



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

PART I - UNAUDITED RESULTS FOR THE FULL YEAR ENDED 31 DECEMBER 2005

1(a)(i) STATEMENT OF PROFIT AND LOSS FOR THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2005

In S\$'000	2005	2004 (restated)	+/- %	2005	2004 (restated)	+/- %
	4Q			FY		
Revenue	154,130	145,010	6.3%	569,931	530,102	7.5%
Cost of sales	(140,839)	(133,757)	5.3%	(524,952)	(488,248)	7.5%
Gross profit	13,291	11,253	18.1%	44,979	41,854	7.5%
<i>Gross Margin %</i>	8.6%	7.8%	0.8%	7.9%	7.9%	0.0%
Other income	1,641	722	127.3%	2,161	1,074	101.2%
Selling and marketing expenses	(3,019)	(3,258)	-7.3%	(8,967)	(10,010)	-10.4%
Administrative expenses	(3,638)	(3,310)	9.9%	(16,467)	(11,441)	43.9%
Other expenses, net	(49)	(50)	-2.0%	(258)	(222)	16.2%
Finance costs	(34)	(37)	-8.1%	(34)	(133)	-74.4%
Share of profit of jointly-controlled entity	52	105	-50.5%	102	105	-2.9%
Profit before taxation	8,244	5,425	52.0%	21,516	21,227	1.4%
<i>% of revenue</i>	5.3%	3.7%	1.6%	3.8%	4.0%	-0.2%
Income tax expenses	(1,990)	(831)	139.5%	(4,342)	(4,140)	4.9%
Profit for the period / year	6,254	4,594	36.1%	17,174	17,087	0.5%
Attributable to:						
Equity holders of the parent	6,544	4,696	39.4%	17,654	16,969	4.0%
<i>% of revenue</i>	4.2%	3.2%	1.0%	3.1%	3.2%	-0.1%
Minority interest	(290)	(102)	184.3%	(480)	118	-506.8%
	6,254	4,594	36.1%	17,174	17,087	0.5%
No of shares	445,258	442,000		443,356	421,803	
Earnings per share (in cents)						
Basic	1.47	1.06		3.98	4.02	
Diluted	1.47	1.06		3.97	4.02	

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

In S\$'000s	2005	2004 (restated)	+/- %	2005	2004 (restated)	+/- %
	4Q			FY		
Staff costs ⁽¹⁾	4,958	4,577	8.3%	17,295	15,580	11.0%
Contributions to defined contribution plans included in staff costs	383	334	14.7%	1,270	1,100	15.5%
Value of employees services received for issue of share options included in staff cost	(132)	131	-200.7%	333	350	-4.9%
Directors' remuneration	254	147	72.8%	740	680	8.8%
Depreciation of property, plant and equipment	398	268	48.5%	1,343	866	55.1%
Non-audit fees paid to auditor of the company:						
- current year	7	3	133.3%	8	282	-97.2%
Non-audit fees paid to other auditors:						
- current year	167	0	100.0%	182	5	3540.0%
-under/over provision	1	0	100.0%	2	0	100.0%
Amortisation of intangible assets	137	18	661.1%	228	81	181.5%
Negative goodwill recognized upon acquisition of additional interest in subsidiary	(84)	0	100.0%	(84)	0	100.0%
Accretion of negative goodwill on consolidation	0	(28)	-100.0%	0	(28)	-100.0%
Provision made/reversed for warranty costs	(194)	295	-165.8%	376	817	-54.0%
Bad debts written off ⁽²⁾	824	0	100%	3,967	463	756.8%
Write down of inventories	143	399	64.2%	400	580	-31.0%
Rental expenses	1,036	324	219.8%	1,903	1,189	60.1%
Loss on disposal of property, plant and equipment	10	12	-16.7%	78	12	550.0%
Loss on disposal of subsidiary	0	138	-100.0%	0	138	-100.0%
Exchange loss/(gain)	8	141	-94.3%	174	(145)	-220.0%
Other operating income comprises:						
Service income	983	602	63.3%	1,115	759	46.9%
Interest income						
-banks	226	75	201.3%	611	168	263.7%
-related corporations	0	10	-100.0%	0	23	-100.0%
Others	432	35	1134.3%	435	124	250.8%
	1,641	722	127.3%	2,161	1,074	101.2%

(1) Staff costs increase is due to increase in headcount for Mobile & Network Engineering Services in Singapore and Indonesia.

(2) The increase in bad debts written off is mainly due to write off of bad debts of \$3.8 M relating to operations in Indonesia

1(b)(i) BALANCE SHEET

In S\$'000s	GROUP		COMPANY	
	AS AT 31/12/2005	AS AT 31/12/2004	AS AT 31/12/2005	AS AT 31/12/2004
Non-current assets				
Investments in subsidiaries	0	0	21,425	20,460
Investment in jointly-controlled entity	1,371	1,038	0	0
Property, plant and equipment	2,792	1,959	454	264
Intangible assets	689	145	0	0
Deferred tax assets	425	263	92	191
	5,277	3,405	21,971	20,915
Current assets				
Inventories	18,896	24,492	9,640	12,113
Work-in-progress	2,537	1,759	0	0
Trade receivables	13,928	20,526	2,958	4,479
Other receivables, deposits and prepayments	15,317	13,926	10,088	7,129
Amounts due from:-				
- related corporations	21,788	20,215	12,462	13,159
- subsidiaries	0	0	1,691	7,703
- holding companies	36	69	28	12
- related corporation of minority shareholder of a subsidiary	3,930	9,951	0	0
Cash and cash equivalents	44,626	29,300	17,622	5,687
Total current assets	121,058	120,238	54,489	50,282
Current liabilities				
Trade payables	46,902	57,723	14,294	20,021
Other payables and accruals	16,582	14,298	5,274	4,837
Amounts due to:-				
- related corporations	1,375	611	106	143
- subsidiaries	0	0	12	31
- holding companies	232	538	232	538
Current tax payable	4,458	3,566	1,972	1,884
Deferred income	1,228	1,390	0	0
Total current liabilities	70,777	78,126	21,890	27,454
Net current assets	50,281	42,112	32,599	22,828
Less: Non current liabilities				
Deferred tax liabilities	209	118	0	0
Total net assets	55,349	45,399	54,570	43,743



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In S\$'000s	GROUP		COMPANY	
	AS AT 31/12/2005	AS AT 31/12/2004	AS AT 31/12/2005	AS AT 31/12/2004
Share Capital	8,906	8,840	8,906	8,840
Reserves	45,949	36,242	45,664	34,903
Minority Interest	54,855	45,082	54,570	43,743
	494	317	0	0
Shareholders' Equity	55,349	45,399	54,570	43,743

Compared to 31 December 2004, the increase in net current assets was mainly due to decrease in trade payables, offset by a decrease in inventories, trade and related corporations receivables. Trade payables were lower, due to advance payments made to suppliers to enjoy early payment discounts. Discontinuation of sales in Australia and lower sales activities in Indonesia contributed to the lower trade and related corporations receivables respectively.

1(b)(ii) GROUP BORROWING IN S\$'000s

	As at 31/12/2005	As at 31/12/2004
Amount repayable in one year or less		
Unsecured	NIL	NIL
Amount repayable after one year	NIL	NIL
Details of any collateral		
NIL		

1(c) CASH FLOW STATEMENT FOR THE THE 4TH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2005

In S\$'000	2005	2004 (restated)	2005	2004 (restated)
	4Q		FY	
Cash Flows From Operating Activities				
Profit before taxation	8,244	5,425	21,516	21,227
Adjustments for:				
Depreciation of property, plant and equipment	398	268	1,343	866
Amortisation of intangible assets	137	18	228	81
Loss on disposal of property, plant and equipment	10	12	78	12
Impairment of property, plant and equipment	0	(160)	0	0
Value of employees services received for issue of share options	(132)	131	333	350
Accretion of negative goodwill on consolidation	0	(28)	0	(28)
Loss on disposal of subsidiary	0	138	0	138
Negative goodwill recognized upon acquisition of additional interest in subsidiary	(84)	0	(84)	0
Interest income	(226)	(86)	(611)	(191)
Interest expense	34	37	34	133
Share of profits of jointly-controlled entity	(52)	(105)	(102)	(105)
Accretion of deferred income	0	(1,216)	(1,390)	(1,044)
Cash from operating profit before working capital changes	8,329	4,434	21,345	21,439
Changes in working capital:	(7,461)	(8,220)	6,055	(9,566)
Cash generated from operations	868	(3,786)	27,400	11,873
Income tax paid	(652)	0	(3,829)	(3,436)
Interest received	226	101	611	193
Net cash inflow/(outflow) from operating activities	442	(3,685)	24,182	8,630
Cash Flows From Investing Activities				
Purchase of property, plant and equipment	(343)	(614)	(2,045)	(1,520)
Purchase of intangible assets	(43)	(122)	(165)	(147)
Proceeds from disposal of property, plant and equipment	6	0	23	0
Acquisition of additional equity interest in subsidiary	0	0	0	(340)
Acquisition of jointly-controlled entity	0	0	0	(519)
Additional investment in jointly-controlled entity	0	0	(478)	0
Net cash inflow from acquisition of subsidiary	1,245	0	125	0
Loan to jointly-controlled entity	0	0	242	(458)
Net cash inflow/(outflow) from investing activities	865	(736)	(2,298)	(2,984)
Cash Flows From Financing Activities				
Balances with related corporations (non-trade)	145	3,095	1,672	5,568
Proceeds from Initial Public Offering	0	73	0	10,745
Proceeds from issue of shares under Pre-IPO Share Option Scheme	26	0	684	0
Interest paid	(34)	(26)	(34)	(134)
Dividend paid	0	(8,840)	(8,903)	(8,840)
Repayment of short term bank loan (unsecured)	(2,008)	0	0	0
Net cash inflow/(outflow) from financing	(1,871)	(5,698)	(6,581)	7,339
Net Increase In Cash And Cash Equivalents	(564)	(10,119)	15,303	12,985
Cash And Cash Equivalents At beginning of Period/Year	45,241	39,125	29,300	16,453
Effect of exchange rate differences on balances held in foreign currency	(51)	294	23	(138)
Cash And Cash Equivalents At End of Period/Year	44,626	29,300	44,626	29,300



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Net cash flow from operating activities

Improvement of \$4.1 M in net cash inflow from operating activities in 4Q05 compared to 4Q04 was from operating profit.

Improvement of \$15.6 M in net cash inflow from operating activities in FY05 compared to FY04 was from positive changes in working capital. The positive change in working capital was mainly from decrease in trade receivables and inventories. There was also prepayment to suppliers to enjoy early payment discount(s).

Net cash flow from investing activities

There were additional purchases in plant and equipment in FY05 compared to FY04.

Net cash flow from financing activities

Net cash outflow in 4Q05 was from repayment of short term bank loan of \$2.0 M. In FY05, the net cash outflow was mainly from the interim dividend payout of \$8.9 M, offset by proceeds from issues of shares under Pre-IPO Share Option Scheme and withdrawal of short term fixed deposit placed with a related corporation.

Net cash outflow in 4Q04 was mainly from payment of interim dividend of \$8.8 M, offset by reduction of short term fixed deposits placed with a related corporation. Net cash inflow in FY04 was mainly from IPO proceeds of \$10.7 M.



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1d(i) STATEMENT OF CHANGES IN EQUITY FOR THE 4TH QUARTER ENDED 31 DECEMBER 2005

The Group (S\$'000)	Share capital	Share premium	Accumulated profits	Merger reserve	Goodwill written off	Share Option reserve	Exchange translation reserve	Total	Minority interest	Total Equity
At 1 October 2004, restated	8,840	9,832	14,656	17,591	(2,105)	219	(23)	49,010	1,018	50,028
Translation differences relating to financial statements of foreign subsidiaries	0	0	0	0	0	0	12	12	(1)	11
Acquisition of subsidiary	0	0	0	0	0	0	0	0	(598)	(598)
Share issues expense written off	0	73	0	0	0	0	0	73	0	73
Value of employee services received for issue of share options	0	0	0	0	0	131	0	131	0	131
Profit for the period	0	0	4,696	0	0	0	0	4,696	(102)	4,594
Interim dividend of 2.5 cents per share less tax at 20%	0	0	(8,840)	0	0	0	0	(8,840)	0	(8,840)
At 31 December 2004, restated	8,840	9,905	10,512	17,591	(2,105)	350	(11)	45,082	317	45,399
As at 1 October 2005	8,903	10,500	12,545	17,591	(2,105)	1,087	44	48,565	125	48,690
Translation differences relating to financial statements of foreign subsidiaries	0	0	0	0	0	0	(147)	(147)	1	(146)
Issue of 125,000 ordinary shares of \$0.02 each at premium of \$0.1879 per share under Pre-IPO Option scheme	3	23	0	0	0	0	0	26	0	26
Value of employee services received for issue of share options	0	0	271	0	0	(404)	0	(133)	0	(133)
Acquisition of additional interest in subsidiary	0	0	0	0	0	0	0	0	(84)	(84)
Acquisition of subsidiary	0	0	0	0	0	0	0	0	742	742
Profit for the period	0	0	6,544	0	0	0	0	6,544	(290)	6,254
At 31 December 2005	8,906	10,523	19,360	17,591	(2,105)	683	(103)	54,855	494	55,349



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1d(i) STATEMENT OF CHANGES IN EQUITY FOR THE 4TH QUARTER ENDED 31 DECEMBER 2005

The Company (in S\$'000)	Share capital	Share premium	Accumulated profits	Merger reserve	Share Option reserve	Total equity
At 1 October 2004, restated	8,840	9,832	14,784	13,300	90	46,846
Share issues expense written off	0	73	0	0	0	73
Value of employee services received for issue of share options	0	0	0	0	54	54
Profit for the period	0	0	5,610	0	0	5,610
Interim dividend declared at 2.5 cents per share less tax at 20%	0	0	(8,840)	0	0	(8,840)
At 31 December 2004, restated	8,840	9,905	11,554	13,300	144	43,743
At 1 October 2005	8,903	10,500	14,255	13,300	464	47,422
Issue of 125,000 ordinary shares of \$0.02 each at premium of \$0.1879 per share under Pre-IPO Share Option Scheme	3	23	0	0	0	26
Value of employee services received for issue of share options	0	0	111	0	(180)	(69)
Profit for the period	0	0	7,191	0	0	7,191
At 31 December 2005	8,906	10,523	21,557	13,300	284	54,570



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1d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 DECEMBER 2005

The Group (in S\$'000)	Share capital	Share premium	Accumulated profits	Merger reserve	Goodwill written off	Share option reserve	Exchange translation reserve	Total	Minority interest	Total equity
At 1 January 2004	8,000	0	2,383	17,591	(2,105)	0	225	26,094	553	26,647
Translation differences relating to financial statements of foreign subsidiaries	0	0	0	0	0	0	(236)	(236)	1	(235)
Issue of 42,000,000 ordinary shares of \$0.02 each at a premium of \$0.27 per share in initial public offering	840	11,340	0	0	0	0	0	12,180	0	12,180
Share issues expenses written off	0	(1,435)	0	0	0	0	0	(1,435)	0	(1,435)
Value of employee services received for issue of share options	0	0	0	0	0	350	0	350	0	350
Profit for the year	0	0	16,969	0	0	0	0	16,969	118	17,087
Acquisition of additional interest in subsidiary	0	0	0	0	0	0	0	0	(355)	(355)
Interim dividends of 2.5 cents per share less tax at 20%	0	0	(8,840)	0	0	0	0	(8,840)	0	(8,840)
At 31 December 2004, restated	8,840	9,905	10,512	17,591	(2,105)	350	(11)	45,082	317	45,399



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1d(i) STATEMENT OF CHANGES IN EQUITY FOR THE FULL YEAR ENDED 31 DECEMBER 2005

The Group (in S\$'000)	Share capital	Share premium	Accumulated profits	Merger reserve	Goodwill written off	Share option reserve	Exchange translation reserve	Total	Minority interest	Total equity
At 31 December 2004, as previously reported	8,840	9,905	10,862	17,591	(2,105)	0	(11)	45,082	317	45,399
Effects of adopting FRS 102 - Share-based Payment	0	0	(350)	0	0	350	0	0	0	0
At 31 December 2004, restated	8,840	9,905	10,512	17,591	(2,105)	350	(11)	45,082	317	45,399
Effects of adopting FRS 103 - Business Combinations	0	0	97	0	0	0	0	97	0	97
At 1 January 2005, restated	8,840	9,905	10,609	17,591	(2,105)	350	(11)	45,179	317	45,496
Translation differences relating to financial statements of foreign subsidiaries	0	0	0	0	0	0	(92)	(92)	(1)	(93)
Issue of 3,290,500 ordinary shares of \$0.02 each at a premium of \$0.1879 per share under Pre-IPO Share Option Scheme	66	618	0	0	0	0	0	684	0	684
Acquisition of subsidiary	0	0	0	0	0	0	0	0	742	742
Acquisition of additional interest in subsidiary	0	0	0	0	0	0	0	0	(84)	(84)
Value of employee services received for issue of share options	0	0	0	0	0	333	0	333	0	333
Profit for the year	0	0	17,654	0	0	0	0	17,654	(480)	17,174
Interim dividend of:										
- 0.783 cents per share less tax at 20%	0	0	(2,787)	0	0	0	0	(2,787)	0	(2,787)
- 1.374 cents per share (one-tier tax exempt)	0	0	(6,116)	0	0	0	0	(6,116)	0	(6,116)
At 31 December 2005	8,906	10,523	19,360	17,591	(2,105)	683	(103)	54,855	494	55,349



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The Company (in S\$'000)	Share capital	Share premium	Accumulated profits	Merger reserve	Share Option reserve	Total equity
At 1 January 2004	8,000	0	8,270	13,300	0	29,570
Issue of 42,000,000 ordinary shares of \$0.02 each at a premium of \$0.27 per share in initial public offering	840	11,340	0	0	0	12,180
Share issue expenses written off	0	(1,435)	0	0	0	(1,435)
Value of employee services received for issue of share options	0	0	0	0	144	144
Profit for the year	0	0	12,124	0	0	12,124
Interim dividend declared at 2.5 cents per share less tax at 20%	0	0	(8,840)	0	0	(8,840)
At 31 December 2004, restated	8,840	9,905	11,554	13,300	144	43,743
At 31 December 2004, as previously reported	8,840	9,905	11,698	13,300	0	43,743
Effects of adopting FRS 102 – Share-based Payment	0	0	(144)	0	144	0
At 31 December 2004, restated	8,840	9,905	11,554	13,300	144	43,743
At 1 January 2005, restated	8,840	9,905	11,554	13,300	144	43,743
Issue of 3,290,500 ordinary shares of \$0.02 each at premium of \$0.1879 per share under Pre-IPO Share Option scheme	66	618	0	0	0	684
Value of employee services received for issue of share options	0	0	0	0	140	140
Profit for the year	0	0	18,906	0	0	18,906
Interim dividend of:						
- 0.783 cents per share less tax at 20%	0	0	(2,787)	0	0	(2,787)
- 1.374 cents per share (one-tier tax exempt)	0	0	(6,116)	0	0	(6,116)
At 31 December 2005	8,906	10,523	21,557	13,300	284	54,570

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

A) Movements in Issued and Paid up Capital

	No of shares	Issued and paid up Capital
		\$'000
Balance as at 1 October 2005, ordinary shares of \$0.02 each	445,165,500	8,903
Issues of ordinary shares of \$0.02 each under Pre-IPO Share Option scheme	125,000	3
Balance as at 31 December 2005, ordinary shares of \$0.02 each	445,290,500	8,906

B) Employee Share Options

As at 31 December 2005, there were unexercised options of 14,322,000 (31 December 2004: 19,800,000) unissued ordinary shares of \$0.2079 each under the TeleChoice Pre-IPO Share Option Scheme.

2. AUDIT

The figures have yet to be 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 2004, except for the following new Financial Reporting Standards ("FRS") that are effective and relevant to the Group's operations:

FRS 38	Intangible Assets
FRS 39	Financial Instruments: Recognition and Measurement
FRS 102	Share-based Payment
FRS 103	Business Combinations

The effects of the new FRS in 2005 are as follows:

FRS 38 Intangible Assets

As a result of adopting FRS 38, the Group has identified intangible assets of \$0.6 M from its acquisition of a subsidiary, Planet Telecoms (S) Pte Ltd. The intangible assets acquired is stated at cost less accumulated amortization over useful life of 2 years.

FRS 39 Financial Instruments: Recognition and Measurement

There are no material effects as a result of application of this standard.

FRS 102 Share-based Payment

As a result of adopting FRS 102, opening accumulated profits of the Group and the Company as at 1 January 2005 is decreased by \$0.4 M and \$0.1 M respectively, and the opening share option reserve of the Group and the Company is increased by the same amount.

The restatement of the Group 4Q04 and FY04 accounts as a result of adopting FRS 102 are as follows:

Profit and Loss	4Q2004 (as previously reported)	Adjustment due to FRS 102	4Q2004 (restated)
In \$ M			
Revenue	145.0	-	145.0
Cost of sales	(133.8)	-	(133.8)
Gross profit	11.2	-	11.2
Expenses and other income	(5.7)	(0.1)	(5.8)
Profit before taxation	5.5	(0.1)	5.4
Profit for the period	4.7	(0.1)	4.6
Profit attributable to equity holders of the parent	4.8	(0.1)	4.7

Profit and Loss	FY2004 (as previously reported)	Adjustment due to FRS 102	FY2004 (restated)
In \$ M			
Revenue	530.1	-	530.1
Cost of sales	(488.2)	-	(488.2)
Gross profit	41.9	-	41.9
Expenses and other income	(20.3)	(0.4)	(20.7)
Profit before taxation	21.6	(0.4)	21.2
Profit for the year	17.4	(0.4)	17.1
Profit attributable to equity holders of the parent	17.3	(0.4)	16.9

FRS 103 Business Combinations

The effects of the adoption of FRS 103 are as follows:

1. The Group's negative goodwill of \$0.1 M as at 1 January 2005 was derecognized and credited to the opening accumulated profits as at that date.
2. The Group's negative goodwill of \$0.1 M from the acquisition of additional interest in its subsidiary, TeleChoice (Indonesia) Pte Ltd during the year was recognized immediately in the profit and loss account.

5. CHANGES IN ACCOUNTING POLICIES

Refer to paragraph 4

6. EARNINGS PER ORDINARY SHARE (EPS)

Based on weighted average number of ordinary shares on issue (in cents)

Group	4Q05	4Q04 (restated)	FY05	FY04 (restated)
Basic	1.47	1.06	3.98	4.02
Diluted	1.47	1.06	3.97	4.02

7. NET ASSET VALUE

	GROUP		COMPANY	
	31.12.2005	31.12.2004	31.12.2005	31.12.2004
Net assets value per ordinary share based on issued share capital at the end of the financial year (in cents):	12.32	10.20	12.25	9.90

8. REVIEW OF GROUP PERFORMANCE

A) Revenue

i) 4Q05 vs 4Q04

S\$ M s	4Q05	4Q04	Growth	
			\$	%
Distribution Services	129.2	125.3	3.9	3%
Telecommunications Services	6.7	8.0	(1.3)	(16%)
Mobile Network and Engineering Services	18.2	11.7	6.5	56%
Total	154.1	145.0	9.1	6%

- Distribution Services revenue increased by 3% or \$3.9M. The increase from Singapore, Malaysia and Thailand of 25% or \$22.6 M was offset by the decline in Australia and Indonesia as we scaled down the business in these 2 countries.
- Telecommunications Services revenue decreased by 16% or \$1.3 M. The Budget Mobile Call service helped to offset the lower IDD usage.
- Projects in Indonesia contributed mainly to the net increase of 56% or \$6.5 M in revenue for Mobile Network and Engineering Services.

ii) FY05 vs FY04

S\$ M s	FY05	FY04	Growth	
			\$	%
Distribution Services	498.6	468.5	30.1	6%
Telecommunications Services	27.1	31.1	(4.0)	(13%)
Mobile Network and Engineering Services	44.2	30.5	13.7	45%
Total	569.9	530.1	39.8	8%

- The increase in revenue from Distribution Services in Singapore, Indonesia, Thailand and Malaysia of 19% or \$76.5 M was offset by the decline in Australia resulting in an overall increase in revenue of 6% or \$30.1 M.
- Telecommunications Services revenue decreased by 13% or \$4.0 M. The Budget Mobile Call service launched in 3Q05 helped to offset the lower IDD usage.
- New projects from major telecommunications operators and vendors in Indonesia contributed to the net increase in revenue for Mobile Network and Engineering Services by 45% or \$13.7 M.

B) PBT

i) 4Q05 vs 4Q04

S\$ M s	4Q05	4Q04 (restated)	Growth	
			\$	%
Distribution Services	4.0	2.3	1.7	74%
Telecommunications Services	1.6	2.0	(0.4)	-20%
Mobile Network and Engineering Services	2.6	1.1	1.5	136%
Total	8.2	5.4	2.8	52%

- PBT for Distribution Services increased by 74% or \$1.7 M. The increase is largely contributed by Singapore but offset by a further write off of \$0.8M for bad debts relating to operations in Indonesia.
- Lower revenue resulted in a 20% or \$0.4 M decrease in PBT for Telecommunications Services.
- The increase in PBT for Mobile Network and Engineering Services by 136% or \$1.5M was mainly due to increase in revenue from new projects in Indonesia.

ii) FY05 vs FY04

S\$ M s	FY05	FY04 (restated)	Growth	
			\$	%
Distribution Services	10.0	10.2	(0.2)	-2%
Telecommunications Services	6.6	6.3	0.3	5%
Mobile Network and Engineering Services	4.9	4.7	0.2	4%
Total	21.5	21.2	0.3	1%

Group's PBT for FY05 was \$21.5 M after a one time write-off of \$3.8 M in bad debts for Distribution Services operations in Indonesia.

- PBT for Singapore Distribution Services increased by 57% but was offset by poor performance in Indonesia and Australia.
- The 5% or \$0.3 M increase in PBT for Telecommunications Services was mainly due to better gross margins and lower operating expenses.
- The 173% or \$1.7 M increase from Mobile Network & Engineering Services was offset by a decrease in profits from lower mobile data services usage of a major customer, resulting in overall increase in PBT for Mobile Network & Engineering Services at 4% or \$0.2 M

9. VARIANCE FROM PROSPECT STATEMENT

In its 3Q05 results announcement dated 31 October 2005, the following prospects statement was disclosed:

We anticipate 2H05 PBT to improve over 1H05 PBT. However, based on the current outlook and assuming that there are no material adverse changes in economic conditions or any unforeseen circumstances, the Group expects its full-year 2005 results to be marginally lower than its full-year 2004 results, primarily due to a one-off provision of S\$3M for doubtful debts in 3Q05 in relation to Indonesian Distribution Services operations."

Group PBT in 2H05 improved significantly by 22.3% over 1H05.

Despite the write-off of bad debts amounting to \$3.8M in 2H05 (3Q05:\$3M, 4Q05: \$0.8M) in relation to Indonesian Distribution Services operations, the Group improved its PBT for FY05 (\$21.5M), as compared to FY04 (\$21.2M).

Group NPAT attributable to shareholders of the Company rose 4.0% from \$17.0M in FY04, to \$17.7M in FY05.

10. PROSPECTS

Barring unforeseen circumstances, the business outlook for the Group is expected to remain positive with growth opportunities. To better position for longer-term growth opportunities, the Group will continue to seek to acquire synergistic businesses, and continue to grow organically in the region. The Group will continue to maximise productivity gains and operating efficiencies. Overall, the Group expects to maintain its operating performance for FY2006.

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	4Q05 and FY05	4Q05 and FY05
Name of Dividend	Final	Special
Dividend Type	Cash	Cash
Dividend Rate	0.5 cents per ordinary share	2.0 cents per ordinary share
Par value of shares	\$0.02 per share	\$0.02 per share
Tax Rate	one tier tax exempt	one tier tax exempt

For 1H05, an interim dividend of 2 cents per share (net/exempt of tax) was declared on 12 August 2005 and paid to shareholders on 12 September 2005.



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(b) Corresponding Period of the Immediately Preceding Financial Year

Period	4Q04 and FY04
Name of Dividend	Interim
Dividend Type	Cash
Dividend Amount per share (in cents)	2.5 cents per ordinary share less tax at 20%
Par value of shares	\$0.02 per share
Tax rate	20%

(c) Date payable

22 May 2006

(d) Books closure date

Notice is hereby given that, subject to shareholders' approval of the payment of the abovementioned final and special dividend ("Dividends") at the forthcoming Annual General Meeting to be convened, the Share Transfer Books and Registers of Members of the Company will be closed from 6 May to 7 May 2006, both dates inclusive. Duly completed transfers received by the Company's Registrar, M & C Services Private Limited, 138 Robinson Road #17-00 The Corporate Office Singapore 068906, up to 5 p.m. on 5 May 2006 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 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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13. 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

In S\$'000	Distribution Services	Telecommunications Services	Mobile Network & Engineering Services	Eliminations	Consolidated
FY05					
REVENUE AND EXPENSES					
Total revenue from external customers	498,642	27,115	44,174		569,931
Inter-segment revenue	181	15	280	(476)	0
Total revenue	498,823	27,130	44,454	(476)	569,931
Segment results	9,963	6,636	4,917		21,516
Taxation					(4,342)
Minority Interest					480
Profit for the year					17,654
ASSETS AND LIABILITIES					
Segment assets	81,638	18,106	29,507	(4,712)	124,539
Investment in jointly-controlled entity					1,371
Deferred tax assets					425
					126,335
Segment liabilities	45,383	7,419	18,229	(4,712)	66,319
Tax liabilities					4,458
Deferred tax liabilities					209
					70,986
OTHER SEGMENT INFORMATION					
Capital expenditure:					
-property plant and equipment	580	692	966	(105)	2,133
-intangible assets	625	130	35		790
Depreciation charge	413	370	560		1,343
Amortisation charge	104	90	34		228



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In S\$'000	Distribution Services	Telecommunications Services	Mobile Network & Engineering Services	Eliminations	Consolidated
FY04					
REVENUE AND EXPENSES					
Total revenue from external customers	468,488	31,071	30,543	0	530,102
Inter-segment revenue	517	8	29	(554)	0
Total revenue	469,005	31,079	30,572	(554)	530,102
Segment results	10,203	6,285	4,739	0	21,227
Taxation					(4,140)
Minority Interest					(118)
Profit for the year					16,969
ASSETS AND LIABILITIES					
Segment assets	84,787	15,661	22,686	(792)	122,342
Investment in jointly-controlled entity					1,038
Deferred tax assets					263
					123,643
Segment liabilities	56,251	5,806	13,295	(792)	74,560
Tax liabilities					3,566
Deferred tax liabilities					118
					78,244
OTHER SEGMENT INFORMATION					
Capital expenditure:					
-property plant and equipment	460	493	517	0	1,470
-intangible assets	0	67	80	0	147
Depreciation charge	307	263	296	0	866
Amortisation charge					
-intangible assets	0	72	9	0	81
- Accretion of negative goodwill on consolidation	(25)	0	(3)	0	(28)



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(b) Geographical segments

FY05	Singapore	Malaysia	Indonesia	Australia	Thailand	Hong Kong	Dubai	Other countries	Consolidated
In S\$'000									
Revenue from external customers	317,846	66,135	85,683	11,361	5,007	77,400	5,414	1,085	569,931
Segment assets	96,565	13,008	11,714	294	2,865	0	0	93	124,539
Capital expenditure									
-property, plant and equipment	1,422	5	563	10	133	0	0	0	2,133
-intangible assets	790	0	0	0	0	0	0	0	790

FY04	Singapore	Malaysia	Indonesia	Australia	Thailand	Hong Kong	Dubai	Other countries	Consolidated
In S\$'000									
Revenue from external customers	273,975	51,656	107,563	61,291	0	12,085	20,510	3,022	530,102
Segment assets	91,516	6,948	6,778	16,840	0	0	0	260	122,342
Capital expenditure									
-property, plant and equipment	958	19	270	205	0	0	0	18	1,470
-intangible assets	147	0	0	0	0	0	0	0	147

14. 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

Increase in revenue to Hong Kong is from export. The scale down of activities in Indonesia and Australia has resulted in the reduction in revenue for both countries.



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15. A breakdown of sales and profit

In S\$'000s	FY05	FY04 (restated)
Sales Reported for 1 st Quarter of the year	125,264	120,533
Profit after tax before deducting minority interest reported for 1 st Quarter of the year	4,189	4,323
Sales Reported for 2 nd Quarter of the year	139,974	136,794
Profit after tax before deducting minority interest reported for 2 nd Quarter of the year	3,482	3,972
Sales Reported for 1 st Half of the year	265,238	257,327
Profit after tax before deducting minority interest reported for 1 st Half of the year	7,671	8,295
Sales Reported for 3 rd Quarter of the year	150,563	127,765
Profit after tax before deducting minority interest reported for 3 rd Quarter of the year	3,249	4,198
Sales Reported for 9 months of the year	415,801	385,092
Profit after tax before deducting minority interest reported for 9 months of the year	10,920	12,493
Sales Reported for 4 th Quarter of the year	154,130	145,010
Profit after tax before deducting minority interest reported for 4 th Quarter of the year	6,254	4,594
Sales Reported for Full Year	569,931	530,102
Profit after tax before deducting minority interest reported for Full Year	17,174	17,087

16. Interested Person Transactions - DISCLOSURE PURSUANT TO RULE 920(1)(a)(ii)

S\$ M s	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX listing manual			
	4Q05	4Q04	FY05	FY04
<u>Transactions for the sales of goods and services</u>	51.6	37.0	163.7	128.8
Temasek Holdings (Private) Limited and its Associates	51.6	36.6	162.9	126.6
Singapore Telecommunications Limited and its Associates	0.0	0.4	0.8	2.2
<u>Transactions for the purchases of goods and services</u>	1.9	2.5	8.2	8.9
Temasek Holdings (Private) Limited and its Associates	1.0	1.7	4.4	4.5
Singapore Telecommunications Limited and its Associates	0.9	0.8	3.8	4.4
<u>Treasury Transactions</u>	0.0	1.9	0	28.3
Temasek Holdings (Private) Limited and its Associates	0.0	1.9	0	28.3
<u>Management Service</u>	0.0	0.2	0.0	0.4
Temasek Holdings (Private) Limited and its Associates	0.0	0.2	0.0	0.4
Total Interested Person Transactions	53.5	41.6	171.9	166.4

Note: All transactions are conducted under the shareholders' mandate pursuant to Rule 920.

BY ORDER OF THE BOARD

Clive Lim Chai Hock
President & Executive Director

Date: 27 February 2006