



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

PART I - UNAUDITED RESULTS FOR THE 1ST QUARTER ENDED 31 MARCH 2010

1(a)(i) INCOME STATEMENT FOR THE 1ST QUARTER ENDED 31 MARCH 2010

In S\$'000	1Q2010	1Q2009	+/- %
Revenue	75,303	55,172	36.5%
Cost of sales	(67,969)	(49,383)	37.6%
Gross profit	7,334	5,789	26.7%
Gross Margin %	9.7%	10.5%	-0.8 ppt
Other income	180	274	-34.3%
Selling and marketing expenses	(1,242)	(1,179)	5.4%
Administrative expenses	(2,701)	(2,533)	6.6%
Other expenses	(145)	90	261.1%
Finance costs (Note 1)	(12)	(33)	-63.6%
Share of profit of jointly-controlled entity (net of tax)	(9)	82	-110.9%
Profit before income tax	3,405	2,490	36.7%
<i>% of revenue</i>	4.5%	4.5%	-
Income tax expense	(391)	(526)	-25.7%
Profit for the period	3,014	1,964	53.5%
Attributable to:			
Equity holders of the Company	2,999	1,964	52.7%
<i>% of revenue</i>	4.0%	3.6%	0.4 ppt
Minority interest	15	-	nm
	3,014	1,964	53.5%
No. of shares	453,227	452,968	
Earnings per share (in cents)			
Basic	0.66	0.43	
Diluted	0.66	0.43	

STATEMENT OF COMPREHENSIVE INCOME FOR THE 1ST QUARTER ENDED 31 MARCH 2010

Profit for the period	3,014	1,964	53.5%
Translation difference relating to financial statements of foreign subsidiaries	181	(343)	152.8%
Exchange differences on monetary items forming part of net investment in a foreign operation	189	(107)	276.6%
Total comprehensive income for the period	3,384	1,514	123.5%
Attributable to:			
Equity holders of the Company	3,369	1,514	122.5%
Minority interest	15	-	nm
Total comprehensive income for the period	3,384	1,514	123.5%

nm - not meaningful



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

In S\$'000	1Q2010	1Q2009	+/- %
Staff costs	4,652	4,372	6.4%
Directors' remuneration	92	99	-7.1%
Depreciation of property, plant and equipment (Note 2)	192	292	-34.2%
Amortisation of intangible assets (Note 2)	26	106	-75.5%
Provision for bad debts (Note 3)	70	8	775%
Exchange loss/(gain) (Note 4)	86	(230)	-136.1%
Other income comprises:			
Interest income	23	23	-
Others (Note 5)	157	251	-37.5%
	180	274	-34.3%

Notes:

- (1) Interest expense in 1Q2010 was lower than 1Q2009 due to lower borrowings.
- (2) Decrease in depreciation and amortization expenses for the current review period as some of the assets had been fully depreciated.
- (3) Provision for bad debts in 1Q2010 mainly attributed to receivables due to entities in Engineering.
- (4) Unrealised exchange loss in 1Q2010 and unrealised exchange gain in 1Q2009 arose mainly from work-in-progress denominated in USD.
- (5) Reduction in jobs credit granted by the Singapore Government by \$0.1m.



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1(b)(i) STATEMENT OF FINANCIAL POSITION AS AT

In S\$'000	Group		Company	
	31/3/2010	31/12/2009	31/3/2010	31/12/2009
<u>Non-current assets</u>				
Subsidiaries	-	-	14,048	14,031
Jointly-controlled entity	1,285	1,248	955	955
Property, plant and equipment	2,203	2,260	99	112
Intangible assets	93	107	-	-
Deferred tax assets	156	137	53	38
	3,737	3,752	15,155	15,136
<u>Current Assets</u>				
Inventories	19,631	17,648	16,775	13,677
Work-in-progress	8,132	7,334	-	-
Trade and other receivables	35,908	29,247	18,826	16,764
Cash and cash equivalent	46,579	46,642	31,880	29,922
	110,250	100,871	67,481	60,363
Total Assets	113,987	104,623	82,636	75,499
Equity attributable to equity holders of the Company				
Share Capital	21,707	21,707	21,707	21,707
Other Reserves	14,681	14,260	13,573	13,522
Accumulated profits	36,624	33,625	26,783	24,413
Total equity	73,012	69,592	62,063	59,642
Minority Interest	54	39	-	-
Total equity	73,066	69,631	62,063	59,642
Non current liabilities				
Deferred tax liabilities	256	241	-	-
<u>Current Liabilities</u>				
Trade and other payables	33,891	27,842	16,556	11,197
Provision for warranties	215	212	32	56
Current tax payable	2,235	1,836	1,985	1,604
Financial liabilities	2,000	3,000	2,000	3,000
Deferred income	2,324	1,861	-	-
	40,665	34,751	20,573	15,857
Total liabilities	40,921	34,992	20,573	15,857
Total equity and liabilities	113,987	104,623	82,636	75,499

Group total assets increased by \$9.4M due to higher receivables and inventories as a result of increase in sales activities. Group total liabilities increased by \$5.9M mainly due to higher payables.

1(b)(ii) GROUP BORROWING

In S\$'000	As at 31/3/2010	As at 31/12/2009
Amount repayable in one year or less		
Unsecured	2,000	3,000
Amount repayable after one year	Nil	Nil
Details of any collateral	Nil	Nil



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1(c) CONSOLIDATED CASH FLOW STATEMENT FOR THE 1ST QUARTER ENDED 31 MARCH 2010

In S\$'000	1Q2010	1Q2009
Operating Activities		
Profit before income tax	3,405	2,490
Adjustments for:		
Accretion of deferred income	99	78
Amortisation of intangible assets	26	106
Depreciation of property, plant and equipment	192	292
Interest expense	12	33
Interest income	(23)	(23)
Provision for warranties	(1)	(7)
Share of profits of jointly-controlled entity	9	(82)
Value of employees services received for issue of share options	51	28
Cash from operating profit before working capital changes	3,770	2,915
Changes in working capital	(3,045)	(9,399)
Cash generated from operations	725	(6,484)
Income tax paid	(97)	(25)
Net cash inflow/(outflow) from operating activities	628	(6,509)
Investing Activities		
Proceeds from disposal of investment in associate	-	9,568
Dividend from jointly-controlled equity	-	167
Purchase of intangible assets	(12)	(1)
Purchase of property, plant and equipment	(110)	(94)
Interest received	23	23
Net cash (outflow)/inflow from investing activities	(99)	9,663
Cash Flows From Financing Activities		
Balances with related corporations (non-trade)	358	167
Interest paid	(12)	(33)
Repayment of short term bank loan	(1,000)	-
Net cash (outflow)/inflow from financing activities	(654)	134
Net (decrease)/increase in cash and cash equivalents	(125)	3,288
Cash and cash equivalents at beginning of period	46,642	42,609
Effect of exchange rate differences on balances held in foreign currency	62	(57)
Cash and cash equivalents at end of period	46,579	45,840

Cash flows from operating activities

Net cash in 1Q2010 was positive with higher operating profits and lower negative changes in working capital. The negative change in working capital in 1Q2010 was mainly due to higher receivables and inventories, offset by increased in payables. The net cash outflow in 1Q2009 was attributed to higher inventories and lower operating profits.

Cash flows from investing activities

Capital Expenditure in 1Q2010 and 1Q2009 was \$0.1m. The net cash inflow in 1Q2009 was from the disposal of investment in associate and dividend payment received from a jointly-controlled entity.

Cash flow from financing activities

The higher cash outflow in 1Q2010 was mainly due to repayment of bank borrowings.



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1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 1ST QUARTER ENDED 31 MARCH 2010

In S\$'000	Share capital	Accumulated profits	Other reserves	Total equity	Minority interest	Total equity
GROUP						
At 1 January 2009	21,066	31,235	13,557	65,858	-	65,858
Total comprehensive income for the period	-	1,964	(450)	1,514	-	1,514
Value of employee services received for issue of share option	-	-	28	28	-	28
At 31 March 2009	21,066	33,199	13,135	67,400	-	67,400
At 1 January 2010	21,707	33,625	14,260	69,592	39	69,631
Total comprehensive income for the period	-	2,999	370	3,369	15	3,384
Value of employee services received for issue of share option	-	-	51	51	-	51
At 31 March 2010	21,707	36,624	14,681	73,012	54	73,066
COMPANY						
At 1 January 2009	21,066	24,224	14,054	59,344	-	59,344
Total comprehensive income for the period	-	1,606	-	1,606	-	1,606
Share-based payments to employees of Company's subsidiaries	-	-	19	19	-	19
Value of employee services received for issue of share option	-	-	9	9	-	9
At 31 March 2009	21,066	25,830	14,082	60,978	-	60,978
At 1 January 2010	21,707	24,413	13,522	59,642	-	59,642
Total comprehensive income for the period	-	2,370	-	2,370	-	2,370
Share-based payments to employees of Company's subsidiaries	-	-	34	34	-	34
Value of employee services received for issue of share option	-	-	17	17	-	17
At 31 March 2010	21,707	26,783	13,573	62,063	-	62,063



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

A) Share Capital

As at 31 March 2010, the share capital of the Company at \$21.707 million comprised 453,314,500 issued ordinary shares, of which 87,500 are held by the Company as treasury shares. (31 December 2009: 453,314,500 ordinary shares of which 87,500 are held as treasury shares).

B) Employee Share Options

As at 31 March 2010, there were unexercised options of 1,108,000 (31 March 2009: 2,784,000) unissued ordinary shares of \$0.2079 each under TeleChoice Pre-IPO Share Option Scheme.

C) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

As at 31 March 2010, the number of outstanding shares granted under the Company's RSP and PSP were 1,419,500 (31 March 2009: 1,379,500) and 2,399,500 (31 March 2009: 2,026,000) respectively.

D) Treasury Shares

As at 31 March 2010, there were 87,500 (31 March 2009: 197,000) treasury shares represented approximately 0.02% of the total issued share capital of the Company.

2. AUDIT

The results have not been audited nor reviewed by 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 2009.

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	1Q2010	1Q2009	FY2009
Basic	0.66	0.43	2.51
Diluted	0.66	0.43	2.51



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7. NET ASSET VALUE

	GROUP		COMPANY	
	31/3/2010	31/12/2009	31/3/2010	31/12/2009
Net assets value per ordinary share based on issued share capital at the end of the financial period/year (in cents):	16.12	15.36	13.69	13.16

8. REVIEW OF GROUP PERFORMANCE

A) Revenue

S\$M	1Q2010	1Q2009	Growth	
			\$	%
Personal Communications Solutions Services (PCS)	61.9	42.8	19.1	45%
Telecommunications Services (Telecoms)	3.4	3.8	(0.4)	-11%
Network Engineering Services (Engineering)	10.0	8.6	1.4	16%
Total	75.3	55.2	20.1	36%

- **PCS** – Revenue increased by \$19M or 45% mainly due to higher regional sales and revenue from the prepaid card business which commenced in end April 2009.
- **Telecoms** – Revenue decreased by \$0.4M or 11% as a result of lower iDD usage attributable to the intense competitive environment and loss of revenue from discontinued operations for the mobile data and the Malaysian operations.
- **Engineering** – Overall revenue increased by \$1.4M or 16% largely from radio network planning projects in Indonesia and products sales in the various regions. These were offset by lower sales of transmission equipment in Singapore.

B) PBT

S\$M	1Q2010	1Q2009	Growth	
			\$	%
Personal Communications Solutions Services (PCS)	2.9	1.8	1.1	61%
Telecommunications Services (Telecoms)	0.1	0.4	(0.3)	-75%
Network Engineering Services (Engineering)	0.4	0.3	0.1	33%
Total	3.4	2.5	0.9	36%

- **PCS** - PBT increased by \$1.1M or 61% as a result of higher revenue.
- **Telecoms** - The \$0.3M or 75% decrease in PBT was from lower revenue and lower gross margin, partially offset by lower operating expenses.
- **Engineering** – PBT increased by \$0.1M or 33% mainly from higher revenue and higher gross margin. These were offset by unrealised exchange loss arising from the work-in-progress denominated in USD in 1Q2010 as compared to unrealised exchange gain in 1Q2009.



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9. VARIANCE FROM PROSPECT STATEMENT

No material variances from previous statement.

10. PROSPECTS

Based on the current outlook and barring any unforeseen circumstances, the Group expects FY2010 operating performance to improve over last year.

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

(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/recommended, a statement to that effect.

N/A

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

In S\$M	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	1Q2010	1Q2009
<u>Transactions for the sales of goods and services</u>	25.0	28.1
Temasek Holdings (Private) Limited and its Associates	25.0	28.1
<u>Transactions for the purchases of goods and services</u>	12.7	1.5
Temasek Holdings (Private) Limited and its Associates	12.7	1.5
Total Interested Person Transactions	37.7	29.6

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



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14. Statement pursuant to Rule 705(5) 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 first quarter ended 31 March 2010 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Andrew Loh Sur Jin
President

Date: 13 May 2010