



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

**FOR IMMEDIATE RELEASE**

**TELECHOICE POSTS NET PROFIT OF S\$7.7 MILLION  
ON REVENUE OF S\$503.7 MILLION FOR FY2016**

- **Maintained final dividend of S\$0.016 per ordinary share; equivalent to dividend payout of approximately 95% of FY2016 net profit**
- **Cash position remains robust at S\$48.8 million**

**Singapore, 24 February 2017** – SGX mainboard-listed TeleChoice International Limited (“TeleChoice” or the “Group”), a regional diversified provider and enabler of innovative information communications products and services, announced its fourth quarter (“4Q2016”) and full-year (“FY2016”) results for the financial year ended 31 December 2016.

**RESULTS HIGHLIGHTS**

<b>S\$'M</b>	<b>4Q2016</b>	<b>4Q2015</b>	<b>+/- (%)</b>	<b>FY2016</b>	<b>FY2015</b>	<b>+/- (%)</b>
<b>Revenue</b>	117.7	162.3	-27.4	503.7	580.7	-13.3
<b>Gross Profit</b>	11.5	14.1	-18.6	38.6	43.1	-10.4
<b>Gross Margin</b>	9.7%	8.7%	1.0ppt	7.7%	7.4%	0.3ppt
<b>Profit Before Tax</b>	4.6	6.1	-24.8	10.3	12.2	-15.3
<b>Profit Attributable to Equity Holders</b>	3.9	5.8	-32.6	7.7	10.3	-25.3
<b>EPS (cents)</b>	0.86	1.28		1.69	2.26	
	<b>As at 31/12/16</b>	<b>As at 31/12/15</b>				
<b>NAV Per Share (cents)</b>	16.57	16.32				

## **FY2016 REGISTERED WEAKER PERFORMANCE AS PREVIOUSLY GUIDED; STRONG BALANCE SHEET MAINTAINED WITH ROBUST CASH POSITON OF S\$48.8 MILLION**

Mr Vincent Lim, President, TeleChoice commented, “We registered a decline in both revenue and profit in FY2016, as guided previously. FY2016 was a challenging year for the overall telecommunications industry which faced increased headwinds from a weak economy, lower enterprise and retail spending and intensified competition.

“Personal communications Solutions Services (“PCS”) division was impacted by the recall of the Samsung Note 7, while Info-Communications Technology Services (“ICT”) division grappled with lower contribution from the financial services sector and delay in the award of public sector projects. Network Engineering Services (“Engineering”) division registered higher revenue but it was also impacted by rationalisation of infrastructure expenditures by customers.

“In spite of the weaker performance, we improved our gross profit margin by careful cost management and by focusing on higher value-added services. We continued to generate positive cash flow and held a robust cash position with cash and cash equivalents of S\$48.8 million as at 31 December 2016.”

For FY2016, Group revenue declined by 13.3% to S\$503.7 million (FY2015: S\$580.7 million) attributed to PCS and ICT divisions. Profitability wise, the Group’s profit before tax (“PBT”) decreased 15.3% to S\$10.3 million (FY2015: S\$12.2 million) on lower contribution from all three business divisions. Both PCS and Engineering divisions’ operating PBT decreased due to lower contribution from Singapore. ICT division was particularly impacted with an 80% PBT decline to S\$0.3 million (FY2015: S\$1.5 million) due to lower gross profit, partially mitigated by lower operating expenses.

## **MAINTAINED FINAL DIVIDEND OF S\$0.016 PER ORDINARY SHARE; DIVIDEND PAYOUT OF APPROXIMATELY 95% OF FY2016 NET PROFIT**

The Board of Directors has recommended a final dividend of S\$0.016 per ordinary share for FY2016, which the Group has maintained since FY2011. This translates to a dividend payout of about 95% of FY2016 net profit, which is above the Group’s benchmark dividend payout policy of at least 30% of its annual net profit after tax, subject to the Group’s earnings, cash flows, and capital requirements.

## **GROWTH THROUGH GREATER REGIONALISATION AND DEEPENING SERVICE CAPABILITIES**

**“Although 2017 will remain a challenging year for the Group, there will be opportunities for us to leverage on, particularly in greater regionalisation and deepening of our service offerings efforts across all our business divisions.**

**“For PCS, the division has already begun expanding its range of services offered to its principals in Singapore, Malaysia and is exploring a third market for managed services as part of its regionalisation efforts. PCS division is also well-placed to capitalise on consumer demands in the mobile devices market with the launch of new products by manufacturers this year.**

**“ICT has further expanded its markets with its investment in MVI Systems Limited last year, which has already started to contribute to its bottom-line. With the foothold gained in providing entertainment solutions for the hospitality sector, the Group will work towards cross-selling other solutions across this sector and explore verticalisation opportunities to replicate its service offerings regionally. The Singapore government’s Smart Nation Initiatives and increasing demand for data center and storage space industry will also be an impetus for ICT to expand its capabilities.**

**“Engineering, riding on its leadership position in Radio Network Planning and Optimisation and In-building Coverage, will continue to make inroads in Vietnam and the Philippines, and to intensify its activities in other markets. At home, the entry of a fourth telecommunications operator may also open up new opportunities.**

**“Given the strength of our underlying fundamentals, clear strategic directions and healthy financial standing, we remain confident of weathering the difficult times ahead with a clear path to mid to long-term growth,” Mr Vincent Lim concluded.**

## **OUTLOOK**

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

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*This press release is to be read in conjunction with TeleChoice’s announcement posted on the SGXNET on 24 February 2017.*

## **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 (publicly

known as “ST Telemedia” or “STT”), an active investor in communications, media and technology businesses across the globe.

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](http://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 for and on behalf of TeleChoice International Limited**

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