



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

PART I - UNAUDITED RESULTS FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2014

1(a)(i) INCOME STATEMENT FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2014

In S\$'000	4Q2014	4Q2013	+/- %	FY2014	FY2013	+/- %
Revenue	131,425	151,766	-13.4%	516,804	556,274	-7.1%
Cost of sales	(119,124)	(138,801)	-14.2%	(474,328)	(512,740)	-7.5%
Gross profit	12,301	12,965	-5.1%	42,476	43,534	-2.4%
Gross Margin % (Note 1)	9.4%	8.5%	0.9 ppt	8.2%	7.8%	0.4 ppt
Other income (Note 2)	97	181	-46.4%	610	560	8.9%
Selling and marketing expenses (Note 3)	(2,492)	(2,826)	-11.8%	(10,155)	(10,984)	-7.5%
Administrative expenses	(5,183)	(5,458)	-5.0%	(19,036)	(19,062)	-0.1%
Other expenses (Note 4)	(621)	(572)	8.6%	(1,692)	(1,972)	-14.2%
Net finance costs (Note 5)	(197)	(209)	-5.7%	(791)	(1,011)	-21.8%
Profit before income tax	3,905	4,081	-4.3%	11,412	11,065	3.1%
% of revenue	3.0%	2.7%	0.3 ppt	2.2%	2.0%	0.2 ppt
Income tax expense (Note 6)	(181)	139	nm	(2,199)	(1,469)	49.7%
Profit for the period/year	3,724	4,220	-11.8%	9,213	9,596	-4.0%
Attributable to:						
Equity holders of the Company	3,672	4,185	-12.3%	9,368	9,662	-3.0%
% of revenue	2.8%	2.8%	- ppt	1.8%	1.7%	0.1 ppt
Non-controlling interests	52	35	48.6%	(155)	(66)	134.8%
	3,724	4,220	-11.8%	9,213	9,596	-4.0%
No. of shares (in '000)	454,421	453,993		454,198	453,924	
Earnings per share (in cents)						
Basic	0.81	0.92		2.06	2.13	
Diluted	0.81	0.92		2.06	2.13	



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

STATEMENT OF COMPREHENSIVE INCOME FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2014

In S\$'000	4Q2014	4Q2013	+/- %	FY2014	FY2013	+/- %
Profit for the period/year	3,724	4,220	-11.8%	9,213	9,596	-4.0%
<u>Items that will not be reclassified to profit or loss:</u>						
Defined benefit plan remeasurements	52	(10)	nm	52	(10)	nm
Tax on items that will not be reclassified to profit or loss	(13)	3	nm	(13)	3	nm
	39	(7)	nm	39	(7)	nm
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign subsidiaries	(169)	(949)	-82.2%	178	(2,225)	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	114	(139)	nm	201	(764)	nm
	(55)	(1,088)	-94.9%	379	(3,013)	nm
Other comprehensive income for the period/year, net of tax	(16)	(1,095)	-98.5%	418	(3,020)	nm
Total comprehensive income for the period/year	3,708	3,125	18.7%	9,631	6,576	46.5%
Attributable to:						
Equity holders of the Company	3,561	3,091	15.2%	9,717	6,643	46.3%
Non-controlling interests	147	34	332.4%	(86)	(67)	28.4%
Total comprehensive income for the period/year	3,708	3,125	18.7%	9,631	6,576	46.5%

nm - not meaningful

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

In S\$'000	4Q2014	4Q2013	+/- %	FY2014	FY2013	+/- %
Staff costs	11,154	11,584	-3.7%	42,182	41,922	0.6%
Directors' remuneration (Note 7)	104	177	-41.2%	456	470	-3.0%
Depreciation of property, plant and equipment (Note 8)	441	375	17.6%	1,652	1,580	4.6%
Amortisation of intangible assets (Note 9)	431	383	12.5%	1,726	1,556	10.9%
Impairment of intangible assets (Note 10)	-	136	nm	-	136	nm
Provision for bad debts and bad debts written off (Note 11)	122	1	nm	129	83	55.4%
Property, plant and equipment written off (Note 12)	131	-	nm	131	-	nm
Exchange loss (Note 13)	68	1	nm	85	328	-74.1%
Write down of inventories to net realisable value (Note 14)	74	111	-33.3%	820	1,304	-37.1%
Adjustments for overprovision of tax in respect of prior years	26	100	-74.0%	26	100	-74.0%

nm - not meaningful



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

Notes:

- (1) Higher gross margin in 4Q2014 and FY2014 were contributed by PCS and Engineering. Higher gross margin from PCS was from lower sales of low margin mobile phones. Higher gross margin from Engineering was due to improvement in Singapore and Malaysian operations. ICT's gross margin was lower due to a long term software and maintenance contract which was at a lower margin.
- (2) Higher other income in 4Q2013 was from rebates received by ICT. Higher other income in FY2014 was due to payouts under the Wage Credit Scheme and cash bonus received under the Productivity and Innovation Credit Scheme.
- (3) Lower selling and marketing expenses in 4Q2014 and FY2014 were due to lesser marketing vouchers purchased and lower payroll cost.
- (4) Higher other expenses in 4Q2014 were due to higher exchange losses. Higher other expenses in FY2013 were due to higher exchange losses and impairment of intangible assets. There were property, plant and equipment written off in 4Q2014 and FY2014.
- (5) Lower net finance costs in 4Q2014 and FY2014 were mainly due to lower interest accretion from discounting long term dividends payable, higher interest income from bank deposits and higher interest accretion from discounting long term receivables.
- (6) The effective tax rate in 4Q2014 and FY2014 were higher with higher profit contribution from overseas entities that have higher statutory tax rates. There were also lower tax incentives qualified under the Productivity and Innovation Credit Scheme for the Singapore entities.
- (7) The higher Directors' remuneration in 4Q2013 was due to under provision in the previous quarters. The lower Directors' remuneration in FY2014 was due to fewer meetings held in 2014.
- (8) Higher depreciation in 4Q2014 and FY2014 were due to capital expenditure incurred on renovations with the relocation of offices and warehouses in Singapore.
- (9) Higher amortisation in 4Q2014 and FY2014 were mainly due to the eplanet ecommerce portal and capital expenditure incurred on system upgrades.
- (10) The intangible assets comprising of customer relationships in Malaysia arising from the acquisition of NxGen Communications Pte Ltd ("**NxGen**") were fully impaired in FY2013 as the future cash flows to be generated over the intangible assets' useful life cannot be supported.
- (11) Provision for bad debts and bad debts written off in 4Q2014 and FY2014 were mainly attributable to write off of minority shareholders' share of loan in Sunway S&I Systems (Thailand) Limited. The provision for bad debts in FY2013 was mainly attributed to a PCS customer.
- (12) Property, plant and equipment written off in 4Q2014 and FY2014 were attributed to certain demonstration tools no longer in use in Malaysia.
- (13) Exchange loss in 4Q2014 and FY2014 arose mainly from revaluation of USD payables. Exchange losses in 4Q2013 and FY2013 arose mainly from the weaker IDR and MYR during the period.
- (14) Lower write down of inventories in 4Q2014 and FY2014 were due to decrease in inventories level.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

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

In S\$'000	Group		Company	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Non-current assets (Note 1)				
Subsidiaries	-	-	37,124	36,516
Jointly-controlled entity	-	-	-	-
Property, plant and equipment	3,336	2,437	899	161
Intangible assets	14,046	15,586	110	276
Deferred tax assets	730	968	-	36
Trade and other receivables	6,237	807	-	-
	24,349	19,798	38,133	36,989
Current assets (Note 2)				
Inventories	13,119	16,927	5,483	6,504
Work-in-progress	19,629	22,220	-	-
Trade and other receivables	91,658	63,400	45,109	28,451
Cash and cash equivalents	37,986	48,906	11,901	24,303
	162,392	151,453	62,493	59,258
Total assets	186,741	171,251	100,626	96,247
Equity				
Share capital	21,987	21,893	21,987	21,893
Other reserves	9,346	8,928	13,512	13,404
Accumulated profits	40,775	38,638	12,913	16,548
Equity attributable to equity holders of the Company	72,108	69,459	48,412	51,845
Non-controlling interests	169	255	-	-
Total equity	72,277	69,714	48,412	51,845
Non-current liabilities (Note 3)				
Deferred tax liabilities	366	540	22	-
Loans and borrowings	-	10,000	-	10,000
Trade and other payables	2,734	150	-	-
	3,100	10,690	22	10,000
Current liabilities (Note 4)				
Trade and other payables	85,598	74,489	41,938	34,260
Excess of progress billings over work-in-progress	303	828	-	-
Provision for warranties	229	203	25	25
Current tax payable	396	721	229	117
Loans and borrowings	19,968	9,860	10,000	-
Deferred revenue	4,870	4,746	-	-
	111,364	90,847	52,192	34,402
Total liabilities	114,464	101,537	52,214	44,402
Total equity and liabilities	186,741	171,251	100,626	96,247

Notes:

- (1) Group non-current assets were higher by \$4.6M mainly due to a long term trade and other receivable with an ICT customer. There were also capital expenditures incurred on office relocation in Singapore and testing equipment for projects in Indonesia.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

- (2) Group current assets were higher by \$10.9M due to higher trade receivables due from related corporations and a receivable with an ICT customer. These were partially offset by lower cash balances.
- (3) Group non-current liabilities were lower by \$7.6M due to reclassification of bank loans from non-current to current liabilities as the loan repayment due date will be in 2015. There were also higher trade and other payables due to a long term contract with an ICT customer.
- (4) Group current liabilities were higher by \$20.5M due to higher trade and other payables arising from a major ICT contract and reclassification of bank loans from non-current to current liabilities.

1(b)(ii) GROUP BORROWING

In S\$'000	As at 31/12/2014	As at 31/12/2013
Amount repayable in one year or less		
Bank loan – unsecured	19,968	9,860
Amount repayable after one year		
Bank loan - unsecured	-	10,000
Total	<u>19,968</u>	<u>19,860</u>

Details of any collateral

Nil



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

1(c) CONSOLIDATED CASH FLOW STATEMENT FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2014

In S\$'000	4Q2014	4Q2013	FY2014	FY2013
Operating Activities				
Profit before income tax	3,905	4,081	11,412	11,065
Adjustments for:				
Amortisation of intangible assets	431	383	1,726	1,556
Depreciation of property, plant and equipment	441	375	1,652	1,580
Finance costs	314	272	1,072	1,107
Finance income	(117)	(63)	(281)	(96)
Losses on disposal of property, plant and equipment and intangible assets	14	3	49	36
Gains on disposal of subsidiaries	-	-	(11)	(24)
Impairment loss on intangible assets	-	136	-	136
Property, plant and equipment written off	131	-	131	-
(Reversal)/Provision for foreseeable losses	(39)	39	(39)	39
Provision for warranties	(25)	(100)	22	(28)
Share-based payments expenses	126	41	348	166
Cash from operating profit before working capital changes	5,181	5,167	16,081	15,537
Changes in working capital	2,510	13,446	(12,837)	336
Cash generated from operations	7,691	18,613	3,244	15,873
Income tax paid	(615)	(1,142)	(1,942)	(2,540)
Net cash inflow from operating activities	7,076	17,471	1,302	13,333
Investing Activities				
Dividend paid to selling shareholders of a subsidiary	-	-	(1,438)	(1,438)
Disposal of subsidiary, net of cash disposed of	-	-	(13)	-
Purchase of intangible assets	(66)	(593)	(298)	(838)
Purchase of property, plant and equipment	(269)	(869)	(2,741)	(1,336)
Proceeds from disposal of property, plant and equipment	6	1	18	15
Interest received	15	35	156	68
Bank deposit pledged	-	-	22	(22)
Net cash outflow from investing activities	(314)	(1,426)	(4,294)	(3,551)
Financing Activities				
Acquisition of non-controlling interests	-	-	-	(2,244)
Balances with related corporations (non-trade)	277	558	80	612
Dividend paid	-	-	(7,270)	(7,264)
Dividend paid to non-controlling interests	-	-	-	(100)
Interest paid	(192)	(140)	(684)	(688)
Proceeds from issue of shares under Pre-IPO Share Option Scheme	-	-	77	44
Purchase of treasury shares	-	-	(293)	(265)
Proceeds from bank loans	1,160	3,726	6,941	19,906
Repayment of short term bank loans	(691)	(4,429)	(6,833)	(22,142)
Net cash inflow/outflow from financing activities	554	(285)	(7,982)	(12,141)
Net increase/(decrease) in cash and cash equivalents	7,316	15,760	(10,974)	(2,359)
Cash and cash equivalents at beginning of period	30,640	33,191	48,884	51,572
Effect of exchange rate changes on balances held in foreign currency	30	(67)	76	(329)
Cash and cash equivalents at end of period/year	37,986	48,884	37,986	48,884



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

Cash flows from operating activities

Lower net cash inflow in 4Q2014 as compared to the corresponding period last year was due to lower positive change in working capital. Higher positive change in working capital in 4Q2013 was due to higher inventories in 3Q2013. Lower net cash inflow in FY2014 was due to negative change in working capital. Negative change in working capital was from higher work-in-progress, trade and other receivables offset by higher trade and other payables.

Cash flows from investing activities

Lower cash outflow in 4Q2014 was due to lower capital expenditure. Higher cash outflow in FY2014 was due to capital expenditure incurred for the office relocation in Singapore and testing equipment for projects in Indonesia partially offset by the higher interest income received from bank deposits.

Cash flow from financing activities

Net cash inflow in 4Q2014 was due to net proceeds from bank loans. Higher net cash outflow in FY2013 was due to buyback of shares from the minority shareholders of S&I and higher bank loans repayment.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 4TH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2014

In S\$'000	Share capital	Accumulated profits	Other reserves	Total attributable to equity holders of the Company	Non controlling interests	Total equity
GROUP						
At 1 October 2013	21,893	34,460	9,974	66,327	221	66,548
Total comprehensive income for the period	-	4,178	(1,087)	3,091	34	3,125
Share-based payments expenses	-	-	41	41	-	41
At 31 December 2013	21,893	38,638	8,928	69,459	255	69,714
At 1 October 2014	21,987	37,064	9,370	68,421	22	68,443
Total comprehensive income for the period	-	3,711	(150)	3,561	147	3,708
Share-based payments expenses	-	-	126	126	-	126
At 31 December 2014	21,987	40,775	9,346	72,108	169	72,277
At 1 January 2013	21,840	37,516	12,048	71,404	1,297	72,701
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)
At 31 December 2013	21,893	38,638	8,928	69,459	255	69,714
At 1 January 2014	21,893	38,638	8,928	69,459	255	69,714
Total comprehensive income for the year	-	9,407	310	9,717	(86)	9,631
Issue of 368,000 ordinary shares at exercise price of \$0.2079 per share under share option scheme	77	-	-	77	-	77
Share options exercised	17	-	(17)	-	-	-
Purchase of treasury shares	-	-	(293)	(293)	-	(293)
Transfer from treasury shares to share-based payments reserve	-	-	70	70	-	70
Share-based payments expenses	-	-	348	348	-	348
FY2013 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)	-	(7,270)
At 31 December 2014	21,987	40,775	9,346	72,108	169	72,277



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

In S\$'000	Share capital	Accumulated profits	Other reserves	Total equity
<u>COMPANY</u>				
At 1 October 2013	21,893	13,987	13,363	49,243
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
At 31 December 2013	21,893	16,548	13,404	51,845
At 1 October 2014	21,987	11,347	13,386	46,720
Total comprehensive income for the period	-	1,566	-	1,566
Share-based payments to employees of Company's subsidiaries	-	-	28	28
Share-based payments expenses	-	-	98	98
At 31 December 2014	21,987	12,913	13,512	48,412
At 1 January 2013	21,840	19,453	13,512	54,805
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)
At 31 December 2013	21,893	16,548	13,404	51,845
At 1 January 2014	21,893	16,548	13,404	51,845
Total comprehensive income for the year	-	3,635	-	3,635
Issue of 368,000 ordinary shares at exercise price of \$0.2079 per share under share option scheme	77	-	-	77
Share options exercised	17	-	(17)	-
Purchase of treasury shares	-	-	(293)	(293)
Transfer from treasury shares to share-based payments reserve	-	-	70	70
Share-based payments to employees of Company's subsidiaries	-	-	109	109
Share-based payments expenses	-	-	239	239
FY2013 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)
At 31 December 2014	21,987	12,913	13,512	48,412



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

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

A) Share Capital

As at 31 December 2014, the share capital of the Company amounted to \$21.987 million comprising 454,421,498 issued ordinary shares excluding treasury shares. (31 December 2013: 453,993,461 ordinary shares excluding treasury shares).

During the fourth quarter ended 31 December 2014, there was no issuance of new ordinary shares.

B) Employee Share Options

The TeleChoice Pre-IPO Share Option Scheme had expired on 6 May 2014. As at 31 December 2014, there were no unexercised options (31 December 2013: 368,000).

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

As at 31 December 2014, the number of outstanding shares granted under the Company's RSP and PSP were 5,055,280 (31 December 2013: 4,469,837) and 1,923,570 (31 December 2013: 1,950,250) respectively.

D) Treasury Shares

During the fourth quarter ended 31 December 2014, the Company did not purchase any of its ordinary shares from the market.

For the full year ended 31 December 2014, a total of 1,132,000 ordinary shares were repurchased from the market at a total consideration of \$293,054 and 1,192,037 treasury shares were transferred to participants of the Company's share plans.

As at 31 December 2014, there were 1,002 (31 December 2013: 61,039) treasury shares representing approximately 0.0002% of the total issued share capital of the Company.

2. AUDIT

The results have not been audited or 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 2013.

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 2014. 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.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

6. EARNINGS PER ORDINARY SHARE (EPS)

Group	4Q2014	4Q2013	FY2014	FY2013
Basic	0.81	0.92	2.06	2.13
Diluted	0.81	0.92	2.06	2.13

7. NET ASSET VALUE

	GROUP		COMPANY	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Net assets value per ordinary share based on issued share capital at the end of the financial year (in cents):	15.87	15.30	10.65	11.42

8. REVIEW OF GROUP PERFORMANCE

A) Revenue

S\$M	4Q2014	4Q2013	Growth		FY2014	FY2013	Growth	
			\$	%			\$	%
Personal Communications Solutions Services ("PCS")	90.8	111.7	(20.9)	(19%)	364.6	396.7	(32.1)	(8%)
Info-Communications Technology Services ("ICT")	23.9	24.6	(0.7)	(3%)	100.9	97.7	3.2	3%
Network Engineering Services ("Engineering")	16.7	15.5	1.2	8%	51.3	61.9	(10.6)	(17%)
Total	131.4	151.8	(20.4)	(13%)	516.8	556.3	(39.5)	(7%)

- **PCS** – Revenue decreased by \$20.9M and \$32.1M in 4Q2014 and FY2014 respectively. Lower revenue in 4Q2014 was due to lower mobile phones and prepaid cards sales. Lower revenue in FY2014 was mainly due to lower sales to a major Singapore customer and lower prepaid card sales. These were mitigated by higher channel and regional sales.
- **ICT** – Revenue decreased by \$0.7M in 4Q2014 mainly due to lower project revenue recognition. Higher revenue in FY2014 by \$3.2M was mainly due to a major software and maintenance contract and higher wholesales and enterprise solutions revenue partially offset by lower project revenue recognition.
- **Engineering** – Revenue increased by \$1.2M in 4Q2014 due to higher power supply sales in Indonesia, higher product sales in Malaysia partially offset by lower products sales in Singapore. Revenue decreased by \$10.6M in FY2014 mainly due to lower transmission equipment sales and products sales in Singapore as well as lower revenue recognition from Radio Network Planning projects in Indonesia, mitigated by higher revenue from projects in Singapore and products sales in Malaysia.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

B) PBT

S\$M	4Q2014	4Q2013	Growth		FY2014	FY2013	Growth	
			\$	%			\$	%
PCS	2.0	1.5	0.5	33%	6.8	6.0	0.8	13%
ICT	0.8	1.0	(0.2)	(20%)	1.0	1.3	(0.3)	(23%)
Engineering	1.1	1.6	(0.5)	(31%)	3.6	3.8	(0.2)	(5%)
Group PBT	3.9	4.1	(0.2)	(5%)	11.4	11.1	0.3	3%

- **PCS** – PBT increased by \$0.5M in 4Q2014 due to higher profit contribution from Singapore operations. Higher PBT in FY2014 by \$0.8M was mainly from higher gross margins and lower operating expenses.
- **ICT** – PBT was lower by \$0.2M and \$0.3M in 4Q2014 and FY2014 respectively due to lower gross profit partially mitigated by lower operating expenses. Excluding the amortisation of intangible assets arising from the acquisitions and interest accretion, operating PBT for FY2014 and FY2013 were at \$2.5M and \$3.0M respectively.
- **Engineering** – PBT decreased by \$0.5M in 4Q2014 due to lower profit contribution from Singapore operations. Lower PBT in FY2014 by \$ 0.2M was due to lower profit contribution from Indonesia operations partially mitigated by improvements in Malaysia operations.

9. VARIANCE FROM PROSPECT STATEMENT

There are no material variances between the prospect statement set out in the 9M2014 announcement dated 12 November 2014 and the actual results for FY2014.

10. PROSPECTS

Smart phones, intelligent wearable devices, and products to facilitate the implementation of the Internet of Things will dominate the mobile consumer markets of 2015 and beyond. Sales of these devices will provide new growth opportunities for Personal Communication Solutions Services.

On the Network Engineering Services front, Telco operators in Singapore and the region will continue to upgrade and expand network speed and bandwidth to cater to the insatiable customer demand as consumer and enterprises gravitate towards newer mobile apps and devices.

Info-Communications Technology Services has managed to penetrate into the government sector in the latter half of 2014, with some significant wins. This will give impetus to the team as it positions itself to take on new projects in the Education sector and also the government's Smart Nation Initiatives.

The Group will continue to improve productivity, motivate its human resource and sharpen its focus to take advantage of these new opportunities in 2015.

Based on the current outlook and barring any unforeseen circumstances, the Group expects 1Q2015 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 2014.

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.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

11. DIVIDEND

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

Period	4Q2014 and FY2014
Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	1.6 cents per ordinary share
Tax Rate	One tier tax exempt

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Period	4Q2013 and FY2013
Name of Dividend	Final
Dividend Type	Cash
Dividend Rate	1.6 cents per ordinary share
Tax Rate	One tier tax exempt

(c) Date payable

The proposed dividend, if approved by shareholders, will be paid on 20 May 2015.

(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 2015. 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 6 May 2015 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.



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-Communications Technology Services		Network Engineering Services		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and expenses								
Total revenue from external customers	364,632	396,657	100,897	97,653	51,275	61,964	516,804	556,274
Inter-segment revenue	53	-	317	181	-	-	370	181
Total revenue	364,685	396,657	101,214	97,834	51,275	61,964	517,174	556,455
Interest income	65	56	145	43	121	41	331	140
Interest expenses	161	161	501	561	460	429	1,122	1,151
Depreciation of property, plant and equipment	628	482	517	558	507	540	1,652	1,580
Amortisation of intangible assets	320	176	1,374	1,313	32	67	1,726	1,556
Reportable segment profit before tax	6,817	6,010	998	1,329	3,597	3,726	11,412	11,065
Other material non-cash items:								
Impairment loss on intangible assets	-	-	-	(136)	-	-	-	(136)
Property, plant and equipment written off	-	-	(131)	-	-	-	(131)	-
Reportable segment assets	73,142	67,611	72,880	63,777	40,719	39,863	186,741	171,251
Capital expenditure								
- Property, plant and equipment	1,200	691	570	186	971	459	2,741	1,336
- Intangible assets	85	440	169	371	44	27	298	838
Reportable segment liabilities	45,933	32,940	47,832	44,805	20,699	23,792	114,464	101,537



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

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

	2014 \$'000	2013 \$'000
Revenue		
Total revenue for reportable segments	517,174	556,455
Elimination of inter-segment revenue	(370)	(181)
Consolidated revenue	516,804	556,274
Profit or loss		
Total profit or loss for reportable segments	11,412	11,065
Assets		
Total assets for reportable segments	186,741	171,251
Liabilities		
Total liabilities for reportable segments	114,464	101,537

	Other material items 2014			Other material items 2013		
	Reportable segment totals	Adjustments	Consolidated totals	Reportable segment totals	Adjustments	Consolidated totals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	(331)	50	(281)	(140)	44	(96)
Interest expenses	1,122	(50)	1,072	1,151	(44)	1,107
Capital expenditure						
- Property, plant and equipment	2,741	-	2,741	1,336	-	1,336
- Intangible assets	298	-	298	838	-	838

(b) Geographical segments

	31 December 2014		31 December 2013	
	Revenue \$'000	Non-current Assets \$'000	Revenue \$'000	Non-current Assets \$'000
Singapore	439,918	22,665	475,395	18,022
Indonesia	28,540	830	35,209	442
Malaysia	25,255	106	26,300	336
Hong Kong	19,946	-	17,111	-
Other countries	3,145	18	2,259	30
Consolidated total	516,804	23,619	556,274	18,830

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	FY2014	FY2013
Sales Reported for 1 st Quarter of the year	124,654	116,813
Profit reported for 1 st Quarter of the year	1,584	1,103
Sales Reported for 2 nd Quarter of the year	129,181	138,273
Profit reported for 2 nd Quarter of the year	1,722	1,586
Sales Reported for 3 rd Quarter of the year	131,544	149,422
Profit reported for 3 rd Quarter of the year	2,183	2,687
Sales Reported for 4 th Quarter of the year	131,425	151,766
Profit reported for 4 th Quarter of the year	3,724	4,220
Sales Reported for full year	516,804	556,274
Profit reported for full year	9,213	9,596

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			
	4Q2014	4Q2013	FY2014	FY2013
<u>Transactions for the sales of goods and services</u>				
Temasek Holdings (Private) Limited and its Associates	62.6	68.5	215.8	254.7
<u>Transactions for the purchases of goods and services</u>				
Temasek Holdings (Private) Limited and its Associates	11.1	11.9	60.2	65.4
Total Interested Person Transactions	73.7	80.4	276.0	320.1

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).



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

- 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: 27 February 2015