



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

**PART I - UNAUDITED RESULTS FOR THE 4<sup>TH</sup> QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2011**

**1(a)(i) INCOME STATEMENT FOR THE 4<sup>TH</sup> QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2011**

In S\$'000	4Q2011	4Q2010	% chg	FY2011	FY2010	% chg
Revenue	126,417	79,747	58.5%	389,579	327,455	19.0%
Cost of sales	(112,503)	(71,909)	56.5%	(347,987)	(296,360)	17.4%
<b>Gross profit</b>	<b>13,914</b>	<b>7,838</b>	77.5%	<b>41,592</b>	<b>31,095</b>	33.8%
Gross Margin %	11.0%	9.8%	1.2 ppt	10.7%	9.5%	1.2 ppt
Other income	364	105	246.7%	1,076	523	105.7%
Selling and marketing expenses (Note 1)	(2,295)	(1,427)	60.8%	(10,476)	(5,222)	100.6%
Administrative expenses (Note 1)	(4,957)	(2,672)	85.5%	(15,751)	(11,264)	39.8%
Other expenses (Note 2)	(820)	(281)	191.8%	(2,385)	(552)	332.1%
Finance costs (Note 3)	(174)	(1)	nm	(311)	(19)	nm
Share of profit/(losses) of jointly-controlled entity (net of tax)	(224)	(31)	-622.6%	(274)	131	-309.2%
<b>Operating profit before income tax</b>	<b>5,808</b>	<b>3,531</b>	64.5%	<b>13,471</b>	<b>14,692</b>	-8.3%
Additional contingent consideration paid on business combination (Note 4)	(4,418)	-	nm	(4,418)	-	nm
<b>Profit before income tax</b>	<b>1,390</b>	<b>3,531</b>	-60.6%	<b>9,053</b>	<b>14,692</b>	-38.4%
% of revenue	1.1%	4.4%	-3.3 ppt	2.3%	4.5%	-2.2 ppt
Income tax expense	(464)	(319)	45.5%	(2,053)	(2,242)	-8.4%
<b>Profit for the period/year (Note 5)</b>	<b>926</b>	<b>3,212</b>	-71.2%	<b>7,000</b>	<b>12,450</b>	-43.8%
Attributable to:						
<b>Equity holders of the Company</b>	<b>585</b>	<b>3,210</b>	-81.8%	<b>6,577</b>	<b>12,424</b>	-47.1%
% of revenue	0.5%	4.0%	-3.5 ppt	1.7%	3.8%	-2.1 ppt
Non-controlling interests	341	2	nm	423	26	nm
	926	3,212	-71.2%	7,000	12,450	-43.8%
No. of shares (in '000)	453,835	453,563		453,431	453,449	
<b>Earnings per share (in cents)</b>						
Basic	<b>0.13</b>	<b>0.71</b>		<b>1.45</b>	<b>2.74</b>	
Diluted	<b>0.13</b>	<b>0.71</b>		<b>1.45</b>	<b>2.74</b>	

nm – not meaningful

**STATEMENT OF COMPREHENSIVE INCOME FOR THE 4<sup>TH</sup> QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2011**

In S\$'000	4Q2011	4Q2010	% chg	FY2011	FY2010	% chg
<b>Profit for the period/year</b>	926	3,212	-71.2%	7,000	12,450	-43.8%
Translation difference relating to financial statements of foreign subsidiaries	(114)	(147)	-23.1%	(207)	140	-247.1%
Exchange differences on monetary items forming part of net investment in a foreign operation	(173)	(78)	121.8%	(44)	(240)	81.7%
<b>Total comprehensive income for the period/year</b>	<b>639</b>	<b>2,987</b>	-78.6%	<b>6,749</b>	<b>12,350</b>	-45.4%
Attributable to:						
Equity holders of the Company	299	2,985	-90.0%	6,334	12,324	-48.6%
Non-controlling interests	340	2	nm	415	26	nm
<b>Total comprehensive income for the period/year</b>	<b>639</b>	<b>2,987</b>	-78.6%	<b>6,749</b>	<b>12,350</b>	-45.4%

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

In S\$'000	4Q2011	4Q2010	+/- %	FY2011	FY2010	+/- %
Staff costs (Note 6)	8,581	4,964	72.9%	32,259	19,404	66.3%
Directors' remuneration	83	111	-25.2%	384	397	-3.3%
Depreciation of property, plant and equipment (Note 7)	355	159	123.3%	1,397	954	46.4%
Amortisation of intangible assets (Note 2)	650	250	160.0%	1,748	339	415.6%
(Reversal)/Provision for bad debts (Note 8)	(1)	24	-104.2%	(4)	86	-104.7%
Exchange (gain)/loss (Note 9)	(2)	35	105.7%	157	250	-37.2%
<b>Other income comprises:</b>						
Interest income	53	27	96.3%	198	94	110.6%
Others (Note 10)	311	78	298.7%	878	429	104.7%
	364	105	246.7%	1,076	523	105.7%

Notes:

- (1) Compared to the same periods last year, significant increase in the operating expenses in 4Q2011 and FY2011 was due to the consolidation of S & I Systems Pte Ltd ("**S&I**") and NxGen Communications Pte Ltd ("**NxGen**"). (Note: S&I was acquired on 1 November 2010 and NxGen was acquired on 1 November 2011). For the organic business, operating expenses decreased by 1.1% and 1.5% in 4Q2011 and FY2011 respectively.
- (2) Other expenses include the amortization of intangible assets of \$0.7M and \$1.6M in 4Q2011 and FY2011 respectively arising from the acquisition of S&I in 4Q2010 and NxGen in 4Q2011. There was also withholding tax of \$0.1M in FY2011 on dividend received from a subsidiary in Indonesia.
- (3) Higher finance costs were mainly from S&I's borrowings.
- (4) Under the revised Financial Reporting Standard 103 Business Combination ("**FRS 103**"), the additional contingent consideration arising from the acquisition of S&I was expensed off in the current year income statement. The additional contingent consideration came about from the better than expected operating performance by S&I. (Please refer to paragraph 4, Accounting Policies on Page 9 of this announcement for explanation on the change in FRS 103).
- (5) Profit after tax for 4Q2011 and FY11 was significantly lower than last year due to the additional contingent consideration charged to income statement under the revised FRS 103. Without that, the profit after tax would have been \$5.3M and \$11.4M respectively. This would be 66.4% higher and 8.3% lower than the corresponding periods last year.
- (6) Higher staff costs in the current review periods mainly attributable to S&I and Engineering operations in Indonesia.
- (7) Increase in depreciation for FY2011 compared to same period last year due to S&I and new retail outlets operated by PCS.
- (8) Higher bad debts provision in FY2010 was from ICT and Engineering segments.
- (9) Exchange loss arose mainly from cash balances, trade receivables, trade payables and work-in-progress denominated in USD and Malaysian Ringgit.
- (10) Included in FY2010 was jobs credit granted by the Singapore Government of \$132K. In 4Q2011 & FY2011, the amounts include rental income received by S&I.



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

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

In S\$'000	Group		Company	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
<b><u>Non-current assets</u></b>				
Subsidiaries	-	-	37,018	27,494
Jointly-controlled entity	1,062	1,371	955	955
Property, plant and equipment	2,918	2,788	118	106
Intangible assets	17,953	10,508	-	-
Deferred tax assets	549	430	155	95
Unbilled receivables	295	2,907	-	-
	<b>22,777</b>	<b>18,004</b>	<b>38,246</b>	<b>28,650</b>
<b><u>Current Assets</u></b>				
Inventories	21,958	29,999	13,940	23,026
Work-in-progress	15,038	7,709	-	-
Trade and other receivables	79,745	44,708	27,429	15,421
Cash and cash equivalents	30,874	34,687	11,064	19,213
	<b>147,615</b>	<b>117,103</b>	<b>52,433</b>	<b>57,660</b>
<b>Total Assets</b>	<b>170,392</b>	<b>135,107</b>	<b>90,679</b>	<b>86,310</b>
<b><u>Equity</u></b>				
Share Capital	21,840	21,782	21,840	21,782
Other Reserves	13,919	14,327	13,524	13,689
Accumulated profits	36,538	38,113	22,225	26,112
<b>Equity attributable to equity holders of the Company</b>	<b>72,297</b>	<b>74,222</b>	<b>57,589</b>	<b>61,583</b>
Non-controlling interests	1,433	1,324	-	-
<b>Total equity</b>	<b>73,730</b>	<b>75,546</b>	<b>57,589</b>	<b>61,583</b>
<b><u>Non-current liabilities</u></b>				
Deferred tax liabilities	1,219	1,068	-	-
Financial liabilities	-	830	-	-
Accrued contingent consideration	5,444	-	5,444	-
	<b>6,663</b>	<b>1,898</b>	<b>5,444</b>	<b>-</b>
<b><u>Current Liabilities</u></b>				
Bank overdraft	385	193	-	-
Trade and other payables	65,864	42,298	24,954	17,783
Provision for warranties	275	297	74	40
Current tax payable	1,892	2,598	618	1,904
Financial liabilities	16,183	8,264	2,000	5,000
Deferred income	5,400	4,013	-	-
	<b>89,999</b>	<b>57,663</b>	<b>27,646</b>	<b>24,727</b>
<b>Total liabilities</b>	<b>96,662</b>	<b>59,561</b>	<b>33,090</b>	<b>24,727</b>
<b>Total equity and liabilities</b>	<b>170,392</b>	<b>135,107</b>	<b>90,679</b>	<b>86,310</b>

Group non-current assets increased by \$4.8M due to intangible assets and goodwill arising from the acquisition of NxGen, offset by lower unbilled receivables.

Current assets increased by \$30.5M due to higher trade & other receivables and work-in-progress from year end revenue recognition. These were offset by lower cash and lower inventories in line with decrease in handset purchases in FY2011. Group current liabilities increased by \$32.3M with higher trade payables and higher bank borrowings mainly in trade financing. Accrued contingent consideration under non-current liabilities for the Group and Company relates to the acquisition of NxGen. A provisional net asset amount of S\$1.5M was consolidated from the acquisition of NxGen.



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

**1(b)(ii) GROUP BORROWING**

<b>In S\$'000</b>	<b>As at 31/12/2011</b>	<b>As at 31/12/2010</b>
<b>Amount repayable in one year or less</b>		
Bank loan – unsecured	16,183	7,464
Bank loan – secured	-	800
Total	16,183	8,264
Bank overdraft	385	193
<b>Amount repayable after one year</b>		
Bank loan – unsecured	-	230
Bank loan – secured	-	600
Total	-	830

**Details of any collateral**

The secured bank loan as at 31 December 2010 relates to an arrangement between one of the subsidiaries and a financial institution to assign all the subsidiary's rights, title and interest in, to and under a sales and maintenance contract entered between a customer and the subsidiary. The subsidiary had made an early final repayment of the loan in March 2011.

**1(c) CONSOLIDATED CASH FLOW STATEMENT FOR THE 4<sup>TH</sup> QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2011**

In S\$'000	4Q2011	4Q2010	FY2011	FY2010
<b>Operating Activities</b>				
Profit before income tax	1,390	3,531	9,053	14,692
Adjustments for:				
Amortisation of intangible assets	650	250	1,748	339
Depreciation of property, plant and equipment	355	159	1,397	954
Interest expense	174	1	311	19
Interest income	(53)	(27)	(198)	(94)
(Gain)/loss on disposal of intangible assets, property, plant and equipment	21	18	84	(8)
Additional contingent consideration paid on business combination	4,418	-	4,418	-
Loss on disposal of a subsidiary	-	-	135	-
Provision for warranties	(26)	35	(14)	85
Share of profits of jointly-controlled entity	224	31	274	(131)
Share-based payments expenses	80	79	318	316
Cash from operating profit before working capital changes	7,233	4,077	17,526	16,172
Changes in working capital	(28,134)	(11,282)	(12,595)	(10,722)
Cash generated from operations	(20,901)	(7,205)	4,931	5,450
Income tax paid	(1,171)	(881)	(3,524)	(2,372)
<b>Net cash inflow from operating activities</b>	<b>(22,072)</b>	<b>(8,086)</b>	<b>1,407</b>	<b>3,078</b>
<b>Investing Activities</b>				
Acquisition of subsidiary, net of cash acquired	(1,993)	(7,483)	(1,993)	(7,483)
Proceeds from disposal of property, plant and equipment	4	-	4	60
Purchase of intangible assets	(136)	(104)	(177)	(273)
Purchase of property, plant and equipment	(542)	(288)	(1,115)	(1,052)
Capital contribution from non-controlling interests	-	-	68	-
Interest received	53	27	198	94
<b>Net cash outflow from investing activities</b>	<b>(2,614)</b>	<b>(7,848)</b>	<b>(3,015)</b>	<b>(8,654)</b>
<b>Cash Flows From Financing Activities</b>				
Balances with related corporations (non-trade)	69	151	(10)	33
Dividend paid	-	-	(8,146)	(7,936)
Interest paid	(126)	(1)	(263)	(19)
Proceeds from issue of shares under Pre-IPO Share Option Scheme	-	-	48	62
Purchase of treasury shares	-	-	(473)	(136)
Proceed from bank loans	13,917	5,000	21,145	5,000
Repayment of short term bank loans	(1,049)	(530)	(14,640)	(3,530)
<b>Net cash outflow from financing activities</b>	<b>12,811</b>	<b>4,620</b>	<b>(2,339)</b>	<b>(6,526)</b>
Net increase/(decrease) in cash and cash equivalents	(11,875)	(11,314)	(3,947)	(12,102)
Cash and cash equivalents at beginning of period	42,351	45,834	34,494	46,642
Effect of exchange rate differences on balances held in foreign currency	13	(26)	(58)	(46)
<b>Cash and cash equivalents at end of period/year<sup>(1)</sup></b>	<b>30,489</b>	<b>34,494</b>	<b>30,489</b>	<b>34,494</b>

(1) Net of bank overdraft of \$385,000 and 193,000 as at 31 December 2011 & 31 December 2010 respectively from a subsidiary in Malaysia.

Cash flows from operating activities

High net cash outflow in 4Q2011 mainly due to negative changes in working capital. There were higher receivables, higher inventory and work-in-progress, offset by higher payables. For FY2011, there was a net cash inflow as the negative changes in working capital was mitigated by cash from operating profits.



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

Cash flows from investing activities

Initial consideration (net of cash acquired) of \$7.5M for the acquisition of S&I was paid in 4Q2010. Final consideration of \$7.4M was paid in 4Q2011, offset by cash acquired from NxGen of \$5.4M.

Cash flow from financing activities

The higher cash inflow in 4Q2011 was mainly from a trade financing loan to support a project by a subsidiary. The lower cash outflow in FY2011 was mainly due to higher bank borrowings, offset by higher dividend and interest payments, and higher treasury shares purchased in FY2011 compared to last year.



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

**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 4<sup>TH</sup> QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2011**

In S\$'000	Share capital	Accumulated profits	Other reserves	Total attributable to equity holders of the Company	Non controlling interests	Total equity
<b>GROUP</b>						
<b>At 1 October 2010</b>	<b>21,782</b>	<b>34,903</b>	<b>14,473</b>	<b>71,158</b>	<b>63</b>	<b>71,221</b>
Total comprehensive income for the period	-	3,210	(225)	2,985	2	2,987
Share-based payments expenses	-	-	79	79	-	79
Acquisition of non-controlling interest with a change in control	-	-	-	-	1,259	1,259
<b>At 31 December 2010</b>	<b>21,782</b>	<b>38,113</b>	<b>14,327</b>	<b>74,222</b>	<b>1,324</b>	<b>75,546</b>
<b>At 1 October 2011</b>	<b>21,840</b>	<b>35,959</b>	<b>14,125</b>	<b>71,924</b>	<b>1,467</b>	<b>73,391</b>
Total comprehensive income for the period	-	585	(286)	299	340	639
Share-based payments expenses	-	-	80	80	-	80
Dividend declared by a subsidiary to non-controlling interest	-	-	-	-	(380)	(380)
Acquisition of non-controlling interest without a change in control	-	(6)	-	(6)	6	-
<b>At 31 December 2011</b>	<b>21,840</b>	<b>36,538</b>	<b>13,919</b>	<b>72,297</b>	<b>1,433</b>	<b>73,730</b>
<b>At 1 January 2010</b>	<b>21,707</b>	<b>33,625</b>	<b>14,260</b>	<b>69,592</b>	<b>39</b>	<b>69,631</b>
Total comprehensive income for the year	-	12,424	(100)	12,324	26	12,350
Issue of 300,000 ordinary shares under share option scheme at \$0.2079 per share	62	-	-	62	-	62
Share options exercised	13	-	(13)	-	-	-
Purchase of treasury shares	-	-	(136)	(136)	-	(136)
Share-based payments expenses	-	-	316	316	-	316
FY2009 final dividend of 1.75 cents per share (one-tier tax exempt)	-	(7,936)	-	(7,936)	-	(7,936)
Acquisition of non-controlling interest with a change in control	-	-	-	-	1,259	1,259
<b>At 31 December 2010</b>	<b>21,782</b>	<b>38,113</b>	<b>14,327</b>	<b>74,222</b>	<b>1,324</b>	<b>75,546</b>
<b>At 1 January 2011</b>	<b>21,782</b>	<b>38,113</b>	<b>14,327</b>	<b>74,222</b>	<b>1,324</b>	<b>75,546</b>
Total comprehensive income for the year	-	6,577	(243)	6,334	415	6,749
Issue of 227,500 ordinary shares under share option scheme at \$0.2079 per share	48	-	-	48	-	48
Share options exercised	10	-	(10)	-	-	-
Purchase of treasury shares	-	-	(473)	(473)	-	(473)
Share-based payments expenses	-	-	318	318	-	318
FY2010 final dividend of 1.8 cents per share (one-tier tax exempt)	-	(8,146)	-	(8,146)	-	(8,146)
Dividend declared by a subsidiary to non-controlling interest	-	-	-	-	(380)	(380)
Acquisition of non-controlling interest without a change in control	-	(6)	-	(6)	74	68
<b>At 31 December 2011</b>	<b>21,840</b>	<b>36,538</b>	<b>13,919</b>	<b>72,297</b>	<b>1,433</b>	<b>73,730</b>

**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 4<sup>TH</sup> QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2011**

In S\$'000	Share capital	Accumulated profits	Other reserves	Total attributable to equity holders of the Company
<b>COMPANY</b>				
<b>At 1 October 2010</b>	<b>21,782</b>	<b>24,097</b>	<b>13,610</b>	<b>59,489</b>
Total comprehensive income for the period	-	2,015	-	2,015
Share-based payments to employees of Company's subsidiaries	-	-	31	31
Share-based payments expenses	-	-	48	48
<b>At 31 December 2010</b>	<b>21,782</b>	<b>26,112</b>	<b>13,689</b>	<b>61,583</b>
<b>At 1 October 2011</b>	<b>21,840</b>	<b>22,032</b>	<b>13,444</b>	<b>57,316</b>
Total comprehensive income for the period	-	193	-	193
Share-based payments to employees of Company's subsidiaries	-	-	30	30
Share-based payments expenses	-	-	50	50
<b>At 31 December 2011</b>	<b>21,840</b>	<b>22,225</b>	<b>13,524</b>	<b>57,589</b>
<b>At 1 January 2010</b>	<b>21,707</b>	<b>24,413</b>	<b>13,522</b>	<b>59,642</b>
Total comprehensive income for the year	-	9,635	-	9,635
Issue of 300,000 ordinary shares under share option scheme at \$0.2079 per share	62	-	-	62
Share options exercised	13	-	(13)	-
Purchase of treasury shares	-	-	(136)	(136)
Share-based payments to employees of Company's subsidiaries	-	-	123	123
Share-based payments expenses	-	-	193	193
FY2009 final dividend of 1.75 cents per share (one-tier tax exempt)	-	(7,936)	-	(7,936)
<b>At 31 December 2010</b>	<b>21,782</b>	<b>26,112</b>	<b>13,689</b>	<b>61,583</b>
<b>At 1 January 2011</b>	<b>21,782</b>	<b>26,112</b>	<b>13,689</b>	<b>61,583</b>
Total comprehensive income for the year	-	4,259	-	4,259
Issue of 227,500 ordinary shares under share option scheme at \$0.2079 per share	48	-	-	48
Share options exercised	10	-	(10)	-
Purchase of treasury shares	-	-	(473)	(473)
Share-based payments to employees of Company's subsidiaries	-	-	123	123
Share-based payments expenses	-	-	195	195
FY2010 final dividend of 1.8 cents per share (one-tier tax exempt)	-	(8,146)	-	(8,146)
<b>At 31 December 2011</b>	<b>21,840</b>	<b>22,225</b>	<b>13,524</b>	<b>57,589</b>





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

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

**A) Share Capital**

As at 31 December 2011, the share capital of the Company amounted to \$21.840 million comprising 453,835,087 issued ordinary shares excluding treasury shares. (31 December 2010: 453,563,000 ordinary shares excluding treasury shares).

**B) Employee Share Options**

As at 31 December 2011, there were unexercised options of 580,500 (31 December 2010: 808,000) unissued ordinary shares of \$0.2079 each under The TeleChoice Pre-IPO Share Option Scheme.

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

As at 31 December 2011, the number of outstanding shares granted under the Company's RSP and PSP were 3,493,833 (31 December 2010: 1,867,000) and 2,458,000 (31 December 2010: 2,850,000) respectively.

**D) Treasury Shares**

As at 31 December 2011, there were 6,913 (31 December 2010: 51,500) treasury shares represented approximately 0.002% 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 2010.

In the current financial year, the Group and the Company have adopted all the new and revised Financial Reporting Standards (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on 1 January 2011.

Under the revised FRS 103, which applies to business combinations that take place after 1 July 2009, the Group charged an amount of \$4.4M to the income statement during the year for the additional contingent consideration paid arising from the acquisition of S&I. The revised FRS 103 stipulated that a contingent consideration that is classified as a financial liability is within the scope of FRS 39 and it shall be measured at fair value with any resultant gain or loss recognized in the income statement. Before the revision of FRS 103, the additional consideration paid for business combinations were classified as goodwill.

The adoption of the other new/revised FRSs and INT FRSs does not result in substantial changes to the Group's and the Company's accounting policies and had no material effect on the amounts reported for the current or prior periods.

**5. CHANGES IN ACCOUNTING POLICIES**

Not Applicable

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

Based on weighted average number of ordinary shares in issue.

Group EPS (in cents)	4Q2011	4Q2010	FY2011	FY2010
Basic	0.13	0.71	1.45	2.74
Diluted	0.13	0.71	1.45	2.74

**7. NET ASSET VALUE**

	GROUP		COMPANY	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Net assets value per ordinary share based on issued share capital at the end of the financial year (in cents):	15.93	16.36	12.69	13.58

**8. REVIEW OF GROUP PERFORMANCE**

**A) Revenue**

S\$M	4Q2011	4Q2010	Growth		FY2011	FY2010	Growth	
			\$	%			\$	%
Personal Communications Solutions Services ("PCS")	69.8	62.8	7.0	11%	239.5	267.2	(27.7)	-10%
Info-Comm Technology Services ("ICT")	41.1	3.7	37.4	nm	105.8	14.4	91.4	635%
Network Engineering Services ("Engineering")	15.5	13.2	2.3	17%	44.3	45.9	(1.6)	-3%
Total	126.4	79.7	46.7	59%	389.6	327.5	62.1	19%

- **PCS** – Revenue decreased by \$27.7M for FY2011 due to lower regional and local channel sales, mitigated by the increase in retail and prepaid cards sales. The increase in revenue by \$7.0M in 4Q2011 was mainly from sales to a major customer.
- **ICT** – Revenue increased by \$37.4M & \$91.4M in 4Q2011 and FY2011 respectively with the consolidation of S&I and NxGen's accounts. In FY2011, 14 months of revenue from S&I and 2 months of revenue from NxGen were included. There was higher revenue from enterprise solutions services which was offset by lower iDD usage attributable to the intense competitive environment.
- **Engineering** – Revenue increased by \$2.3M in 4Q2011 mainly from radio network planning revenue in Indonesia. Overall revenue decreased by \$1.6M in FY2011 from lower power supply projects and product sales in the region. These were mitigated by higher radio network planning revenue in Indonesia, and higher in-building coverage revenue from Malaysia and Indonesia.



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

**B) PBT**

S\$M	4Q2011	4Q2010	Growth		FY2011	FY2010	Growth	
			\$	%			\$	%
PCS	1.6	2.6	(1.0)	-38%	6.4	12.0	(5.6)	-47%
ICT	3.2	-	3.2	nm	4.2	0.3	3.9	nm
Engineering	1.0	0.9	0.1	11%	2.8	2.4	0.4	17%
<b>Operating PBT</b>	<b>5.8</b>	<b>3.5</b>	<b>2.3</b>	<b>65%</b>	<b>13.4</b>	<b>14.7</b>	<b>(1.3)</b>	<b>-8%</b>
Additional contingent consideration	(4.4)	-	(4.4)	nm	(4.4)	-	(4.4)	nm
<b>Group PBT</b>	<b>1.4</b>	<b>3.5</b>	<b>(2.1)</b>	<b>-61%</b>	<b>9.0</b>	<b>14.7</b>	<b>(5.7)</b>	<b>-38%</b>

*nm – not meaningful*

- **PCS** - PBT decreased by \$1.0M and \$5.6M in 4Q2011 and FY2011 respectively as a result of lower revenue and lower margin. The lower margin was attributed to a higher sales mix of lower margin prepaid cards sales and lower rebates received from manufacturers. This was partly mitigated by income from new services in Malaysia.
- **ICT** –Operating PBT in 4Q2011 and FY2011 was \$3.2M and \$3.9M higher than last year with positive contribution from S&I partly offset by amortization expenses of \$1.3M and due diligence costs of \$0.2M. The positive PBT from NxGen was offset by amortization expenses of \$0.3M and interest of \$0.1M resulting in a net positive contribution of \$0.2M. These were offset by share of losses from a jointly control entity and lower iDD PBT.
- **Engineering** – PBT increased by \$0.1M in 4Q2011 due to higher revenue. The \$0.4M increase in PBT in FY2011 was due to higher margin and lower exchange loss arising from the USD denominated net current assets.
- The one-time charge of \$4.4M was the additional contingent consideration paid to S&I vendors due to the better than expected performance of S&I. This additional amount was charged to income statement in accordance with the revised FRS 103.

**9. VARIANCE FROM PROSPECT STATEMENT**

Without the one-time charge, the Group's operating performance in 4Q2011 of \$5.8M was better than the previous 3 quarters.

The Group's profit before tax for 4Q2011 and FY2011 was lower than the corresponding periods in FY2010 due to a \$4.4M charge to income statement arising from the additional contingent consideration paid to S&I vendors due to the better than expected performance of S&I. The recognition of the one- time charge is in accordance to the revised FRS 103.

**10. PROSPECTS**

Singapore Government estimates indicate that Singapore's economic growth in 2012 is expected to be 1 – 3%, which is lower than the 4.8% in 2011. Based on the current uncertain economic outlook, the Group expects 1Q2012 operating performance to be lower than the same period last year.

The weak economic conditions for 2012 may lead to a slowdown in consumer spending and the overall demand for mobile handsets despite the introduction of new iPhone models and the increased popularity of Android OS mobile handsets. This will pose a challenge to Personal Communication Solutions Services. Businesses may also delay or scale back on their expansion and upgrading plans of their capabilities and this will constrain the performance of Info-Communication Technology Services. However, the Group do expect that the newly acquired operations, NxGen, to have a positive contribution to overall operating performance. Investments in network upgrading and expansion by regional telecom operators are expected to continue and the implementation of LTE network technology is also expected to move forward in earnest. This will create opportunities for Network Engineering Services.

*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>4Q2011 and FY2011</b>
<b>Name of Dividend</b>	<b>Final</b>
<b>Dividend Type</b>	<b>Cash</b>
<b>Dividend Rate</b>	<b>1.6 cents per ordinary share</b>
<b>Tax Rate</b>	<b>one tier tax exempt</b>

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

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

<b>Period</b>	<b>4Q2010 and FY2010</b>
<b>Name of Dividend</b>	<b>Final</b>
<b>Dividend Type</b>	<b>Cash</b>
<b>Dividend Rate</b>	<b>1.8 cents per ordinary share</b>
<b>Tax Rate</b>	<b>one tier tax exempt</b>

**(c) Date payable**

The proposed dividend, if approved by shareholders, will be paid on 18 May 2012.



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

**(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 on 5 May 2012. 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 4 May 2012 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.

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

N/A



**TELECHOICE INTERNATIONAL LIMITED**

(REG. NO. 199802072R)

**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**

	Personal Communications Solutions services		Info-Comm Technology Services		Network Engineering Services		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue and expenses</b>								
Total revenue from external customers	239,544	267,178	105,735	14,357	44,300	45,920	389,579	327,455
Inter-segment revenue	-	7	97	64	-	-	97	71
<b>Total revenue</b>	<b>239,544</b>	<b>267,185</b>	<b>105,832</b>	<b>14,421</b>	<b>44,300</b>	<b>45,920</b>	<b>389,676</b>	<b>327,526</b>
Interest income	16	90	135	10	60	53	211	153
Interest expenses	3	-	290	12	31	66	324	78
Depreciation	353	211	573	292	471	451	1,397	954
Amortization	37	7	1,685	320	26	12	1,748	339
<b>Reportable segment profit before income tax</b>	<b>6,465</b>	<b>11,979</b>	<b>102</b>	<b>122</b>	<b>2,760</b>	<b>2,460</b>	<b>9,327</b>	<b>14,561</b>
Share of (loss)/profit of jointly-controlled entity (net of tax)	-	-	(274)	131	-	-	(274)	131
Reportable segment assets	71,413	72,867	63,742	30,185	34,175	30,684	169,330	133,736
Investment in jointly-controlled entity	1,062	1,371	-	-	-	-	1,062	1,371
Capital expenditure								
- Property, plant and equipment	393	479	84	126	638	590	1,115	1,195
- Intangible assets	-	104	9,118	10,636	149	-	9,267	10,740
Reportable segment liabilities	28,012	20,897	49,313	23,097	19,337	15,567	96,662	59,561



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

**Reconciliations of reportable segment revenue, profit or loss, assets and liabilities, and other material items.**

	<b>2011 \$'000</b>	<b>2010 \$'000</b>
<b>Revenue</b>		
Total revenue for reportable segments	389,676	327,526
Elimination of inter-segment revenue	(97)	(71)
Consolidated revenue	389,579	327,455
<b>Profit or loss</b>		
Total profit or loss for reportable segments	9,327	14,561
Share of profit of associates and jointly-controlled entity	(274)	131
Consolidated profit before income tax	9,053	14,692
<b>Assets</b>		
Total assets for reportable segments	169,330	133,736
Investments in jointly-controlled entity	1,062	1,371
Consolidated total assets	170,392	135,107
<b>Liabilities</b>		
Total liabilities for reportable segments	96,662	59,561

	<b>Other material items 2011</b>			<b>Other material items 2010</b>		
	Reportable segment totals	Adjustments	Consolidated totals	Reportable segment totals	Adjustments	Consolidated totals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	211	(13)	198	153	(59)	94
Interest expenses	324	(13)	311	78	(59)	19

**(b) Geographical segments**

	<b>31 December 2011</b>		<b>31 December 2010</b>	
	Revenue \$'000	Non-current Assets \$'000	Revenue \$'000	Non-current Assets \$'000
Singapore	321,687	19,883	230,274	15,487
Indonesia	27,651	861	27,876	626
Malaysia	17,898	367	1,411	90
Hong Kong	21,729	-	65,642	-
Other countries	614	55	2,252	-
Consolidated total	389,579	21,166	327,455	16,203

**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

Refer to Note 13 (b)

**15 Breakdown of sales and profit**

In S\$'000s	FY2011	FY2010
Sales Reported for 1 <sup>st</sup> Quarter of the year	93,959	75,303
Profit reported for 1 <sup>st</sup> Quarter of the year	3,276	3,014
Sales Reported for 2 <sup>nd</sup> Quarter of the year	84,713	97,320
Profit reported for 2 <sup>nd</sup> Quarter of the year	1,574	3,021
Sales Reported for 3 <sup>rd</sup> Quarter of the year	84,490	75,085
Profit reported for 3 <sup>rd</sup> Quarter of the year	1,224	3,203
Sales Reported for 4 <sup>th</sup> Quarter of the year	126,417	79,747
Profit reported for 4 <sup>th</sup> Quarter of the year	926	3,212
Sales Reported for full year	389,579	327,455
Profit reported for full year	7,000	12,450

**16. 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			
	4Q2011	4Q2010	FY2011	FY010
<b><u>Transactions for the sales of goods and services</u></b>				
Temasek Holdings (Private) Limited and its Associates	41.8	24.4	114.0	105.6
<b><u>Transactions for the purchases of goods and services</u></b>				
Temasek Holdings (Private) Limited and its Associates	27.9	12.9	68.5	53.4
<b>Total Interested Person Transactions</b>	<b>69.7</b>	<b>37.3</b>	<b>182.5</b>	<b>159.0</b>

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





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

**17. 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 fourth quarter and financial year ended 31 December 2011 to be false or misleading in any material aspect.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

The Board of Directors hereby confirms that none of the personnel occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

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

Date: 24 February 2012