



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

FOR IMMEDIATE RELEASE

TeleChoice 4Q2017 net profit increased 28.3% to S\$5.0 million; revenue rose 8.0% to \$127.2 million

- **Declare dividend of S\$0.016 per ordinary share equivalent to dividend payout of approximately 89% of FY2017 net profit**

Singapore, 23 February 2018 – 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 fourth quarter and full year (“4Q2017” and “FY2017”) results for the financial year ended 31 December 2017.

RESULTS HIGHLIGHTS

S\$'M	4Q2017	4Q2016	+/- (%)	FY2017	FY2016	+/- (%)
Revenue	127.2	117.7	8.0	513.5	503.7	1.9
Gross Profit	12.7	11.5	10.6	37.7	38.6	-2.4
Gross Margin	10.0%	9.7%	0.3ppt	7.3%	7.7%	-0.4ppt
Operating Profit Before Tax	5.3	4.5	16.4	9.6	10.1	-5.7
Profit Before Tax	5.5	4.6	19.7	9.9	10.3	-4.0
Profit Attributable to Equity Holders	5.0	3.9	28.3	8.2	7.7	6.6
EPS (cents)	1.11	0.86		1.80	1.69	
	As at 31/12/17	As at 31/12/16				
NAV Per Share (cents)	16.45	16.57				

Mr Vincent Lim, President of TeleChoice said, “We turned in a better than expected performance from our previous guidance on the outlook for 4Q2017 and FY2017. The improvement in performance was driven by Info-Communications Technology Services (“ICT”) division, which registered higher revenue and higher profit before tax in 4Q2017 on the back of increased software and enterprise sales as well as lower operating expenses.

“Personal Communications Solutions Services (“PCS”) division enjoyed strong sales from the Samsung Note 8 and iPhone X. Network Engineering (“Engineering”) division, however, was challenged by weaker revenue from its Singapore and Malaysia operations in 4Q2017 though its full year revenue increased.

“Notably, our share of profit from our investment in MVI Systems Limited, a leading provider of IPTV-based entertainment solutions for the hospitality industry in the region, has increased by 324% to \$0.2M in 4Q2017 and 109.2% to \$0.3M in FY2017. This, together with lower income tax expense led to net profit improvement for the quarter and full year under review.”

RESULTS OVERVIEW

Group revenue in 4Q2017 increased by 8.0% to S\$127.2 million from S\$117.7 million in 4Q2016. Revenue in FY2017 also improved, rising by 1.9% to S\$513.5 million from S\$503.7 million due to higher PCS revenue from Singapore operations. Gross margin improved by 0.3 ppt to 10.0% in 4Q2017 with all business divisions reporting higher gross margin; over the full year period, there was a 0.4 ppt drop in gross margin to 7.3%, attributed to lower gross margins reported by all divisions.

In terms of profitability, PBT in 4Q2017 improved by 19.7% to S\$5.5 million on account of higher revenue and higher gross profit. In FY2017, PBT stood at S\$9.9 million, 4.0% lower than FY2016's PBT of S\$10.3 million. The lower PBT was attributed to PCS and Engineering divisions. The Group ended the year with higher profit attributable to equity holders of 28.3% to S\$5.0 million for 4Q2017 and a 6.6% increase to S\$8.2 million for FY2017 due to lower income tax expense.

As at 31 December 2017, Group net asset value per share stands at 16.45 cents with robust cash and cash equivalents of S\$42.9 million.

REWARDING SHAREHOLDERS WITH DIVIDEND OF S\$0.016 PER ORDINARY SHARE – EQUIVALENT TO 89% OF FY2017 NET PROFIT

The Board of Directors has recommended a final dividend of S\$0.016 per ordinary share for FY2017. This translates to a dividend payout of about 89% of FY2017 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.

STEADY PROGRESS IN REGIONALISATION; FOCUS ON MOVING UP THE SUPPLY CHAIN

Mr Vincent Lim, President of TeleChoice added, “The emphasis in FY2017 across all our divisions was very much on intensifying our regionalisation efforts.

“PCS division, in addition to offering more value-added services, has been actively pursuing the provision of retail and fulfilment and supply chain management services in a third market, outside of Singapore and Malaysia.

“ICT division registered a strong quarter and had successfully secured more public sector wins in service contracts in 4Q2017.

“While Engineering division's profitability in FY2017 was impacted by start-up costs associated with new operations in Vietnam, it continued to make significant progress in deepening its footprint in other markets such as Philippines, while developing adjacent technology products and technical services in telecommunications network, transmission and the Internet of Things.

“In the coming year we will be streamlining our business divisions to reflect the market convergence of telecommunications, information and technology. While the blurring of boundaries between these services poses increased competition in the telecommunications space, there are also opportunities to be tapped and for which we have the capabilities and expertise. We will focus efforts on moving up the supply chain to provide value-added services in integrated ICT services, network and transmission services and customer fulfilment and logistics solutions to telcos as we move into a new age of smart cities, digitalisation and even greater connectivity.”

OUTLOOK

Based on the current outlook and barring any unforeseen circumstances, the Group expects operating performance for the 1Q2018 to be maintained as the same period of last year. However, 2018 full year operating performance is expected to be lower than that of last year. The Group will continue to explore strategic initiatives to further enhance the business operating performance.

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This press release is to be read in conjunction with TeleChoice’s announcement posted on the SGXNET on 23 February 2018.

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, an active investor in communications, media and technology businesses around 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

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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