TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

FOR IMMEDIATE RELEASE

TeleChoice registers 2Q2018 revenue of S$121.1 million and net profit of S$1.0 million

Singapore, 7 August 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 second quarter and first half ("2Q2018" and "1H2018") results for the financial period ended 30 June 2018.

RESULTS HIGHLIGHTS

S$'M	2Q2018	2Q2017	+/- (%)	1H2018	1H2017	+/- (%)
Revenue	121.1	150.2	-19.3	241.2	263.6	-8.5
Gross Profit	8.2	9.2	-11.5	14.9	16.7	-10.7
Gross Margin	6.7%	6.1%	0.6	6.2%	6.3%	-0.1
Operating Profit Before	**1.4**	**2.3**	**-41.1**	**1.8**	**2.9**	**-39.8**
Profit Before Tax ("PBT")	**1.4**	**2.2**	**-38.8**	**2.0**	**2.9**	**-30.4**
Profit Attributable to Equity Holders	**0.9**	**1.7**	**-45.7**	**1.3**	**2.1**	**-39.0**
EPS (cents)	0.20	0.38		0.28	0.46	
	As at 30/06/18	As at 31/12/17				
NAV Per Share (cents)	15.05	16.45				

Mr Vincent Lim, President of TeleChoice said, "Our 2Q2018 operating performance was better than expected contrary to our guidance in 1Q2018 where we expected 2Q2018 performance to be weaker than 1Q2018.

"Nonetheless, on the back of a very challenging operating environment, our 2Q2018 performance was lower compared to 2Q2017. Although Info-Communications Technology Services ("ICT") division and Engineering Services ("Engineering") division achieved higher revenue in 2Q2018, Personal Communications Services ("PCS") division registered lower revenue as compared to the same period last year."

RESULTS OVERVIEW

Group revenue in 1H2018 fell by 8.5% to S$241.2 million from S$263.6 million due to lower prepaid and fulfilment revenue and lower channel sales by PCS division and lower revenue from Engineering division for all markets except Singapore and the Philippines. This was offset by higher revenue from ICT division from higher software sales. As compared to 2Q2017, 2Q2018 revenue fell by 19.3% due to the weaker sales from PCS division impacted by the absence of new mobile handset launches.

Gross margin was relatively stable for the period under review. 1H2018 gross margin fell by 0.1 ppt to 6.2% on account of PCS and ICT divisions, while 2Q2018 gross margin of 6.7% was 0.6 ppt higher than 2Q2017, attributed to lower PCS division revenue**.**

In terms of Group profitability, PBT fell by 30.4% to S$2.0 million in 1H2018 and by 38.8% to S$1.4 million in 2Q2018 respectively. PCS division continued to be impacted by the loss of the StarHub Logistics Contract which affected its Singapore revenue. ICT division narrowed its losses in 1H2018 from lower operating expenses and higher share of profit from an associate. It improved its 2Q2018 PBT by 400% to S$0.2 million from higher gross profit. Engineering division registered higher PBT in 1H2018 from higher profit contribution from Singapore and the Philippines operations. PBT for 2Q2018 maintained at 2Q2017 level due to start-up losses in Vietnam.

As at 30 June 2018, the Group kept a strong balance sheet with net asset value per share of 15.05 cents and cash and cash equivalents of S$27.2 million.

EXPLORING NEW MARKET AND GROWTH ENGINES

Mr Vincent Lim added, "We anticipate that the telecommunications operating environment will continue to be challenging with the impending entry of a new telco player. As telcos seek to maintain market share, there will be pressure on margins and cost containment measures. Recognising this situation and the dynamics of the infocommunications industry, we had already taken steps to increase service offerings by deepening our capabilities and widening our market reach, so as to continue to value add to our principals and partners.

"PCS division has successfully increased its offerings in enterprise and infotainment and is actively pursuing new regional opportunities. It is also working closely with its principals on the retail front and is now managing concept stores for Huawei in addition to Samsung.

"ICT division has won significant contracts in the public, finance, hospitality and education sectors. It is gradually moving away from lower margin, infrastructure/product business into higher margin, value-added application-related solutions and cloud services.

"Engineering division has been developing adjacent technology products in telecommunications network, transmission and the Internet of Things as well as other technical services. Regional expansion into new markets such as Vietnam, Myanmar and beyond remains its focus."

OUTLOOK

Based on the current outlook and barring any unforeseen circumstances, the Group expects operating performance for 2H2018 to be better than 1H2018. However, operating environment continues to be challenging. Overall, the Group expects full year operating performance 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 7 August 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 ST Telemedia, an active investor in the Communications, Media and Technology space.

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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