



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

FOR IMMEDIATE RELEASE

TELECHOICE REGISTERS 2Q2016 REVENUE OF S\$124.6 MILLION

- 2Q2016 Profit Before Tax was lower at S\$1.1 million due to weaker performance from ICT
- 2H2016 anticipated to be better than 1H2016

Singapore, 10 August 2016 – 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 (“2Q2016” and “1H2016”) results for the financial period ended 30 June 2016.

RESULTS HIGHLIGHTS

S\$'M	2Q2016	2Q2015	+/- (%)	1H2016	1H2015	+/- (%)
Revenue	124.6	146.9	-15.2	258.5	273.2	-5.4
Gross Profit	8.3	10.3	-19.0	17.3	19.4	-10.7
Gross Margin	6.7%	7.0%	-0.3 ppt	6.7%	7.1%	-0.4 ppt
Operating Profit	1.1	2.6	-59.1	2.9	4.3	-33.5
One-off Loss on Disposal of a Joint Venture	-	-	-	-	-0.4	nm
Profit Before Tax (“PBT”)	1.1	2.6	-59.1	2.9	3.9	-24.8
Profit Attributable to Equity Holders	0.5	2.1	-76.2	1.7	2.9	-41.4
EPS (cents)	0.11	0.47		0.37	0.64	
	As at 30/06/16	As at 31/12/15				
NAV Per Share (cents)	15.07	16.32				

RESULTS OVERVIEW

The Group’s revenue in 2Q2016 declined to S\$124.6 million as compared to S\$146.9 million in 2Q2015. Revenue for 1H2016 was also down 5.4% to S\$258.5 million compared to \$273.2 million in 1H2015. The lower revenue in 2Q2016 and 1H2016 was attributed to decreased contribution from Personal Communications Solutions Services (“PCS”) and Info-Communications Technology Services (“ICT”) divisions. Gross profit was S\$8.3 million in 2Q2016 (S\$10.3 million: 2Q2015) and S\$17.3 million in 1H2016 (S\$19.4 million: 1H2015). Gross margin declined marginally by 0.3ppt to 6.7% in 2Q2016; and 0.4ppt to 6.7% in 1H2016 attributed to ICT and Engineering divisions.

Profitability wise, weaker PBT was recorded by ICT and Engineering divisions for 2Q2016 and 1H2016. PCS division's PBT was maintained in 2Q2016 but declined in 1H2016 on account of lower contribution from Singapore operations partially mitigated by higher profit contribution from Malaysia operations. Group PBT for 2Q2016 and 1H2016 was consequently lower at S\$1.1 million and S\$2.9 million respectively.

As at 30 June 2016, the Group continued to have a healthy balance sheet with a net asset value per share of 15.07 cents. Cash and cash equivalents stood at S\$28.2 million.

CEO'S COMMENTARY

Mr Vincent Lim, President of TeleChoice said, "The Group's overall performance was reflective of the challenging economic conditions in Singapore and the region. In our 1Q2016 announcement, we have guided that we expect our 2Q2016 operating performance to be weaker.

"Our ICT's division, in particular, was negatively impacted. Its performance was hardest hit by lower service sales from the commercial sector, especially the financial services industry, amidst concerns on credit exposure to the oil and gas industry. For the public sector projects, the division continues to win and maintain a healthy project pipeline although the revenue recognition is uneven due to the sales cycle and project completion timeframe. ICT division will continue to work towards verticalising its operations and to increase its service offerings. It has taken a step towards broadening its services with the recent 25.19% stake taken in MVI Systems Limited, Asia's leading provider of entertainment solutions to the hospitality industry. The acquisition afforded synergies for collaboration and cross-selling of solutions to both companies' hospitality clientele.

"PCS division registered lower revenue contributions from Singapore and Malaysia operations. Over the longer term, the outlook for this division remains positive with the launches of newer models of smart devices, intelligent wearables and other lifestyle gizmos continuing to provide avenues for retail activity. At the same time, it will pursue horizontal business opportunities in the area of enterprise services, infotainment and smart homes. Furthermore, fast developing technologies in media, entertainment and virtual reality ("VR") will serve as future growth catalysts. Already, Samsung has roll-out its VR headsets with the VR market forecasted to top US\$70 billion by 2020¹.

"Engineering division's focus will be to gain traction in new regional markets such as Vietnam and Myanmar, and to pursue further opportunities in Malaysia, and Philippines. The division will add to its adjacent technology products in telecommunications network and transmission such as power solutions, to complement its engineering services and further enhance value to its customers."

OUTLOOK

Based on the current outlook and barring any unforeseen circumstances, the Group expects operating performance for 2H2016 to be better than 1H2016. Overall, the operating performance for the full year is expected to be lower than that of 2015.

>ends

This press release is to be read in conjunction with TeleChoice's announcement posted on the SGXNET on 10 August 2016.

¹ TrendForce Forecasts VR Market Value to Hit US\$70 Billion in 2020 as Innovative Apps Enrich This Industry
Source: <http://press.trendforce.com/node/view/2210.html>

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 Singapore Technologies Telemedia Pte Ltd, a strategic investor focused on communications, media and technology businesses around the world.

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

Media & Investor Relations Contact:

Lim Siew Yin, 29 Communications, Mobile: +65 9858 4673, siewyin@29communications.com.sg
Angelina Pereira, 29 Communications, Mobile: +65 9191 4756, angiep@29communications.com.sg