



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

FOR IMMEDIATE RELEASE

TeleChoice’s 2Q2017 net profit stands at S\$1.7 million on the back of revenue of S\$150.2 million

- **On track for a stronger 2H2017 than 1H2017**

Singapore, 14 August 2017 – 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 (“2Q2017” and “1H2017”) results for the financial period ended 30 June 2017.

RESULTS HIGHLIGHTS

S\$’M	2Q2017	2Q2016	+/- (%)	1H2017	1H2016	+/- (%)
Revenue	150.2	124.6	20.5	263.6	258.5	2.0
Gross Profit	9.2	8.3	10.8	16.7	17.3	-3.8
Gross Margin	6.1%	6.7%	-0.6 ppt	6.3%	6.7%	-0.4 ppt
Profit Before Tax (“PBT”)	2.2	1.1	107.6	2.9	2.9	-1.9
Profit Attributable to Equity Holders	1.7	0.5	236.4	2.1	1.7	23.1
EPS (cents)	0.38	0.11		0.46	0.37	
	As at 30/06/17	As at 31/12/16				
NAV Per Share (cents)	15.25	16.57				

Mr Vincent Lim, President of TeleChoice said, “Our revenue and profit have improved considerably in the period under review, despite the prevailing weak economic conditions and the competitive landscape of the info-communications industry. Our financial performance is in line with our previously guided financial performance outlook of 2Q2017 surpassing 1Q2017 results.

“All our divisions registered higher revenue in 2Q2017. Personal Communications Solutions Services (“PCS”) division achieved strong sales boosted by the positive reception of newly-launched handset models by Samsung. Info-Communications Technology Services (“ICT”) division was successful in securing more equipment sales while Engineering division continued to perform strongly in its overseas markets.

“On the back of our strong sales and lower expenses, our net profit improved by 236.4% for the quarter under review and improved by 23.1% for 1H2017.”

RESULTS OVERVIEW

Group revenue in 2Q2017 climbed 20.5% to S\$150.2 million from S\$124.6 million in 2Q2016. 1H2017's revenue also improved, rising by 2.0% to S\$263.6 million from S\$258.5 million. The stronger revenue in 2Q2017 was attributed to sales of the Samsung S8 and S8 Edge by PCS division, higher equipment sales by ICT division and higher revenue from Engineering division's Indonesia and Philippine operations. In 1HFY2017, revenue from PCS and Engineering divisions improved while ICT division's revenue fell on lower enterprise solutions sales and lower wholesale voice revenue. Gross margin weakened marginally by 0.6 ppt to 6.1% in 2Q2017 on account of lower margins registered across all divisions while in 1H2017, the 0.4 ppt drop in gross margin to 6.3% was attributed to PCS and Engineering divisions.

PBT in 2Q2017 more than doubled to S\$2.2 million from S\$1.1 million in 2Q2016 on account of higher revenue, higher gross profit and lower operating expenses. PBT in 1H2017, at S\$2.9 million, was marginally lower by 1.9%, impacted by the share of loss of associate. Otherwise, there was improvement in PBT registered by ICT division. The share of loss of associate was attributed to a one-off expense of amortization of the intangible assets identified on acquisition of the associate.

Consequently, the Group posted profit attributable to equity holders of S\$1.7 million in 2Q2017 and S\$2.1 million in 1H2017, a 236.4% and 23.1% increase respectively over 2Q2016 and 1H2016.

As at 30 June 2017, the Group's balance sheet remained strong with a net asset value per share of 15.25 cents and cash and cash equivalents of S\$34.7 million.

ON TRACK WITH REGIONALISATION AND INCREASING CAPABILITIES

Mr Vincent Lim, President of TeleChoice added, "We are making good progress in our strategic initiatives of regionalisation and increasing capabilities.

"PCS division, in addition to pursuing opportunities in the area of enterprise services and infotainment in Singapore, is also actively expanding its retail and fulfilment and supply chain management services to overseas markets.

"ICT division is continuing to deepen its capabilities and broaden its service offerings with a focus on expanding its regional footprint while successfully securing more enterprise solutions contracts in Singapore.

"Engineering division has been developing adjacent technology products in telecommunications network, transmission and the Internet of Things. It is also exploring other technical services to broaden its revenue stream. Its focus has been to expand into new regional markets such as Vietnam, Myanmar and beyond.

"While the competition in the info-communications landscape will continue unabated, an improving economy will herald opportunities. With the Smart Nation initiative steadily taking shape at home and upgrades in connectivity, broadband speeds and other technological innovations a persistent theme regionally, we are confident of the prospects for sustainable growth."

OUTLOOK

Based on the current outlook and barring any unforeseen circumstances, the Group expects operating performance for 2H2017 to be stronger than 1H2017.

Overall, the operating performance for the full year 2017 is expected to be lower than that of 2016.

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This press release is to be read in conjunction with TeleChoice's announcement posted on the SGXNET on 14 August 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, 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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