



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

PART I - UNAUDITED RESULTS FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2016

1(a)(i) INCOME STATEMENT FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2016

In S\$'000	4Q2016	4Q2015	+/- %	FY2016	FY2015	+/- %
Revenue	117,734	162,275	-27.4%	503,688	580,653	-13.3%
Cost of sales	(106,275)	(148,201)	-28.3%	(465,066)	(537,541)	-13.5%
Gross profit (Note 1a)	11,459	14,074	-18.6%	38,622	43,112	-10.4%
Gross margin % (Note 1b)	9.7%	8.7%	1.0 ppt	7.7%	7.4%	0.3 ppt
Other income (Note 2)	201	209	-3.8%	786	631	24.6%
Selling and marketing expenses	(2,646)	(2,778)	-4.8%	(11,263)	(11,257)	0.1%
Administrative expenses (Note 3)	(4,088)	(4,913)	-16.8%	(16,584)	(18,135)	-8.6%
Other expenses (Note 4)	(176)	(88)	100.0%	(602)	(1,105)	-45.5%
Net finance costs (Note 5)	(202)	(190)	6.3%	(820)	(479)	71.2%
Operating profit before income tax	4,548	6,314	-28.0%	10,139	12,767	-20.6%
<i>% of revenue</i>	3.9%	3.9%	0 ppt	2.0%	2.2%	-0.2 ppt
Share of profit of an associate (net of tax) (Note 6)	50	-	nm	152	-	nm
Loss on disposal of a joint venture (Note 7)	-	-	-	-	(409)	nm
Additional contingent consideration (Note 8)	-	(203)	nm	-	(203)	nm
Profit before income tax	4,598	6,111	-24.8%	10,291	12,155	-15.3%
<i>% of revenue</i>	3.9%	3.8%	0.1 ppt	2.0%	2.1%	0.1 ppt
Income tax expense (Note 9)	(679)	(332)	104.5%	(2,636)	(2,137)	23.4%
Profit for the period/year	3,919	5,779	-32.2%	7,655	10,018	-23.6%
Attributable to:						
Equity holders of the Company	3,918	5,811	-32.6%	7,660	10,254	-25.3%
<i>% of revenue</i>	3.3%	3.6%	-0.3 ppt	1.5%	1.8%	-0.3 ppt
Non-controlling interests	1	(32)	-103.1%	(5)	(236)	-97.9%
	3,919	5,779	-32.2%	7,655	10,018	-23.6%
Weighted average number of shares (in '000)	454,406	454,422		454,206	454,207	
Earnings per share (in cents)						
Basic	0.86	1.28		1.69	2.26	
Diluted	0.86	1.28		1.69	2.26	

nm - not meaningful

STATEMENT OF COMPREHENSIVE INCOME FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2016

In S\$'000	4Q2016	4Q2015	+/- %	FY2016	FY2015	+/- %
Profit for the period/year	3,919	5,779	-32.2%	7,655	10,018	-23.6%
<u>Items that will not be reclassified to profit or loss:</u>						
Defined benefit plan remeasurements	75	56	33.9%	75	56	33.9%
Tax on items that will not be reclassified to profit or loss	(19)	(15)	26.7%	(19)	(15)	26.7%
	56	41	36.6%	56	41	36.6%
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign subsidiaries	117	822	-85.8%	420	(903)	nm
Share of foreign currency translation differences of associate	24	-	nm	21	-	nm
Foreign currency translation differences on disposal of foreign joint venture reclassified to profit or loss	-	-	nm	-	409	nm
Exchange differences on monetary items forming part of net investment in a foreign operations	313	258	21.3%	260	50	420.0%
	454	1,080	-58.0%	701	(444)	nm
Other comprehensive income for the period/year, net of tax	510	1,121	-54.5%	757	(403)	nm
Total comprehensive income for the period/year	4,429	6,900	-35.8%	8,412	9,615	-12.5%
Attributable to:						
Equity holders of the Company	4,428	6,556	-32.5%	8,417	9,436	-10.8%
Non-controlling interests	1	344	-99.7%	(5)	179	nm
Total comprehensive income for the period/year	4,429	6,900	-35.8%	8,412	9,615	-12.5%

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

In S\$'000	4Q2016	4Q2015	+/- %	FY2016	FY2015	+/- %
Staff costs	11,352	11,889	-4.5%	46,822	45,350	3.2%
Provision of directors' remuneration, included in staff costs (Note 10)	129	112	15.2%	519	454	14.3%
Depreciation of property, plant and equipment (Note 11)	568	453	25.4%	2,165	1,561	38.7%
Amortisation of intangible assets (Note 12)	254	216	17.6%	686	1,350	-49.2%
Provision for bad debts and bad debts written off (Note 13)	166	27	514.8%	192	54	255.6%
Exchange loss/(gain) (Note 14)	106	(18)	nm	214	(5)	nm
Write (back)/down of inventories to net realisable value (Note 15)	(75)	64	nm	(261)	492	nm
Adjustments for under/(over) provision of tax in respect of prior years (Note 16)	219	(4)	nm	259	74	250.0%

nm - not meaningful



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

Notes:

- (1a) In 4Q2016 and FY2016, all business divisions reported lower gross profit against previous periods.
- (1b) In 4Q2016, all business divisions reported higher gross margins against 4Q2015. In FY2016, the higher gross margin was attributed to PCS and ICT divisions.
- (2) Higher other income in FY2016 were from government grants for the wage credit and temporary employment credit scheme and a grant under the Global Company Partnership offered by International Enterprise Singapore for the investment in MVI Systems Limited (“**MVI**”).
- (3) Lower administrative expenses in 4Q2016 were due to lower payroll cost.
- (4) Higher other expenses in 4Q2016 were mainly from exchange losses. Lower other expenses in FY2016 were due to the intangible assets of S & I Systems Pte Ltd (“**S&I**”) having been fully amortised in 2015 partially offset by exchange losses.
- (5) Higher net finance costs in FY2016 were mainly due to higher level of bank borrowings during the period at higher interest rate. There was also lower interest income received.
- (6) The Company’s wholly-owned subsidiary, NxGen Communications Pte Ltd (“**NxGen**”), had on 16 May 2016 acquired an approximate 25.19% stake in MVI. MVI became an associate of NxGen with effect from 16 May 2016.
- (7) Loss on disposal of a joint venture in FY2015 was related to the disposal of a foreign joint venture. The loss arose from reclassification of exchange reserve to income statement.
- (8) Additional contingent consideration in FY2015 is related to the Tranche 2 consideration payable in relation to the acquisition of NxGen.
- (9) The higher income tax expense in 4Q2016 and FY2016 were due to the under provision of income tax in prior year and higher profit contribution from overseas entities that have higher statutory tax rates.
- (10) Adjustment to directors’ remuneration was due to a revision in line with benchmarking against comparable companies.
- (11) Higher depreciation of property, plant and equipment in 4Q2016 and FY2016 were mainly due to new capital expenditure incurred on testing equipment and motor vehicles in FY2016 for projects in Indonesia.
- (12) Higher amortisation in 4Q2016 was due to the Group revising the estimated useful life of an intangible asset from 5 years to 3 years. Lower amortisation in FY2016 was mainly due to the intangible assets of S&I having been fully amortised in 2015.
- (13) Provision of bad debts in 4Q2016 and FY2016 were attributed to ICT customers.
- (14) Net exchange loss in 4Q2016 and FY2016 arose mainly from USD payables due to strengthening of USD against SGD. Net exchange gain in 4Q2015 and FY2015 arose mainly from USD receivables and bank balances due to the strengthening of USD against SGD, partially offset by exchange loss from MYR receivables due to the weakening of MYR against SGD.
- (15) In 4Q2016 and FY2016, there were write back of inventories due to mobile phones which have been sold.
- (16) Adjustments for the under provision of tax in 4Q2016 and FY2016 were due to the differences in final tax assessment and tax estimates made in prior year.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

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

In S\$'000	Group		Company	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
<u>Non-current assets</u>				
Subsidiaries	-	-	37,659	37,559
Associate	2,231	-	-	-
Property, plant and equipment	3,639	3,703	415	661
Intangible assets	12,448	12,964	122	168
Deferred tax assets	600	1,022	-	-
Trade and other receivables	4,422	6,669	-	-
	23,340	24,358	38,196	38,388
<u>Current assets</u> (Note 1)				
Inventories	15,874	25,221	12,904	20,983
Work-in-progress	24,972	26,109	-	-
Trade and other receivables	58,862	73,599	21,628	24,923
Cash and cash equivalents	48,870	44,584	19,693	14,371
	148,578	169,513	54,225	60,277
Total assets	171,918	193,871	92,421	98,665
<u>Equity</u>				
Share capital	21,987	21,987	21,987	21,987
Other reserves	9,053	8,368	13,377	13,393
Accumulated profits	44,244	43,799	14,236	15,319
Equity attributable to equity holders of the Company	75,284	74,154	49,600	50,699
Non-controlling interests	6	11	-	-
Total equity	75,290	74,165	49,600	50,699
<u>Non-current liabilities</u> (Note 2)				
Deferred tax liabilities	-	187	45	41
Loans and borrowings	4,992	4,987	4,992	4,987
Trade and other payables	3,354	4,912	-	-
	8,346	10,086	5,037	5,028
<u>Current liabilities</u> (Note 3)				
Trade and other payables	75,575	89,299	37,517	37,738
Excess of progress billings over work-in-progress	51	62	-	-
Provision for warranties	205	209	3	3
Current tax payable	781	849	264	197
Loans and borrowings	7,116	14,473	-	5,000
Deferred revenue	4,554	4,728	-	-
	88,282	109,620	37,784	42,938
Total liabilities	96,628	119,706	42,821	47,966
Total equity and liabilities	171,918	193,871	92,421	98,665

Notes:

- (1) Group current assets were lower by \$20.9M mainly due to lower inventories held and lower trade receivables due from related corporations.
- (2) Group non-current liabilities were lower by \$1.6M mainly due to the reclassification of trade payables for an ICT creditor from non-current to current.
- (3) Group current liabilities were lower by \$21.3M mainly due to lower trade and other payables and repayment of bank loans.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

1(b)(ii) GROUP BORROWING

In S\$'000	As at 31/12/2016	As at 31/12/2015
Amount repayable in one year or less		
Bank loan – unsecured	7,116	14,473
Amount repayable after one year		
Bank loan – unsecured	4,992	4,987
Total	<u>12,108</u>	<u>19,460</u>

Details of any collateral

Nil

1(c) CONSOLIDATED CASH FLOW STATEMENT FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2016

In S\$'000	4Q2016	4Q2015	FY2016	FY2015
Operating Activities				
Profit before income tax	4,598	6,111	10,291	12,155
Adjustments for:				
Additional contingent consideration paid on business combination	-	203	-	203
Amortisation of intangible assets	254	216	686	1,350
Depreciation of property, plant and equipment	568	453	2,165	1,561
Finance costs	291	304	1,227	999
Finance income	(89)	(114)	(407)	(520)
Loss/(Gain) on disposal of property, plant and equipment and intangible assets	2	(17)	7	(20)
Loss on disposal of a joint venture	-	-	-	409
Reversal for warranties	(22)	(24)	(15)	(13)
Share-based payments expenses	99	106	397	419
Share of profit of an associate	(50)	-	(152)	-
Cash from operating profit before working capital changes	5,651	7,238	14,199	16,543
Changes in working capital	6,130	14,689	12,301	9,431
Cash generated from operations	11,781	21,927	26,500	25,974
Income tax paid	(181)	(54)	(1,742)	(1,280)
Net cash inflow from operating activities	11,600	21,873	24,758	24,694
Investing Activities				
Acquisition of an associate	-	-	(2,058)	-
Dividend paid to selling shareholders of a subsidiary	-	-	-	(440)
Payment of contingent consideration	-	-	(163)	(5,900)
Purchase of intangible assets	(48)	(131)	(169)	(270)
Purchase of property, plant and equipment	(387)	(1,148)	(2,065)	(1,993)
Proceeds from disposal of property, plant and equipment	12	27	32	35
Interest received	16	11	50	129
Net cash outflow from investing activities	(407)	(1,241)	(4,373)	(8,439)
Financing Activities				
Acquisition of non-controlling interests	-	(304)	-	(337)
Dividend paid	-	-	(7,271)	(7,271)
Interest paid	(228)	(240)	(964)	(816)
Purchase of treasury shares	-	-	(549)	(674)
Proceeds from bank loans	4,070	6,172	22,187	21,883
Repayment of short term bank loans	(9,555)	(10,847)	(29,539)	(22,391)
Net cash outflow from financing activities	(5,713)	(5,219)	(16,136)	(9,606)
Net increase in cash and cash equivalents	5,480	15,413	4,249	6,649
Cash and cash equivalents at beginning of period	43,361	28,659	44,584	37,986
Effect of exchange rate changes on balances held in foreign currency	29	512	37	(51)
Cash and cash equivalents at end of period/year	48,870	44,584	48,870	44,584



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

Cash flows from operating activities

Lower net cash inflow in 4Q2016 was mainly due to lower operating profits and lower positive changes in working capital. However, there was higher positive change in working capital in FY2016 mainly from lower inventories.

Cash flows from investing activities

Higher net cash outflow in 4Q2015 and FY2015 were mainly due to the payment of the second tranche contingent consideration of \$5.9M for the acquisition of the remaining shares in NxGen. In FY2016, there was an acquisition of MVI, an associate of NxGen, and higher capital expenditure incurred for motor vehicles for projects in Indonesia.

Cash flow from financing activities

Higher net cash outflow in 4Q2016 and FY2016 were mainly due to higher repayment of bank borrowings.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2016

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 2015	21,987	37,947	7,558	67,492	(29)	67,463
Total comprehensive income for the period	-	5,852	704	6,556	344	6,900
Acquisition of non-controlling interests	-	-	-	-	(304)	(304)
Share-based payments expenses	-	-	106	106	-	106
At 31 December 2015	21,987	43,799	8,368	74,154	11	74,165
At 1 October 2016	21,987	40,270	8,500	70,757	5	70,762
Total comprehensive income for the period	-	3,974	454	4,428	1	4,429
Share-based payments expenses	-	-	99	99	-	99
At 31 December 2016	21,987	44,244	9,053	75,284	6	75,290
At 1 January 2015	21,987	40,775	9,346	72,108	169	72,277
Total comprehensive income for the year	-	10,295	(859)	9,436	179	9,615
Purchase of treasury shares	-	-	(674)	(674)	-	(674)
Issue of treasury shares	-	-	136	136	-	136
Share-based payments expenses	-	-	419	419	-	419
FY2014 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,271)	-	(7,271)	-	(7,271)
Acquisition of non-controlling interests	-	-	-	-	(337)	(337)
At 31 December 2015	21,987	43,799	8,368	74,154	11	74,165
At 1 January 2016	21,987	43,799	8,368	74,154	11	74,165
Total comprehensive income for the year	-	7,716	701	8,417	(5)	8,412
Purchase of treasury shares	-	-	(549)	(549)	-	(549)
Issue of treasury shares	-	-	136	136	-	136
Share-based payments expenses	-	-	397	397	-	397
FY2015 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,271)	-	(7,271)	-	(7,271)
At 31 December 2016	21,987	44,244	9,053	75,284	6	75,290



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

In S\$'000	Share capital	Accumulated profits	Other reserves	Total equity
<u>COMPANY</u>				
At 1 October 2015	21,987	9,869	13,287	45,143
Total comprehensive income for the period	-	5,450	-	5,450
Share-based payments to employees of Company's subsidiaries	-	-	34	34
Share-based payments expenses	-	-	72	72
At 31 December 2015	21,987	15,319	13,393	50,699
At 1 October 2016	21,987	12,647	13,278	47,912
Total comprehensive income for the period	-	1,589	-	1,589
Share-based payments to employees of Company's subsidiaries	-	-	25	25
Share-based payments expenses	-	-	74	74
At 31 December 2016	21,987	14,236	13,377	49,600
At 1 January 2015	21,987	12,913	13,512	48,412
Total comprehensive income for the year	-	9,677	-	9,677
Purchase of treasury shares	-	-	(674)	(674)
Transfer from treasury shares to share-based payments reserve	-	-	136	136
Share-based payments to employees of Company's subsidiaries	-	-	131	131
Share-based payments expenses	-	-	288	288
FY2014 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,271)	-	(7,271)
At 31 December 2015	21,987	15,319	13,393	50,699
At 1 January 2016	21,987	15,319	13,393	50,699
Total comprehensive income for the year	-	6,188	-	6,188
Purchase of treasury shares	-	-	(549)	(549)
Issue of treasury shares	-	-	136	136
Share-based payments to employees of Company's subsidiaries	-	-	100	100
Share-based payments expenses	-	-	297	297
FY2015 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,271)	-	(7,271)
At 31 December 2016	21,987	14,236	13,377	49,600



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

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

A) Share Capital

As at 31 December 2016, the share capital of the Company amounted to \$21.987 million comprising 454,406,178 issued ordinary shares excluding treasury shares. (31 December 2015: 454,421,918 issued ordinary shares excluding treasury shares).

During the fourth quarter ended 31 December 2016, there was no issuance of new ordinary shares.

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

As at 31 December 2016, the number of outstanding shares granted under the Company's RSP and PSP were 6,241,138 (31 December 2015: 5,702,600) and 2,732,640 (31 December 2015: 2,043,890) respectively.

C) Treasury Shares

During the fourth quarter ended 31 December 2016, the Company did not purchase any of its ordinary shares from the market.

For the full year ended 31 December 2016, a total of 2,000,000 ordinary shares were repurchased from the market at a total consideration of \$549,131 and 1,984,260 treasury shares were transferred to participants of the Company's share plans.

As at 31 December 2016, there were 16,322 (31 December 2015: 582) treasury shares representing approximately 0.0036% of the total issued share capital of the Company.

2. AUDIT

The results have not been audited nor 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 2015.

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 2016. 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	4Q2016	4Q2015	FY2016	FY2015
Basic	0.86	1.28	1.69	2.26
Diluted	0.86	1.28	1.69	2.26

7. NET ASSET VALUE PER ORDINARY SHARE

	GROUP		COMPANY	
	31/12/2016	31/12/2015	31/12/2016	31/12/2015
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	16.57	16.32	10.92	11.16

8. REVIEW OF GROUP PERFORMANCE

A) Revenue

	4Q2016	4Q2015	Variance		FY2016	FY2015	Variance	
			\$	%			\$	%
S\$M								
Personal Communications Solutions Services (“ PCS ”)	76.6	99.2	(22.6)	(23%)	358.8	413.7	(54.9)	(13%)
Info-Communications Technology Services (“ ICT ”)	20.6	41.6	(21.0)	(50%)	82.6	109.6	(27.0)	(25%)
Network Engineering Services (“ Engineering ”)	20.5	21.5	(1.0)	(5%)	62.3	57.4	4.9	9%
Total	117.7	162.3	(44.6)	(27%)	503.7	580.7	(77.0)	(13%)

- **PCS** – Revenue decreased by \$22.6M and \$54.9M in 4Q2016 and FY2016 respectively. In Singapore, sales were mainly affected by Samsung’s recall of the Galaxy Note7 phones, lower prepaid sales and lower revenue from Malaysia.
- **ICT** – Revenue decreased by \$21.0M and \$27.0M in 4Q2016 and FY2016 respectively as a result of lower equipment sales and lower software and wholesale voice revenue.
- **Engineering** – Revenue decreased by \$1.0M in 4Q2016 mainly due to lower transmission equipment sales in Singapore. Revenue increased by \$4.9M in FY2016 from higher Radio Network Planning projects revenue in Indonesia as well as higher revenue from Malaysia and Philippines. These were partially offset by lower project revenue and transmission equipment sales in Singapore.

B) PBT

S\$M	4Q2016	4Q2015	Variance		FY2016	FY2015	Variance	
			\$	%			\$	%
PCS	1.7	2.0	(0.3)	(15%)	7.2	7.7	(0.5)	(6%)
ICT	1.4	2.7	(1.3)	(48%)	0.3	1.5	(1.2)	(80%)
Engineering	1.5	1.6	(0.1)	(6%)	2.8	3.6	(0.8)	(22%)
Operating PBT	4.6	6.3	(1.7)	(27%)	10.3	12.8	(2.5)	(20%)
Additional contingent consideration	-	(0.2)	0.2	100%	-	(0.2)	0.2	100%
Loss on disposal of a joint venture	-	-	-	-	-	(0.4)	0.4	100%
Group PBT	4.6	6.1	(1.5)	(25%)	10.3	12.2	(1.9)	(16%)

- **PCS** – PBT decreased by \$0.3M and \$0.5M in 4Q2016 and FY2016 respectively due to lower profit contribution from the Singapore operations partially mitigated by higher profit contribution from the Malaysian operations.
- **ICT** – PBT decreased by \$1.3M and \$1.2M in 4Q2016 and FY2016 respectively due to lower gross profit partially mitigated by lower operating expenses. There were intangible assets of S&I being fully amortised in 2015.
- **Engineering** – PBT decreased by \$0.1M and \$0.8M in 4Q2016 and FY2016 respectively mainly due to weaker performance from Singapore operations.
- Additional contingent consideration in FY2015 was related to the Tranche 2 consideration payable in relation to the acquisition of NxGen.
- In FY2015, loss on disposal of a joint venture was related to the disposal of a foreign joint venture. The loss arose from reclassification of exchange reserve to income statement.

9. VARIANCE FROM PROSPECT STATEMENT

There are no material variances between the prospect statement set out in the 3Q2016 announcement dated 11 November 2016 and the actual results for 4Q2016.

10. PROSPECTS

Based on the current outlook and barring any unforeseen circumstances, the Group expects the operating performance for the 1Q2017 to be lower than the same period of last year. Overall, 2017 full year's operating performance is expected to be at least maintained at last year's level.

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

Period	4Q2016 and FY2016
Name of Dividend	Proposed Final
Dividend Type	Cash
Dividend Rate	S\$0.016 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	4Q2015 and FY2015
Name of Dividend	Proposed Final
Dividend Type	Cash
Dividend Rate	S\$0.016 per ordinary share
Tax Rate	One tier tax exempt

(c) Date payable

The proposed dividend, if approved by shareholders, will be paid on 22 May 2017.

(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 8 May 2017. 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 2017 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.

13. 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-ST Listing Manual			
	4Q2016	4Q2015	FY2016	FY2015
<u>Transactions for the sales of goods and services</u>				
Temasek Holdings (Private) Limited and its Associates	42.6	56.7	198.1	229.8
<u>Transactions for the purchases of goods and services</u>				
Temasek Holdings (Private) Limited and its Associates	31.7	31.3	117.8	127.1
<u>Management services</u>				
Temasek Holdings (Private) Limited and its Associates	0.1	0.1	0.1	0.1
Total Interested Person Transactions	74.4	88.1	316.0	357.0

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)

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual.

PART II -- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. 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	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue and expenses								
Total revenue from external customers	358,800	413,653	82,615	109,586	62,273	57,414	503,688	580,653
Inter-segment revenue	31	-	135	197	-	-	166	197
Total revenue	358,831	413,653	82,750	109,783	62,272	57,414	503,854	580,850
Interest income	85	89	366	398	47	120	498	607
Interest expenses	368	288	392	417	558	381	1,318	1,086
Depreciation of property, plant and equipment	761	601	276	318	1,128	642	2,165	1,561
Amortisation of intangible assets	171	127	496	1,199	19	24	686	1,350
Reportable segment profit before income tax	7,259	7,651	102	1,320	2,778	3,593	10,139	12,564
Share of profit of an associate (net of tax)	-	-	152	-	-	-	152	-
Loss on disposal of a joint venture	-	-	-	(409)	-	-	-	(409)
Reportable segment assets	63,570	70,242	60,074	78,345	46,043	45,284	169,687	193,871
Investment in an associate	-	-	2,231	-	-	-	2,231	-
Capital expenditure								
- Property, plant and equipment	399	467	86	128	1,580	1,398	2,065	1,993
- Intangible assets	103	215	2	55	64	-	169	270
Reportable segment liabilities	41,523	46,636	33,122	48,716	21,983	24,354	96,628	119,706

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

	2016 \$'000	2015 \$'000
Revenue		
Total revenue for reportable segments	503,854	580,850
Elimination of inter-segment revenue	(166)	(197)
Consolidated revenue	503,688	580,653
Profit or loss		
Total profit or loss for reportable segments	10,139	12,564
Share of profit of an associate	152	-
Loss on disposal of a joint venture	-	(409)
Consolidation profit before income tax	10,291	12,155
Assets		
Total assets for reportable segments	169,687	193,871
Investments in an associate	2,231	-
Consolidated total assets	171,918	193,871
Liabilities		
Total liabilities for reportable segments	96,628	119,706

	Other material items 2016			Other material items 2015		
	Reportable segment totals	Adjustments	Consolidated totals	Reportable segment totals	Adjustments	Consolidated totals
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Interest income	(498)	91	(407)	(607)	87	(520)
Interest expenses	1,318	(91)	1,227	1,086	(87)	999
Capital expenditure						
- Property, plant and equipment	2,065	-	2,065	1,993	-	1,993
- Intangible assets	169	-	169	270	-	270

(b) Geographical segments

	31 December 2016		31 December 2015	
	Revenue \$'000	Non-current assets \$'000	Revenue \$'000	Non-current assets \$'000
Singapore	442,992	13,875	513,016	15,011
Indonesia	40,461	1,888	33,039	1,602
Malaysia	9,981	318	13,202	54
Hong Kong	8,859	2,231	20,342	-
Other countries	1,395	6	1,054	-
Consolidated total	503,688	18,318	580,653	16,667



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

16. 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 15 (b)

17. Breakdown of sales

	FY2016 S\$'000	FY2015 S\$'000	Increase/(Decrease)	
			S\$'000	%
Total revenue reported for first half year	258,513	273,208	(14,695)	(5.4)
Operating profit after tax before deducting minority interests reported for first half year	1,699	2,772	(1,073)	(38.7)
Total revenue reported for second half year	245,175	307,445	(62,270)	(20.3)
Operating profit after tax before deducting minority interests reported for second half year	5,956	7,246	(1,290)	(17.8)

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2016 S\$'000	FY2015 S\$'000
Ordinary shares (tax exempt 1- tier) - Final (Proposed)	7,270	7,271
Total Annual Dividend	7,270	7,271

19. 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 Company 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: 24 February 2017