



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

FOR IMMEDIATE RELEASE

TELECHOICE'S PBT INCREASED ON THE BACK OF HIGHER REVENUE

- ▶ **Personal Communications Solutions (“PCS”) Services lead revenue & PBT growth**
- ▶ **FY14’s operating performance expected to be in line with FY13’s level**

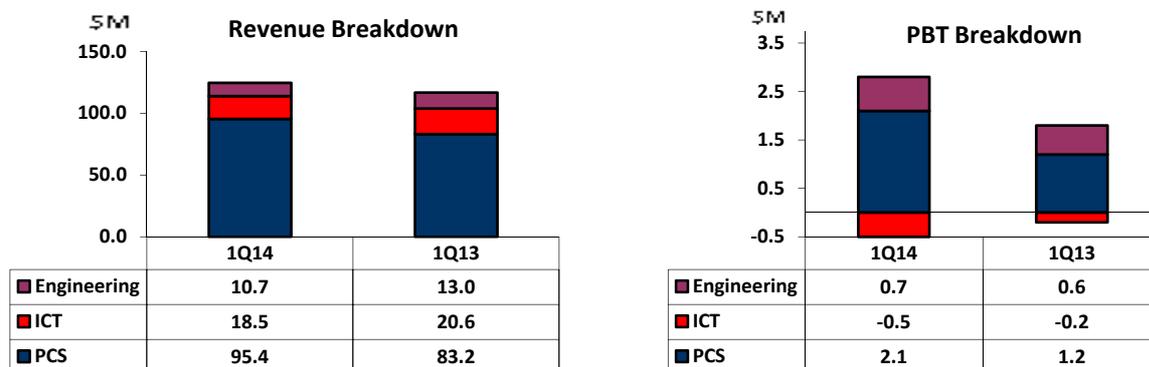
FINANCIAL HIGHLIGHTS

| S\$'M | 3 months ended 31 March 2014 | | |
|-----------------------------------|------------------------------|---------------------------|---------|
| | 1Q14 | 1Q13 | +/- (%) |
| Revenue | 124.7 | 116.8 | 6.7 |
| Gross Profit | 9.6 | 9.2 | 4.9 |
| Gross Margin | 7.7% | 7.9% | -0.2ppt |
| Profit Before Tax (“PBT”) | 2.3 | 1.6 | 46.3% |
| Profit After Tax | 1.6 | 1.1 | 43.6% |
| Earnings Per Share (cents) | 0.36 | 0.26 | 38.5% |
| | As at 31/03/14 | As at 31/12/13 | |
| Net Asset Value Per Share (cents) | 15.88 | 15.30 | |

Singapore, 15 May 2014 – SGX mainboard listed **TeleChoice International Limited** (“**TeleChoice**” or the “**Group**”), a regional diversified provider and enabler of innovative info-communications products and services, reported higher revenue of S\$124.7 million for the first quarter ended 31 March 2014 (“**1Q14**”). The Group’s PBT also increased by S\$0.7 million (1Q14: S\$2.3 million; 1Q13: S\$1.6 million).

Mr Vincent Lim, President of TeleChoice International Limited said, “**Our performance in the first quarter surpassed initial estimates due to contributions from PCS Services and Engineering Services divisions’ Singapore and overseas operations. ICT Services division’s performance, however, was negatively impacted as a result of lower sales and higher operating expenses.**”

PERFORMANCE REVIEW & SEGMENTAL UPDATE



Personal Communications Solutions (“**PCS**”) Services division revenue grew by 15% to S\$95.4 million driven by higher channel, regional and retail services, offset by lower sales to a major customer in Singapore as well as lower prepaid card sales. For Info-Communications Technology (“**ICT**”) Services division, revenue decreased by S\$2.1 million to S\$18.5 million due to lower sales from S & I Systems Pte Ltd, mitigated in part by higher wholesale revenue and stronger sales from NxGen Communications Pte Ltd. Network Engineering (“**Engineering**”) Services division sales was impacted by lower Radio Network Planning projects and power supply projects in Indonesia, resulting in a decrease in revenue of S\$2.3 million to S\$10.7 million.

Profitability wise, PCS Services division led the growth in PBT with a 75% increase to S\$2.1 million due to higher retail commission income from its Singapore and Malaysia operations. Improved profit contribution from Engineering Services division’s Singapore and Malaysia operations also had a positive impact although this was offset by lower profit contributions from its Indonesia operations. In contrast, ICT Services division registered increased losses of S\$0.3 million to S\$0.5 million on account of lower revenue and gross profits and higher operating expenses, although gross margins were higher.

Backed by higher revenue, the Group’s 1Q14 profit after tax grew by a healthy 43.6% to S\$1.6 million, from S\$1.1 million in 1Q13. Cash and cash equivalents position remained strong at S\$40.6 million as at 31 March 2014.

Mr Lim said, “**Our overall strategy remains consistent – to increase market share and value-added services to our customers, expand into new product and service offerings, streamline and consolidate operations for increased efficiency.**

PCS Services division will continue to forge a stronger retail footprint. Last year, we added a Samsung Experience Store in Bedok Mall and a StarHub platinum outlet in Westgate. In March this year, we opened our fourth StarHub Platinum outlet in Bugis Junction, a high-traffic prime retail mall to better serve our customers in the central part of Singapore.

Our e-commerce store, www.eplanetworld.com, launched in February this year, is gaining traction and complements our current physical outlets and serves the increasing trend of online electronics purchases.

ICT Services division will develop its competencies while Engineering Services division will look towards expanding its portfolio of products and services and extending its geographical reach. In line with our strategy to become an integrated enterprise infrastructure solutions provider, we have relocated these divisions, together with our corporate office, to a new premise. This will result in greater synergies and cross-division collaborations as we prepare to further penetrate new domains such as government enterprise projects. The consolidation will also reduce our operating expenses and result in cost savings.

The telecommunications industry is fast moving and constantly evolving with new technologies and solutions. A key theme for TeleChoice in the year will be to establish symbiotic relationships with operators – positioning ourselves as a major outsource or preferred partner across all our business divisions and to transit from merely selling products to offering end-to-end services.”

OUTLOOK

Based on the current outlook and barring any unforeseen circumstances, the Group expects 2Q14 operating performance to be challenging compared to 1Q14 with 2014 full year's operating performance to be maintained at last year's level.

>ends

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.

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 leading info-communications group, Singapore Technologies Telemedia Pte Ltd, which operates in the Asia Pacific, the Americas and Europe.

TeleChoice offers a comprehensive suite of services and solutions for the info-communications industry under three business divisions, Personal Communications Solutions (“**PCS**”) Services, Info-Communications Technology (“**ICT**”) Services and Network Engineering (“**Engineering**”) Services.

For more information, please visit our website at www.telechoice.com.sg

Issued by 29 Communications LLP on behalf of TeleChoice International Limited

Media / Investor Relations Contact:

Lim Siew Yin, 29 Communications, Mobile: +65 9858 4673, siewyin@29communications.com.sg

Angelina Pereira, 29 Communications, Mobile: +65 9191 4756, angiep@29communications.com.sg