



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

**PART I - UNAUDITED RESULTS FOR THE 4<sup>TH</sup> QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013**

**1(a)(i) INCOME STATEMENT FOR THE 4<sup>TH</sup> QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013**

<b>In S\$'000</b>	<b>4Q2013</b>	<b>4Q2012</b>	<b>+/- %</b>	<b>FY2013</b>	<b>FY2012</b>	<b>+/- %</b>
Revenue	151,766	137,731	10.2%	556,274	480,892	15.7%
Cost of sales	(138,801)	(125,741)	10.4%	(512,740)	(439,262)	16.7%
<b>Gross profit</b>	<b>12,965</b>	<b>11,990</b>	<b>8.1%</b>	<b>43,534</b>	<b>41,630</b>	<b>4.6%</b>
Gross Margin %	8.5%	8.7%	-0.2 ppt	7.8%	8.7%	-0.9 ppt
Other income (Note 1)	181	100	81.0%	560	670	-16.4%
Selling and marketing expenses (Note 2)	(2,826)	(2,629)	7.5%	(10,984)	(10,465)	5.0%
Administrative expenses (Note 3)	(5,458)	(4,231)	29.0%	(19,062)	(18,288)	4.2%
Other expenses (Note 4)	(572)	(803)	-28.8%	(1,972)	(2,046)	-3.6%
Net finance costs (Note 5)	(209)	(261)	-19.9%	(1,011)	(867)	16.6%
Share of losses of a jointly-controlled entity (net of tax)	-	(593)	nm	-	(746)	nm
<b>Profit before tax</b>	<b>4,081</b>	<b>3,573</b>	<b>14.2%</b>	<b>11,065</b>	<b>9,888</b>	<b>11.9%</b>
% of revenue	2.7%	2.6%	0.1 ppt	2.0%	2.1%	-0.1 ppt
Tax expense (Note 6)	139	(105)	nm	(1,469)	(1,701)	-13.6%
<b>Profit for the period/year</b>	<b>4,220</b>	<b>3,468</b>	<b>21.7%</b>	<b>9,596</b>	<b>8,187</b>	<b>17.2%</b>
Attributable to:						
<b>Equity holders of the Company</b>	<b>4,185</b>	<b>3,393</b>	<b>23.3%</b>	<b>9,662</b>	<b>8,231</b>	<b>17.4%</b>
% of revenue	2.8%	2.5%	0.3 ppt	1.7%	1.7%	0 ppt
Non-controlling interests	35	75	-53.3%	(66)	(44)	50.0%
	4,220	3,468	21.7%	9,596	8,187	17.2%
No. of shares (in '000)	453,993	453,811		453,924	453,661	
<b>Earnings per share (in cents)</b>						
Basic	0.92	0.75		2.13	1.81	
Diluted	0.92	0.75		2.13	1.81	

nm - not meaningful

**STATEMENT OF COMPREHENSIVE INCOME FOR THE 4<sup>TH</sup> QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013**

In S\$'000	4Q2013	4Q2012	+/- %	FY2013	FY2012	+/- %
<b>Profit for the period/year</b>	4,220	3,468	21.7%	9,596	8,187	17.2%
<u>Items that will not be reclassified to profit or loss:</u>						
Defined benefit plan remeasurements	(10)	-	nm	(10)	-	nm
Tax on items that will not be reclassified to profit or loss	3	-	nm	3	-	nm
	(7)	-	nm	(7)	-	nm
<u>Items that are or may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign subsidiaries	(949)	(182)	421.4%	(2,225)	(1,054)	111.1%
Share of foreign currency translation differences of a jointly-controlled entity	-	(87)	nm	-	(71)	nm
Foreign currency translation differences on disposal of foreign subsidiaries reclassified to profit or loss	-	-	-	(24)	-	nm
Exchange differences on monetary items forming part of net investment in a foreign operations	(139)	(62)	124.2%	(764)	(686)	11.4%
	(1,088)	(331)	228.7%	(3,013)	(1,811)	66.4%
<b>Other comprehensive income for the period/year, net of tax</b>	(1,095)	(331)	230.8%	(3,020)	(1,811)	66.8%
<b>Total comprehensive income for the period/year</b>	3,125	3,137	-0.4%	6,576	6,376	3.1%
Attributable to:						
Equity holders of the Company	3,091	3,062	0.9%	6,643	6,420	3.5%
Non-controlling interests	34	75	-54.7%	(67)	(44)	52.3%
<b>Total comprehensive income for the period/year</b>	3,125	3,137	-0.4%	6,576	6,376	3.1%

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

In S\$'000	4Q2013	4Q2012	+/- %	FY2013	FY2012	+/- %
Staff costs (Note7)	11,584	9,339	24.0%	41,922	38,566	8.7%
Directors' remuneration	177	103	71.8%	470	391	20.2%
Depreciation of property, plant and equipment	375	391	-4.1%	1,580	1,552	1.8%
Amortisation of intangible assets (Note 8)	383	399	-4.0%	1,556	1,482	5.0%
Impairment of intangible assets (Note 9)	136	-	nm	136	-	nm
Provision for bad debts (Note 10)	1	3	-66.7%	83	65	27.7%
Exchange loss (Note 11)	1	87	-98.9%	328	396	-17.2%
Provision for foreseeable losses (Note 12)	39	-	nm	39	-	nm

nm - not meaningful

## Notes:

- (1) Higher other income in 4Q2013 was from rebates received by ICT. Higher other income in FY2012 was due to subsidy received by PCS and a one-off recovery of the final considerations paid in December 2011 from the vendor for the acquisition of S & I Systems Pte Ltd ("**S&I**"). In FY2013, there was also a gain from sale of S&I's JDE business.
- (2) Higher selling and marketing expenses in 4Q2013 were mainly from retail shops opening expenses. For FY2013, there were higher sales commissions paid arising from higher ICT revenue.
- (3) Higher administrative expenses in 4Q2013 and FY2013 were from higher payroll cost.
- (4) Lower other expenses in 4Q2013 were due to lower exchange losses partially offset by impairment of intangible assets. Lower other expenses in FY2013 were from lower exchange losses and gains from disposal of subsidiaries in Malaysia and Philippines. These were offset by withholding tax on dividend distributed by a subsidiary in Indonesia and impairment of intangible assets. In 4Q2012 and FY2012, there was also a provision for impairment of investment in a jointly controlled entity.
- (5) Lower net finance costs in 4Q2013 were due to higher bank interest income and interest accretion income from discounting long term receivables. Higher net finance costs in FY2013 were due to the increase in interest rate on IDR borrowings and a \$10M 3-year term loan. These were offset by lower interest accretion income from discounting long term receivables.
- (6) The tax credit in 4Q2013 and lower effective tax rate in FY2013 were mainly due to higher tax incentives qualified under the "Productivity and Innovation Credit" scheme for the Singapore entities.
- (7) Higher staff costs in 4Q2013 and FY2013 were mainly attributable to new headcount to support the retail management services in Malaysia and Engineering projects in Indonesia. There were also higher sales commissions arising from higher revenue.
- (8) Higher amortisation in FY2013 was due to additional capital expenditure on computers and systems upgrades.
- (9) The intangible assets comprising of customer relationships in Malaysia arising from the acquisition of NxGen Communications Pte Ltd ("**NxGen**") were fully impaired as the future cash flows to be generated over the intangible assets' useful life cannot be supported.
- (10) The provision for bad debts in 4Q2013 was mainly attributed to ICT offset by partial recovery from a PCS customer. The provision for bad debts in FY2013 was mainly for a PCS customer whereas the provision in FY2012 was mainly attributed to ICT.
- (11) Exchange losses in 4Q2013 arose mainly from repayment of intercompany loans denominated in SGD provided to overseas subsidiaries mitigated by the exchange gains from net USD balances. Exchange losses in FY2013 arose mainly from the weakening of IDR and MYR. There was a SGD dividend payment and repayment of USD bank loans from Engineering in Indonesia, repayment of intercompany loans denominated in SGD provided to subsidiaries in Malaysia and revaluation of trade receivables and cash balances denominated in MYR. These were partially offset by exchange gains from revaluation of USD cash balances. Exchange losses in 4Q2012 and FY2012 arose mainly from USD bank loans provided to a subsidiary in Indonesia.
- (12) The provision for foreseeable losses relates to additional costs incurred for a project in Singapore.



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

In S\$'000	Group		Company	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
<b>Non-current assets</b> (Note 1)				
Subsidiaries	-	-	36,516	36,516
Jointly-controlled entity	-	-	-	-
Property, plant and equipment	2,437	2,851	161	193
Intangible assets	15,586	16,402	276	212
Deferred tax assets	968	654	36	119
Other receivables	807	1,394	-	-
	<b>19,798</b>	<b>21,301</b>	<b>36,989</b>	<b>37,040</b>
<b>Current assets</b> (Note 2)				
Inventories	16,927	17,483	6,504	6,079
Work-in-progress	22,220	21,758	-	-
Trade and other receivables	63,400	64,691	28,451	27,532
Cash and cash equivalents	48,906	51,572	24,303	29,493
	<b>151,453</b>	<b>155,504</b>	<b>59,258</b>	<b>63,104</b>
<b>Total assets</b>	<b>171,251</b>	<b>176,805</b>	<b>96,247</b>	<b>100,144</b>
<b>Equity</b>				
Share capital	21,893	21,840	21,893	21,840
Other reserves	8,928	12,048	13,404	13,512
Accumulated profits	38,638	37,516	16,548	19,453
<b>Equity attributable to equity holders of the Company</b>	<b>69,459</b>	<b>71,404</b>	<b>51,845</b>	<b>54,805</b>
Non-controlling interests	255	1,297	-	-
<b>Total equity</b>	<b>69,714</b>	<b>72,701</b>	<b>51,845</b>	<b>54,805</b>
<b>Non-current liabilities</b> (Note 3)				
Deferred tax liabilities	540	828	-	-
Loans and borrowings	10,000	10,000	10,000	10,000
Other payables	150	7,225	-	5,732
	<b>10,690</b>	<b>18,053</b>	<b>10,000</b>	<b>15,732</b>
<b>Current liabilities</b> (Note 4)				
Trade and other payables	74,489	67,812	34,260	28,353
Excess of progress billings over work-in-progress	828	-	-	-
Provision for warranties	203	269	25	25
Current tax payable	721	1,116	117	229
Loans and borrowings	9,860	12,097	-	1,000
Deferred revenue	4,746	4,757	-	-
	<b>90,847</b>	<b>86,051</b>	<b>34,402</b>	<b>29,607</b>
<b>Total liabilities</b>	<b>101,537</b>	<b>104,104</b>	<b>44,402</b>	<b>45,339</b>
<b>Total equity and liabilities</b>	<b>171,251</b>	<b>176,805</b>	<b>96,247</b>	<b>100,144</b>

Notes:

- (1) Lower Group non-current assets by \$1.5M as a result of depreciation of property, plant and equipment, amortisation and impairment of intangible assets, and lower other receivables.
- (2) Lower Group current assets by \$4.1M was due to lower cash balances.



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- (3) Lower Group non-current liabilities by \$7.4M was due to reclassification of final contingent consideration payable to selling shareholders of NxGen from non-current to current liabilities. There was also a dividend payment to selling shareholders of NxGen in 1Q2013.
- (4) Higher Group current liabilities by \$4.8M from trade and other payables due to increase in sales activities and reclassification of final contingent consideration payable to selling shareholders of NxGen from non-current to current liabilities. These were offset by lower bank borrowings.

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

**In S\$'000**

**As at 31/12/2013**

**As at 31/12/2012**

**Amount repayable in one year or less**

Bank loan – unsecured

9,860

12,097

**Amount repayable after one year**

Bank loan - unsecured

10,000

10,000

Total

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19,860

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22,097

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**Details of any collateral**

Nil



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**1(c) CONSOLIDATED CASH FLOW STATEMENT FOR THE 4<sup>TH</sup> QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013**

In S\$'000	4Q2013	4Q2012	FY2013	FY2012
<b>Operating Activities</b>				
Profit before tax	4,081	3,573	11,065	9,888
Adjustments for:				
Amortisation of intangible assets	383	399	1,556	1,482
Depreciation of property, plant and equipment	375	391	1,580	1,552
Finance costs	272	263	1,107	990
Finance income	(63)	(2)	(96)	(123)
Losses on disposal of property, plant and equipment and intangible assets	3	49	36	33
Gains on disposal of subsidiaries	-	-	(24)	-
Impairment loss on intangible assets	136	-	136	-
Impairment loss on interest in a jointly-controlled entity	-	246	-	246
Provision for foreseeable losses	39	-	39	-
Provision for warranties	(100)	30	(28)	19
Share of losses of a jointly-controlled entity	-	593	-	746
Share-based payments expenses	41	(6)	166	237
Cash from operating profit before working capital changes	5,167	5,536	15,537	15,070
Changes in working capital	13,446	(1,306)	336	20,062
Cash generated from operations	18,613	4,230	15,873	35,132
Income tax paid	(1,142)	(1,823)	(2,540)	(2,981)
<b>Net cash inflow from operating activities</b>	<b>17,471</b>	<b>2,407</b>	<b>13,333</b>	<b>32,151</b>
<b>Investing Activities</b>				
Payment of contingent consideration	-	-	-	(5,005)
Dividend paid to selling shareholders of a subsidiary	-	-	(1,438)	(1,438)
Purchase of intangible assets	(593)	(254)	(838)	(300)
Purchase of property, plant and equipment	(869)	(474)	(1,336)	(1,673)
Proceeds from disposal of property, plant and equipment	1	9	15	47
Interest received	35	(5)	68	32
Bank deposit pledged	-	-	(22)	-
<b>Net cash outflow from investing activities</b>	<b>(1,426)</b>	<b>(724)</b>	<b>(3,551)</b>	<b>(8,337)</b>
<b>Financing Activities</b>				
Acquisition of non-controlling interests	-	-	(2,244)	(77)
Balances with related corporations (non-trade)	558	(76)	612	(149)
Capital contribution from non-controlling interests	-	-	-	85
Dividend paid	-	-	(7,264)	(7,253)
Dividend paid to non-controlling interests	-	-	(100)	(380)
Interest paid	(140)	(152)	(688)	(536)
Proceeds from issue of shares under Pre-IPO Share Option Scheme	-	-	44	-
Purchase of treasury shares	-	-	(265)	(297)
Proceeds from bank loans	3,726	12,233	19,906	35,869
Repayment of short term bank loans	(4,429)	(6,722)	(22,142)	(29,955)
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(285)</b>	<b>5,283</b>	<b>(12,141)</b>	<b>(2,693)</b>
Net increase/(decrease) in cash and cash equivalents	15,760	6,966	(2,359)	21,121
Cash and cash equivalents at beginning of the period/year	33,191	44,605	51,572	30,489
Effect of exchange rate changes on balances held in foreign currency	(67)	1	(329)	(38)
<b>Cash and cash equivalents at end of the period/year</b>	<b>48,884 *</b>	<b>51,572</b>	<b>48,884 *</b>	<b>51,572</b>

\* Net of bank deposit pledged of \$22,000 as at 31 December 2013 by a subsidiary in Malaysia.



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Cash flows from operating activities

The net cash inflow in FY2013 was due to higher operating profits, positive change in working capital and lower tax paid. Positive change in working capital was from lower inventories and receivables, offset by higher payables.

Cash flows from investing activities

Higher cash outflow in 4Q2013 was due to higher capital expenditure. Higher net cash outflow in FY2012 was mainly due to payment of the first tranche of purchase consideration of \$5M relating to the acquisition of NxGen.

Cash flow from financing activities

The net cash outflow in 4Q2013 was due to lower bank borrowings. Higher net cash outflow in FY2013 was due to buyback of shares from the minority shareholders of S&I and lower bank borrowings.

**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 4<sup>TH</sup> QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2013**

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 2012</b>	<b>21,840</b>	<b>34,123</b>	<b>12,385</b>	<b>68,348</b>	<b>1,322</b>	<b>69,670</b>
Total comprehensive income for the period	-	3,393	(331)	3,062	75	3,137
Share-based payments expenses	-	-	(6)	(6)	-	(6)
Dividend declared by a subsidiary to non-controlling interests	-	-	-	-	(100)	(100)
<b>At 31 December 2012</b>	<b>21,840</b>	<b>37,516</b>	<b>12,048</b>	<b>71,404</b>	<b>1,297</b>	<b>72,701</b>
<b>At 1 October 2013</b>	<b>21,893</b>	<b>34,460</b>	<b>9,974</b>	<b>66,327</b>	<b>221</b>	<b>66,548</b>
Total comprehensive income for the period	-	4,178	(1,087)	3,091	34	3,125
Share-based payments expenses	-	-	41	41	-	41
<b>At 31 December 2013</b>	<b>21,893</b>	<b>38,638</b>	<b>8,928</b>	<b>69,459</b>	<b>255</b>	<b>69,714</b>
<b>At 1 January 2012</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>
Total comprehensive income for the year	-	8,231	(1,811)	6,420	(44)	6,376
Purchase of treasury shares	-	-	(297)	(297)	-	(297)
Share-based payments expenses	-	-	237	237	-	237
FY2011 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,253)	-	(7,253)	-	(7,253)
Dividend declared by a subsidiary to non-controlling interests	-	-	-	-	(100)	(100)
Capital contribution from non-controlling interests	-	-	-	-	85	85
Acquisition of non-controlling interests without a change in control	-	-	-	-	(77)	(77)
<b>At 31 December 2012</b>	<b>21,840</b>	<b>37,516</b>	<b>12,048</b>	<b>71,404</b>	<b>1,297</b>	<b>72,701</b>
<b>At 1 January 2013</b>	<b>21,840</b>	<b>37,516</b>	<b>12,048</b>	<b>71,404</b>	<b>1,297</b>	<b>72,701</b>
Total comprehensive income for the year	-	9,655	(3,012)	6,643	(67)	6,576
Issue of 212,500 ordinary shares at exercise price of \$0.2079 per share under share option scheme	44	-	-	44	-	44
Share options exercised	9	-	(9)	-	-	-
Purchase of treasury shares	-	-	(265)	(265)	-	(265)
Share-based payments expenses	-	-	166	166	-	166
FY2012 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,264)	-	(7,264)	-	(7,264)
Acquisition of non-controlling interests without a change in control	-	(1,269)	-	(1,269)	(975)	(2,244)
<b>At 31 December 2013</b>	<b>21,893</b>	<b>38,638</b>	<b>8,928</b>	<b>69,459</b>	<b>255</b>	<b>69,714</b>





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In S\$'000	Share capital	Accumulated profits	Other reserves	Total equity
<b>COMPANY</b>				
<b>At 1 October 2012</b>	<b>21,840</b>	<b>18,182</b>	<b>13,518</b>	<b>53,540</b>
Total comprehensive income for the period	-	1,271	-	1,271
Share-based payments to employees of Company's subsidiaries	-	-	(2)	(2)
Share-based payments expenses	-	-	(4)	(4)
<b>At 31 December 2012</b>	<b>21,840</b>	<b>19,453</b>	<b>13,512</b>	<b>54,805</b>
<b>At 1 October 2013</b>	<b>21,893</b>	<b>13,987</b>	<b>13,363</b>	<b>49,243</b>
Total comprehensive income for the period	-	2,561	-	2,561
Share-based payments to employees of Company's subsidiaries	-	-	(1)	(1)
Share-based payments expenses	-	-	42	42
<b>At 31 December 2013</b>	<b>21,893</b>	<b>16,548</b>	<b>13,404</b>	<b>51,845</b>
<b>At 1 January 2012</b>	<b>21,840</b>	<b>22,225</b>	<b>13,524</b>	<b>57,589</b>
Total comprehensive income for the year	-	4,481	-	4,481
Purchase of treasury shares	-	-	(297)	(297)
Share-based payments to employees of Company's subsidiaries	-	-	98	98
Share-based payments expenses	-	-	139	139
Transfer of share option reserve from a subsidiary	-	-	48	48
FY2011 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,253)	-	(7,253)
<b>At 31 December 2012</b>	<b>21,840</b>	<b>19,453</b>	<b>13,512</b>	<b>54,805</b>
<b>At 1 January 2013</b>	<b>21,840</b>	<b>19,453</b>	<b>13,512</b>	<b>54,805</b>
Total comprehensive income for the year	-	4,359	-	4,359
Issue of 212,500 ordinary shares at exercise price of \$0.2079 per share under share option scheme	44	-	-	44
Share options exercised	9	-	(9)	-
Purchase of treasury shares	-	-	(265)	(265)
Share-based payments to employees of Company's subsidiaries	-	-	(1)	(1)
Share-based payments expenses	-	-	167	167
FY2012 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,264)	-	(7,264)
<b>At 31 December 2013</b>	<b>21,893</b>	<b>16,548</b>	<b>13,404</b>	<b>51,845</b>



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

**A) Share Capital**

As at 31 December 2013, the share capital of the Company amounted to \$21.893 million comprising 453,993,461 issued ordinary shares excluding treasury shares. (31 December 2012: 453,811,410 ordinary shares excluding treasury shares).

During the fourth quarter ended 31 December 2013, there was no issuance of new ordinary shares.

**B) Employee Share Options**

As at 31 December 2013, there were unexercised options of 368,000 (31 December 2012: 580,500) 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 2013, the number of outstanding shares granted under the Company's RSP and PSP were 4,469,837 (31 December 2012: 4,851,499) and 1,950,250 (31 December 2012: 2,633,000) respectively.

**D) Treasury Shares**

During the fourth quarter ended 31 December 2013, the Company did not purchase any of its ordinary shares from the market.

For the full year ended 31 December 2013, a total of 1,100,000 ordinary shares were repurchased from the market at a total consideration of \$264,840 and 1,069,551 treasury shares were transferred to participants of the Company's share plans.

As at 31 December 2013, there were 61,039 (31 December 2012: 30,590) treasury shares representing approximately 0.013% 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 2012.

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 2013. The adoption of these 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)**

Group	4Q2013	4Q2012	FY2013	FY2012
Basic	0.92	0.75	2.13	1.81
Diluted	0.92	0.75	2.13	1.81

**7. NET ASSET VALUE**

	GROUP		COMPANY	
	31/12/2013	31/12/2012	31/12/2013	31/12/2012
Net assets value per ordinary share based on issued share capital at the end of the financial year (in cents):	15.30	15.73	11.42	12.08

**8. REVIEW OF GROUP PERFORMANCE**

**A) Revenue**

S\$M	4Q2013	4Q2012	Growth		FY2013	FY2012	Growth	
			\$	%			\$	%
Personal Communications Solutions Services ("PCS")	111.7	93.3	18.4	20%	396.7	332.7	64.0	19%
Info-Communications Technology Services ("ICT")	24.6	27.5	(2.9)	(11%)	97.7	89.8	7.9	9%
Network Engineering Services ("Engineering")	15.5	16.9	(1.4)	(8%)	61.9	58.4	3.5	6%
Total	151.8	137.7	14.1	10%	556.3	480.9	75.4	16%

- **PCS** – Revenue increased by \$18.4M and \$64.0M in 4Q2013 and FY2013 respectively from sales to a major Singapore customer, retail management services retainer fees and sales in Malaysia. These were offset by lower regional and prepaid cards sales.
- **ICT** – Revenue decreased by \$2.9M in 4Q2013 was due mainly to lower enterprise solutions sales. Revenue increased by \$7.9M in FY2013 mainly due to larger-scale projects recognised. These were partially offset by lower enterprise solutions sales and iDD usage.
- **Engineering** – Revenue decreased by \$1.4M in 4Q2013 due to lower Radio Network Planning projects in Indonesia. Revenue increased by \$3.5M in FY2013 due to combined site projects, transmission equipment and product sales in Singapore, offset by lower Radio Network Planning projects, product and power supply sales in Indonesia and lower In-building Coverage projects in Malaysia.



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**B) PBT**

S\$M	4Q2013	4Q2012	Growth		FY2013	FY2012	Growth	
			\$	%			\$	%
PCS	1.5	2.4	(0.9)	(38%)	6.0	6.2	(0.2)	(3%)
ICT	1.0	0.2	0.8	400%	1.3	0.4	0.9	225%
Engineering	1.6	1.0	0.6	60%	3.8	3.3	0.5	15%
Group PBT	4.1	3.6	0.5	14%	11.1	9.9	1.2	12%

- **PCS** - PBT decreased by \$0.9M and \$0.2M in 4Q2013 and FY2013 respectively. Higher PBT in 4Q2012 was mainly due to a one-off retainer fee received from a customer in Malaysia. Lower PBT in FY2013 was due to lower PBT from Singapore operations. This was mitigated by additional revenue from a customer in Malaysia with an expanded scope of services.
- **ICT** – PBT increased by \$0.8M and \$0.9M in 4Q2013 and FY2013 respectively. Higher PBT in 4Q2013 was due to lower share of losses of a jointly-controlled entity. Higher PBT in FY2013 was due to lower operating expenses and lower share of losses of a jointly-controlled entity.
- **Engineering** – PBT increased by \$0.6M and \$0.5M in 4Q2013 and FY2013 respectively. Improvements in Singapore operations were offset by lower contribution from Malaysia and Indonesia operations.

**9. VARIANCE FROM PROSPECT STATEMENT**

There are no material variances between the prospect statement set out in the 9M2013 announcement dated 13 November 2013 and the actual results for FY2013.

**10. PROSPECTS**

Smart phones with Android and IOS will continue to fuel demand for mobile handsets sales in 2014 for Personal Communication Services. The retail management contract with U Mobile Sdn Bhd in Malaysia will continue to have a positive contribution to operating performance. The fulfillment contract with StarHub Ltd in Singapore will be renewed and there will be new opportunities to expand our scope of services to them. Info-Communications Technology Services performance in 2013 had improved with an increase in customer base. We are cautiously optimistic that their performance will continue to improve this year with our entry into new businesses and customer segments. Network Engineering Services started the year with a strong order book and with new opportunities in the project pipeline. Network upgrading and expansion by the regional telecom operators is expected to continue and provide new opportunities to this division.

The Group's margins continue to be challenged with increased competition and escalating operating costs. Improving productivity will be a key focus this year to mitigate these challenges.

Barring any unforeseen circumstances and based on the current outlook, the Group expects 1Q2014 operating performance to be lower than the same period last year, but the full year's operating performance will not be worse off than the operating performance of FY2013.

*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.*



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**11. DIVIDEND**

**(a) Any dividend declared for the current financial period reported on? Yes**

<b>Period</b>	<b>4Q2013 and FY2013</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>4Q2012 and FY2012</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>

**(c) Date payable**

The proposed dividend, if approved by shareholders, will be paid on 20 May 2014.

**(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 6 May 2014. Duly completed transfers received by the Company's Registrar, M & C Services Private Limited, 112 Robinson Road #05-01 Singapore 068902, up to 5 p.m. on 5 May 2014 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.**

Not applicable.



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**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	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue and expenses</b>								
Total revenue from external customers	396,657	332,708	97,653	89,781	61,964	58,403	556,274	480,892
Inter-segment revenue	-	-	181	175	-	-	181	175
<b>Total revenue</b>	<b>396,657</b>	<b>332,708</b>	<b>97,834</b>	<b>89,956</b>	<b>61,964</b>	<b>58,403</b>	<b>556,455</b>	<b>481,067</b>
Interest income	56	7	43	94	41	29	140	130
Interest expenses	161	48	561	674	429	275	1,151	997
Depreciation of property, plant and equipment	482	310	558	595	540	647	1,580	1,552
Amortisation of intangible assets	176	47	1,313	1,354	67	81	1,556	1,482
<b>Reportable segment profit before tax</b>	<b>6,010</b>	<b>6,206</b>	<b>1,329</b>	<b>1,349</b>	<b>3,726</b>	<b>3,325</b>	<b>11,065</b>	<b>10,880</b>
Share of losses of a jointly-controlled entity (net of tax)	-	-	-	(746)	-	-	-	(746)
Impairment loss on interest in a jointly-controlled entity	-	-	-	(246)	-	-	-	(246)
<b>Other material non-cash items:</b>								
Impairment loss on intangible assets	-	-	(136)	-	-	-	(136)	-
Reportable segment assets	67,611	68,853	63,777	69,063	39,863	38,889	171,251	176,805
Investment in a jointly-controlled entity	-	-	-	-	-	-	-	-
Capital expenditure								
- Property, plant and equipment	691	523	186	386	459	764	1,336	1,673
- Intangible assets	440	244	371	33	27	23	838	300
Reportable segment liabilities	32,940	31,834	44,805	49,558	23,792	22,712	101,537	104,104



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

	<b>2013 \$'000</b>	<b>2012 \$'000</b>
<b>Revenue</b>		
Total revenue for reportable segments	556,455	481,067
Elimination of inter-segment revenue	(181)	(175)
Consolidated revenue	556,274	480,892
<b>Profit or loss</b>		
Total profit or loss for reportable segments	11,065	10,880
Share of losses of a jointly-controlled entity	-	(746)
Impairment loss on interest in a jointly-controlled entity	-	(246)
Consolidated profit before tax	11,065	9,888
<b>Assets</b>		
Total assets for reportable segments	171,251	176,805
Investments in a jointly-controlled entity	-	-
Consolidated total assets	171,251	176,805
<b>Liabilities</b>		
Total liabilities for reportable segments	101,537	104,104

	<b>Other material items 2013</b>			<b>Other material items 2012</b>		
	<b>Reportable segment totals</b>	<b>Adjustments</b>	<b>Consolidated totals</b>	<b>Reportable segment totals</b>	<b>Adjustments</b>	<b>Consolidated totals</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest income	(140)	44	(96)	(130)	7	(123)
Interest expenses	1,151	(44)	1,107	997	(7)	990
Capital expenditure						
- Property, plant and equipment	1,336	-	1,336	1,673	-	1,673
- Intangible assets	838	-	838	300	-	300

**(b) Geographical segments**

	<b>31 December 2013</b>		<b>31 December 2012</b>	
	<b>Revenue \$'000</b>	<b>Non-current Assets \$'000</b>	<b>Revenue \$'000</b>	<b>Non-current Assets \$'000</b>
Singapore	475,395	18,022	396,598	19,490
Indonesia	35,209	442	36,388	730
Malaysia	26,300	336	22,130	378
Hong Kong	17,111	-	23,807	-
Other countries	2,259	30	1,969	49
Consolidated total	556,274	18,830	480,892	20,647

**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	FY2013	FY2012
Sales Reported for 1 <sup>st</sup> Quarter of the year	116,813	101,989
Profit reported for 1 <sup>st</sup> Quarter of the year	1,103	1,728
Sales Reported for 2 <sup>nd</sup> Quarter of the year	138,273	122,339
Profit reported for 2 <sup>nd</sup> Quarter of the year	1,586	1,217
Sales Reported for 3 <sup>rd</sup> Quarter of the year	149,422	118,833
Profit reported for 3 <sup>rd</sup> Quarter of the year	2,687	1,774
Sales Reported for 4 <sup>th</sup> Quarter of the year	151,766	137,731
Profit reported for 4 <sup>th</sup> Quarter of the year	4,220	3,468
Sales Reported for full year	556,274	480,892
Profit reported for full year	9,596	8,187

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

In S\$M	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual			
	4Q2013	4Q2012	FY2013	FY2012
<b><u>Transactions for the sales of goods and services</u></b>				
Temasek Holdings (Private) Limited and its Associates	68.5	60.0	254.7	212.9
<b><u>Transactions for the purchases of goods and services</u></b>				
Temasek Holdings (Private) Limited and its Associates	11.9	14.1	65.4	62.9
<b>Total Interested Person Transactions</b>	<b>80.4</b>	<b>74.1</b>	<b>320.1</b>	<b>275.8</b>

There were no interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual).





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- 17. 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**

**Lim Shuh Moh Vincent**  
**President**

Date: 28 February 2014