



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

**FOR IMMEDIATE RELEASE**

**TeleChoice reports net profit of S\$4.0 million and revenue of S\$491.7 million for FY2018**

- **Proposed final dividend of S\$0.01 per ordinary share; equivalent to dividend payout of approximately 113.5% of FY2018 net profit**

**Singapore, 22 February 2019** – 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 (“4Q2018” and “FY2018”) results for the financial period ended 31 December 2018.

**RESULTS HIGHLIGHTS**

<b>S\$'M</b>	<b>4Q2018</b>	<b>4Q2017</b>	<b>+/- (%)</b>	<b>FY2018</b>	<b>FY2017</b>	<b>+/- (%)</b>
Revenue	125.0	127.2	-1.7	491.7	513.5	-4.2
Gross Profit	10.2	12.7	-19.7	32.0	37.7	-15.1
Gross Margin	8.1%	10.0%	-1.9 ppt	6.5%	7.3%	-0.8 ppt
<b>Operating Profit Before Tax</b>	<b>3.5</b>	<b>5.3</b>	<b>-33.1</b>	<b>5.8</b>	<b>9.6</b>	<b>-39.6</b>
<b>Profit Before Tax (“PBT”)</b>	<b>3.5</b>	<b>5.5</b>	<b>-36.9</b>	<b>6.1</b>	<b>9.9</b>	<b>-38.4</b>
<b>Profit Attributable to Equity Holders</b>	<b>2.5</b>	<b>5.0</b>	<b>-49.4</b>	<b>4.0</b>	<b>8.2</b>	<b>-51.0</b>
EPS (cents)	0.56	1.11		0.88	1.80	
	As at 31/12/18	As at 31/12/17				
NAV Per Share (cents)	15.57	16.45				

**Mr Vincent Lim, President of TeleChoice said, “As we had guided previously, our 4Q2018 and FY2018 financial performance was weaker as compared to the corresponding periods in the preceding financial year due to the challenges facing the telecommunications industry. Nevertheless, we continued to hold a strong balance sheet with well-managed inventories and accounts receivables, and cash and cash equivalents of S\$28.8 million.**

**“TeleChoice is committed to providing returns to shareholders and since FY2004, the Board has followed a benchmark dividend payout of at least 30% of our annual net profit after tax, subject to our earnings, cash flow, and capital requirements. For FY2018, in view of the Group’s weaker performance, the challenging operating environment and the need to invest in future growth opportunities, the Board is proposing a final dividend of S\$0.01 per ordinary share which represents a dividend payout ratio of 113.5% of FY2018 net profit and a dividend yield of 4.5%<sup>1</sup>.”**

## **RESULTS OVERVIEW**

Group revenue in FY2018 fell by 4.2% to S\$491.7 million (FY2017: S\$513.5 million) while 4Q2018 revenue fell by 1.7% to S\$125.0 million (4Q2017: S\$127.2 million). The lower revenue was attributed to lower equipment sales to a major customer in Singapore and lower prepaid revenue by PCS division. There was also lower enterprise network products distribution by ICT division. Engineering division, however, registered higher revenue, driven by its Philippines and Singapore operations over the full-year period and by its Indonesian operations in 4Q2018.

Gross profit declined by 15.1% to S\$32.0 million in FY2018 (FY2017: S\$37.7 million) and by 19.7% to S\$10.2 million in 4Q2018 (4Q2017: S\$12.7 million) due to PCS and ICT divisions. Gross profit margin fell by 0.8 percentage points to 6.5% in FY2018 (FY2017: 7.3%) and by 1.9 percentage points to 8.1% in 4Q2018 (4Q2017: 10.0%). The Group’s full-year PBT declined by 38.4% to S\$6.1 million (FY2017: S\$9.9 million) whilst its fourth quarter PBT fell 36.9% to S\$3.5 million (4Q2017: S\$5.5 million).

PCS division’s PBT was lower at S\$4.1 million and S\$1.2 million in FY2018 and 4Q2018 respectively. There was less incentives received from its prepaid business in Singapore and lower variable fee recognised by its Malaysian operations. In addition, the StarHub logistic contract was not renewed upon its expiry on 30 June 2017. ICT division’s loss of S\$0.9 million in FY2018 and lower PBT of S\$0.3 million in 4Q2018 stemmed from lower gross profit and lower gross profit margin, coupled with higher operating expenses from restructuring of its operations. Engineering division registered higher FY2018 PBT of S\$2.9 million, a 26.0% improvement from FY2017’s PBT of S\$2.3 million, attributed to Indonesian, Philippines and Singapore operations. Its 4Q2018 PBT also increased 33.0% to S\$2.0 million due to its Indonesian operations.

## **OUTLOOK**

Based on the current outlook and barring any unforeseen circumstances, the Group expects operating performance for FY2019 to at least be maintained as the same period of last year. Overall, the operating environment remains challenging and uncertain.

The telecommunication industry in Singapore is undergoing a challenging period with the introduction of new fourth telco operator and multiple MVNOs. The rest of the region continues to perform in line with expectations. The Group continues to leverage on its capability in marketing, distribution and managed services. We will also tap on network rollout and upgrade opportunities with regional telecommunication operators to mitigate some of these challenges.

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<sup>1</sup> Based on closing share price of S\$0.22 on 31 December 2018

Following the challenging 2018 performance, we have restructured the ICT division and remain optimistic that the division will perform better in 2019.

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 22 February 2019.*

**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](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 on behalf of TeleChoice International Limited**

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