



TELECHOICE INTERNATIONAL LIMITED  
(REG. NO. 199802072R)

Tuesday, 15 May 2012

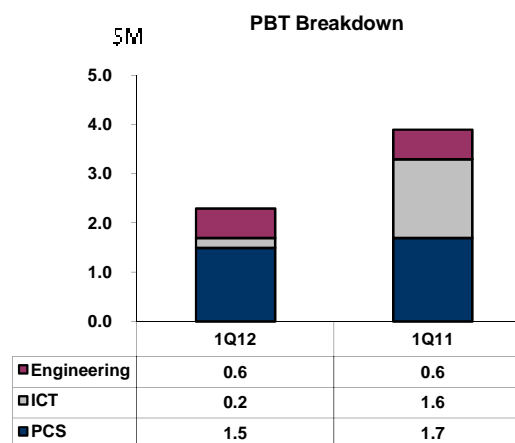
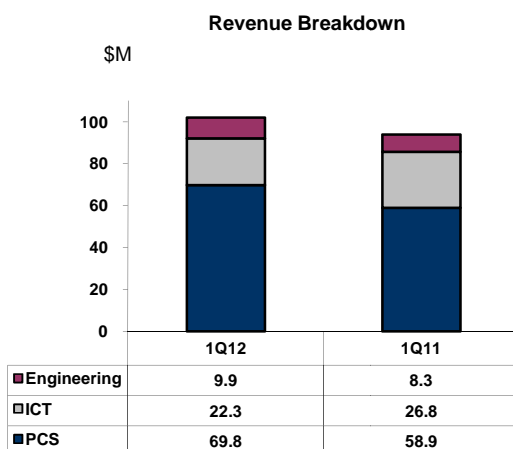
## TeleChoice 1Q12 revenue improved by 8.5% to S\$102 million

- Personal Communications Solutions (“PCS”) Services and Network Engineering (“Engineering”) Services divisions had strong revenue growth
- Newly acquired NxGen Communications Pte Ltd (“NxGen”) had positive revenue contribution
- Strong cash position of S\$28.3 million maintained

### RESULTS HIGHLIGHTS

S\$'M	1Q12	1Q11	+/-
Revenue	102.0	94.0	8.5%
Gross Profit	10.1	11.1	-9.3%
Gross Margin	9.9%	11.9%	-2.0 ppt
Profit Before Tax	2.3	3.9	-40.5%
Profit After Tax	1.7	3.3	-47.3%
Earnings Per Share (cents)	0.38	0.67	-

- Personal Communications Solutions (“PCS”) Services division’s revenue increased by 19% on strong demand for Android OS handsets
- Info-Comm Technology (“ICT”) Services division registered higher enterprise solutions revenue
- Network Engineering Services division’s revenue increased by 19% from Radio Network Planning and power supply projects and product sales in Indonesia



## **PRESIDENT'S COMMENTARY**

Mr Andrew Loh, President of TeleChoice International Limited said, "1Q12 revenue improved by 8.5% to S\$102 million (1Q11: S\$94 million) following improved sales by PCS and Engineering Services divisions offset by a drop in revenue from ICT Services division. PCS Services division enjoyed strong demand for Samsung handsets in Singapore, offset by lower regional, local channel, retail and prepaid card sales. Network Engineering Services continued to experience strong demand for its Radio Network Planning and power supply services and increased products sales in Indonesia which was offset by lower transmission revenue in Singapore. The decrease in revenue from ICT Services division was due to fewer large scale projects from S&I in this quarter. The contribution from the newly acquired NxGen operations and the growth in the enterprises solutions services partially offset the drop in S&I's revenue.

"Although revenue increased, gross profit for the quarter under review was weaker at S\$10.1 million (1Q11: S\$11.1 million) which was a 9.3% decrease from the same period last year. While the drop in S&I's revenue was the major contributor to the reduced profit, there was also lower gross margin attributed to competitive pricing for handsets and lower income earned for services provided in Malaysia by PCS Services. In addition, S&I and Network Engineering Services recognised lower margin projects. Profit before tax stood at S\$2.3 million, a 40.5% decrease from S\$3.9 million recorded in 1Q11 while profit after tax decreased by 47.3% to S\$1.7 million from S\$3.3 million in 1Q11 mainly due to lower profit recognition from S&I and inclusion of NxGen's operating expenses.

"Despite the uncertain outlook in economic conditions with the slower economic growth forecast of 1-3% for Singapore, there are positive elements in the coming year. Our recently renewed contract with StarHub for integrated fulfillment and management services now includes fulfillment services for iPhones which are still enjoying robust sales. The increased sales of Android OS system handset devices thus far, especially for Samsung handsets, the growing market for enterprise solutions and cloud computing services and the continued demand for radio network optimization and radio network planning services and network upgrading in the region will provide further opportunities for our business divisions."

## **OUTLOOK**

Based on the current outlook and barring any unforeseen circumstances, the Group expects 1H2012 operating performance to be lower than the same period last year. However, 2H2012 operating performance is expected to be better than 1H2012 and overall FY2012 operating performance to maintain at last year's level.

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*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.*

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