



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

FOR IMMEDIATE RELEASE

TELECHOICE 2Q15 NET PROFIT UP 19.6% TO S\$2.1 MILLION ON THE BACK OF HIGHER REVENUE OF S\$146.9 MILLION

- PCS and ICT Services divisions boost Group revenue performance
- 2H15 anticipated to be better than 1H15

Singapore, 14 August 2015 – SGX mainboard-listed TeleChoice International Limited (“TeleChoice” or the “Group”), a regional diversified provider and enabler of innovative info-communications products and services, announced its second quarter and first half (“2Q” and “1H15”) results for the financial period ended 30 June 2015.

RESULTS HIGHLIGHTS

S\$'M	2Q15	2Q14	+/- (%)	1H15	1H14	+/- (%)
Revenue	146.9	129.2	13.7	273.2	253.8	7.6
Gross Profit	10.3	9.9	4.0	19.4	19.5	-0.5
Gross Margin	7.0%	7.7%	-0.7 ppt	7.1%	7.7%	-0.6 ppt
Operating Profit	2.6	2.2	19.2	4.3	4.6	-5.4
One-off Loss on Disposal of a Joint Venture	-	-	-	-0.4	-	nm
Profit Before Tax (“PBT”)	2.6	2.2	19.2	3.9	4.6	-14.4
Profit Attributable to Equity Holders	2.1	1.8	19.6	2.9	3.4	-14.7
EPS (cents)	0.47	0.39	20.5	0.64	0.75	-14.7
	As at 30/06/15			As at 31/12/14		
NAV Per Share (cents)	14.73			15.87		

The Group reported a 13.7% improvement in 2Q15 revenue which stood at S\$146.9 million as compared to the same period last year (2Q14: S\$129.2 million). For 1H15, revenue increased by 7.6% to S\$273.2 million (1H14: S\$253.8 million). The increased revenue was due to higher contribution from Personal Communications Solutions (“PCS”) and Info-Communications Technology (“ICT”) Services divisions. 2Q15 gross profit improved by 4.0% to S\$10.3 million on account of higher contributions from PCS and ICT Services divisions. 1H15 gross profit declined marginally by 0.5% to S\$19.4 million due to lower gross profits from ICT and Network Engineering (“Engineering”) Services divisions. Gross margin declined to 7.0% and 7.1% in 2Q15 and 1H15 respectively.

Group PBT for 2Q15 rose by 19.2% to S\$2.6 million (2Q14: S\$2.2 million) attributed to PCS and ICT Services divisions. For 1H15, PBT came in 14.4% lower at S\$3.9 million (1H14: S\$4.6 million) on account of losses from ICT Services division and lower PBT from Engineering Services division. If not for the one-off loss on disposal of a joint venture, 1H15 PBT would have been S\$4.3 million.

As at 30 June 2015, the Group maintained a healthy balance sheet and financial position with cash and cash equivalents of S\$34.0 million, and net asset value per share of 14.73 cents.

CEO'S COMMENTARY

Mr Vincent Lim, President of TeleChoice said, "As indicated in the previous quarter, we have turned in a stronger performance for 2Q15, largely driven by improvements in PCS and ICT Services divisions.

PCS Services division's outlook continues to remain positive with the launch of newer models of smart devices and intelligent wearables such as iPhone 6, Samsung S6 and Samsung Tabs. We are on the lookout for strategic high-traffic locations to extend our retail footprints in Singapore and Malaysia, and will continue to capitalise on our economies of scale to achieve operational efficiencies, and to improve productivity. There are also opportunities to be pursued in new horizontal business and tapping on the growth of our business partners and their need for additional services particularly in the areas of enterprise offerings, infotainment and smart homes.

ICT Services division, in addition to its strong project track record in the financial services sector, has been making significant inroads into the public sector projects space. We are building competencies in hospitality, healthcare and education fields and will work towards expanding our project portfolio and gaining critical mass in these sectors and in time, to bring this domain expertise regionally to widen our revenue base. Additionally, ICT Services division will leverage on the Internet of Things as an impetus to growth. The Singapore government spending on ICT is projected to grow by 3% each year to reach US\$3.7b in 2018.¹ Some of the spending will include those related to software, data centres and Smart Nation initiatives.

For Engineering Services division, having established market presence in Singapore, Malaysia and Indonesia, a key focus will be to pursue regional expansion into new markets such as Vietnam and Myanmar, partnering with principals and vendors. The division will also continue to source for adjacent technology products in telecommunications network and transmission such as power solutions, to complement its engineering services and further add value to its customers."

OUTLOOK

Based on the current outlook and barring any unforeseen circumstances, the Group expects 2H2015 to be better than 1H2015. The full year's operating performance will not be worse off than the operating performance of FY2014.

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This press release is to be read in conjunction with TeleChoice's announcement posted on the SGXNET on 14 August 2015.

¹ "Singapore govt's IT spending expected to hit US\$3.2b in 2014: Gartner." *Business Times* 19 November 2014.

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

TeleChoice International Limited ("TeleChoice") is a regional diversified provider and enabler of innovative info-communications products and services. Incorporated in Singapore on 28 April 1998 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 June 2004, TeleChoice is a subsidiary of leading info-communications group, Singapore Technologies Telemedia Pte Ltd, which operates in the Asia Pacific, the Americas and Europe.

TeleChoice offers a comprehensive suite of services and solutions for the info-communications industry under three business divisions, Personal Communications Solutions Services ("PCS"), Info-Communications Technology Services ("ICT") and Network Engineering Services ("Engineering").

For more information, please visit our website at www.telechoice.com.sg

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.

Issued by 29 Communications LLP on behalf of TeleChoice International Limited

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