales Reported for 1 <sup>st</sup> Quarter of the year	96,901	100,824
Profit reported for 1 <sup>st</sup> Quarter of the year	3,307	3,066
Sales Reported for 2 <sup>nd</sup> Quarter of the year	91,664	101,071
Profit reported for 2 <sup>nd</sup> Quarter of the year	3,938	3,234
Sales Reported for 3 <sup>rd</sup> Quarter of the year	85,762	92,764
Profit reported for 3 <sup>rd</sup> Quarter of the year	3,397	2,962
Sales Reported for 4 <sup>th</sup> Quarter of the year	78,808	125,745
Profit reported for 4 <sup>th</sup> Quarter of the year	3,545	4,917
Sales Reported for full year	353,135	420,404
Profit reported for full year	14,187	14,179

**16. 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			
	4Q08	4Q07	FY08	FY07
<b><u>Transactions for the sales of goods and services</u></b>	<b>40.1</b>	<b>79.8</b>	<b>176.8</b>	<b>206.7</b>
Temasek Holdings (Private) Limited and its Associates	40.1	79.8	176.8	206.7
<b><u>Transactions for the purchases of goods and services</u></b>	<b>1.4</b>	<b>1.9</b>	<b>6.8</b>	<b>8.0</b>
Temasek Holdings (Private) Limited and its Associates	1.4	1.9	6.8	8.0
<b>Total Interested Person Transactions</b>	<b>41.5</b>	<b>81.7</b>	<b>183.6</b>	<b>214.7</b>

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

**17. Statement pursuant to Rule 705(4) of the SGX 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 statements for the fourth quarter and full year ended 31 December 2008 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Andrew Loh Sur Jin**  
**President**

Date: 27 February 2009