

**PART I - UNAUDITED RESULTS FOR THE 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2009**

**1(a)(i) INCOME STATEMENT FOR THE 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2009**

<b>In S\$'000</b>	<b>1Q2009</b>	<b>1Q2008</b>	<b>+/- %</b>
Revenue	54,977	96,901	-43.3%
Cost of sales	(49,383)	(87,914)	-43.8%
<b>Gross profit</b>	<b>5,594</b>	<b>8,987</b>	<b>-37.8%</b>
Gross Margin %	10.2%	9.3%	0.9 ppt
Other income	469	405	15.8%
Selling and marketing expenses	(1,179)	(1,405)	-16.1%
Administrative expenses	(2,533)	(3,444)	-26.5%
Other expenses	90	(438)	-120.5%
Finance costs	(33)	(65)	-49.2%
Share of profit of jointly-controlled entity (net of tax)	82	50	64.0%
<b>Profit before income tax</b>	<b>2,490</b>	<b>4,090</b>	<b>-39.1%</b>
<i>% of revenue</i>	<i>4.5%</i>	<i>4.2%</i>	<i>0.3 ppt</i>
Income tax expense	(526)	(783)	-32.8%
<b>Profit for the period</b>	<b>1,964</b>	<b>3,307</b>	<b>-40.6%</b>
Attributable to:			
<b>Equity holders of the Company</b>	<b>1,964</b>	<b>3,307</b>	<b>-40.6%</b>
<i>% of revenue</i>	<i>3.6%</i>	<i>3.4%</i>	<i>0.2 ppt</i>
Minority interest	-	-	-
	1,964	3,307	-40.6%
No. of shares	452,968	451,442	
<b>Earnings per share (in cents)</b>			
Basic	0.43	0.73	
Diluted	0.43	0.73	

**STATEMENT OF COMPREHENSIVE INCOME FOR THE 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2009**

<b>Profit for the period</b>	1,964	3,307	-40.6%
Translation difference relating to financial statements of foreign subsidiaries	(343)	33	nm
Exchange differences on monetary items forming part of net investment in a foreign operation	(107)	(315)	-66.0%
<b>Total comprehensive income for the period</b>	<b>1,514</b>	<b>3,025</b>	<b>-50.0%</b>
Attributable to:			
Equity holders of the Company	1,514	3,025	-50.0%
Minority interest	-	-	-
<b>Total comprehensive income for the period</b>	<b>1,514</b>	<b>3,025</b>	<b>-50.0%</b>

*nm - not meaningful*



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

In S\$'000	1Q2009	1Q2008	+/- %
Staff costs	5,676	5,798	-2.1%
Directors' remuneration	99	113	-12.4%
Depreciation of property, plant and equipment (Note 1)	292	379	-23.0%
Amortisation of intangible assets (Note 1)	106	135	-21.5%
Provision for bad debts	8	6	33.3%
Exchange (gain)/ loss (Note 2)	(230)	342	167.3%
<b>Other income comprises:</b>			
Service income	201	218	-7.8%
Interest income	23	37	-37.8%
Others (Note 3)	245	150	63.3%
	469	405	15.8%

Notes:

- (1) Lower capital expenditure has resulted in decrease in depreciation and amortization expenses for the current review period. Impairment on the assets in N-Wave Telecom (Malaysia) Sdn Bhd charged in previous year has also resulted in lower depreciation for the current financial period.
- (2) Unrealised exchange gain in 1Q2009 arose mainly from work-in-progress denominated in USD.
- (3) Jobs credit granted by the Singapore Government of \$0.2m was recognised in 1Q2009.



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**1(b)(i) STATEMENT OF FINANCIAL POSITION AS AT**

In S\$'000	Group		Company	
	31/3/2009	31/12/2008	31/3/2009	31/12/2008
<b><u>Non-current assets</u></b>				
Subsidiaries	-	-	13,080	13,071
Jointly-controlled entity	978	941	955	955
Property, plant and equipment	1,532	1,742	146	187
Intangible assets	157	262	-	-
Deferred tax assets	98	208	15	91
	<b>2,765</b>	<b>3,153</b>	<b>14,196</b>	<b>14,304</b>
<b><u>Current Assets</u></b>				
Inventories	15,140	6,694	12,862	4,563
Work-in-progress	12,304	11,446	-	-
Trade and other receivables	34,451	44,873	21,403	30,053
Cash and cash equivalent	45,840	42,609	30,614	25,789
	<b>107,735</b>	<b>105,622</b>	<b>64,879</b>	<b>60,405</b>
<b>Total Assets</b>	<b>110,500</b>	<b>108,775</b>	<b>79,075</b>	<b>74,709</b>
<b>Equity attributable to equity holders of the Company</b>				
Share Capital	21,066	21,066	21,066	21,066
Other Reserves	13,135	13,557	14,082	14,054
Accumulated profits	33,199	31,235	25,830	24,224
<b>Total equity</b>	<b>67,400</b>	<b>65,858</b>	<b>60,978</b>	<b>59,344</b>
<b>Non current liabilities</b>				
Deferred tax liabilities	63	86	-	-
<b><u>Current Liabilities</u></b>				
Trade and other payables	32,611	33,019	12,469	9,940
Provision for warranties	97	104	48	49
Current tax payable	3,889	3,346	2,580	2,376
Financial liabilities	5,000	5,000	3,000	3,000
Deferred income	1,440	1,362	-	-
	<b>43,037</b>	<b>42,831</b>	<b>18,097</b>	<b>15,365</b>
<b>Total liabilities</b>	<b>43,100</b>	<b>42,917</b>	<b>18,097</b>	<b>15,365</b>
<b>Total equity and liabilities</b>	<b>110,500</b>	<b>108,775</b>	<b>79,075</b>	<b>74,709</b>

Total assets increased slightly with higher inventories and cash balances. These were offset by lower trade and other receivables as a result of receipt of cash consideration from the disposal of investment in associate company.

**1(b)(ii) GROUP BORROWING**

In S\$'000	As at 31/3/2009	As at 31/12/2008
<b>Amount repayable in one year or less</b>		
Unsecured	5,000	5,000
<b>Amount repayable after one year</b>	Nil	Nil
<b>Details of any collateral</b>	Nil	Nil



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**1(c) CONSOLIDATED CASH FLOW STATEMENT FOR THE 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2009**

<b>In S\$'000</b>	<b>1Q2009</b>	<b>1Q2008</b>
<b>Operating Activities</b>		
Profit before income tax	2,490	4,090
Adjustments for:		
Accretion of deferred income	78	(223)
Amortisation of intangible assets	106	135
Depreciation of property, plant and equipment	292	379
Interest expense	33	65
Interest income	(23)	(37)
Provision for warranties	(7)	57
Share of profits of jointly-controlled entity	(82)	(50)
Value of employees services received for issue of share options	28	35
Cash from operating profit before working capital changes	2,915	4,451
Changes in working capital	(9,399)	3,425
Cash generated from operations	(6,484)	7,876
Income tax paid	(25)	(496)
Interest received	23	37
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(6,486)</b>	<b>7,417</b>
<b>Investing Activities</b>		
Repayment from jointly-controlled entity	-	464
Proceeds from disposal of property, plant and equipment	-	69
Proceeds from disposal of investment in associate	9,568	-
Dividend from jointly-controlled equity	167	-
Purchase of intangible assets	(1)	(2)
Purchase of property, plant and equipment	(94)	(150)
<b>Net cash inflow from investing activities</b>	<b>9,640</b>	<b>381</b>
<b>Cash Flows From Financing Activities</b>		
Balances with related corporations (non-trade)	167	(81)
Interest paid	(33)	(65)
Repayment of finance lease payables	-	(10)
Repayment of short term bank loan/ bank facilities (unsecured)	-	(3,772)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>134</b>	<b>(3,928)</b>
Net increase in cash and cash equivalents	3,288	3,870
Cash and cash equivalents at beginning of period	42,609	25,008
Effect of exchange rate differences on balances held in foreign currency	(57)	(7)
<b>Cash and cash equivalents at end of period</b>	<b>45,840</b>	<b>28,871</b>

Cash flows from operating activities

The net cash outflow from operating activities in 1Q2009 was due to lower operating profits and negative changes in working capital. The negative change in working capital for the current financial period was mainly due to higher inventories to cater for quarter end promotions.

Cash flows from investing activities

The positive net cash inflow in 1Q2009 was from the disposal of investment in associate and dividend payment received from a jointly-controlled entity. Positive net cash inflow in 1Q2008 was mainly from repayment of loan from a jointly-controlled entity.

Cash flow from financing activities

The higher cash outflow in 1Q2008 was mainly from repayment of bank borrowings.

**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 1<sup>ST</sup> QUARTER ENDED 31 MARCH 2009**

In S\$'000	Share capital	Accumulated profits	Other reserves	Total equity
<b><u>GROUP</u></b>				
<b>At 1 January 2008</b>	<b>20,770</b>	<b>28,352</b>	<b>15,489</b>	<b>64,611</b>
Total comprehensive income for the period	-	3,307	(282)	3,025
Value of employee services received for issue of share option	-	-	35	35
<b>At 31 March 2008</b>	<b>20,770</b>	<b>31,659</b>	<b>15,242</b>	<b>67,671</b>
<b>At 1 January 2009</b>	<b>21,066</b>	<b>31,235</b>	<b>13,557</b>	<b>65,858</b>
Total comprehensive income for the period	-	1,964	(450)	1,514
Value of employee services received for issue of share option	-	-	28	28
<b>At 31 March 2009</b>	<b>21,066</b>	<b>33,199</b>	<b>13,135</b>	<b>67,400</b>
<b><u>COMPANY</u></b>				
<b>At 1 January 2008</b>	<b>20,770</b>	<b>24,795</b>	<b>13,939</b>	<b>59,504</b>
Total comprehensive income for the period	-	2,782	-	2,782
Share-based payments to employees of Company's subsidiaries	-	-	15	15
Value of employee services received for issue of share option	-	-	20	20
<b>At 31 March 2008</b>	<b>20,770</b>	<b>27,577</b>	<b>13,974</b>	<b>62,321</b>
<b>At 1 January 2009</b>	<b>21,066</b>	<b>24,224</b>	<b>14,054</b>	<b>59,344</b>
Total comprehensive income for the period	-	1,606	-	1,606
Share-based payments to employees of Company's subsidiaries	-	-	19	19
Value of employee services received for issue of share option	-	-	9	9
<b>At 31 March 2009</b>	<b>21,066</b>	<b>25,830</b>	<b>14,082</b>	<b>60,978</b>



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**1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL**

**A) Movements in Issued and Paid up Capital**

	No of ordinary shares	Issued and paid up Capital (\$'000)
<b>Balance as at 1 January 2009</b>	453,164,500	21,066
<b>Balance as at 31 March 2009</b>	453,164,500	21,066

**B) Employee Share Options**

As at 31 March 2009, there were unexercised options of 2,784,000 (31 March 2008: 4,457,000) unissued ordinary shares of \$0.2079 each under TeleChoice Pre-IPO Share Option Scheme.

**C) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")**

As at 31 March 2009, the number of outstanding shares granted under the Company's RSP and PSP were 1,379,500 (31 March 2008: 2,250,000) and 2,026,000 (31 March 2008 : 1,020,000) respectively.

**D) Treasury Shares**

As at 31 March 2009, there were 197,000 (31 March 2008: 300,000) treasury shares represented approximately 0.04% of the total issued share capital of the Company.

**2. AUDIT**

The results have not been audited nor reviewed by 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 2008.

**5. CHANGES IN ACCOUNTING POLICIES**

Not Applicable

**6. EARNINGS PER ORDINARY SHARE (EPS)**

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

Group	1Q2009	1Q2008	FY2008
Basic	0.43	0.73	3.14
Diluted	0.43	0.73	3.13



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## 7. NET ASSET VALUE

	GROUP		COMPANY	
	31/3/2009	31/12/2008	31/3/2009	31/12/2008
Net assets value per ordinary share based on issued share capital at the end of the financial period/year (in cents):	14.87	14.53	13.46	13.10

## 8. REVIEW OF GROUP PERFORMANCE

### A) Revenue

S\$ M s	1Q2009	1Q2008	Growth	
			\$	%
Personal Communications Solutions Services (PCS)	42.9	80.9	(38.0)	-47%
Telecommunications Services (Telecoms)	3.6	5.3	(1.7)	-32%
Network Engineering Services (Engineering)	8.5	10.7	(2.2)	-21%
Total	55.0	96.9	(41.9)	-43%

- **PCS** – Revenue declined by \$38M or 47% mainly due to lower sales from a major customer in Singapore and slowdown in demand arising from the continued weakening economy.
- **Telecoms** – Revenue decreased by \$1.7M or 32% from lower iDD usage attributable to the intense competitive environment, lower enterprise sales and decrease in contribution from the Malaysian operations.
- **Engineering** – Projects in both Singapore and Indonesia recorded lower revenue. Overall revenue decrease by \$2.2M or 21% mainly from lower sales of transmission equipment and partially offset by higher revenue from the supply of power equipment.

### B) PBT

S\$ M s	1Q2009	1Q2008	Growth	
			\$	%
Personal Communications Solutions Services (PCS)	1.8	3.3	(1.5)	-45%
Telecommunications Services (Telecoms)	0.4	0.7	(0.3)	-43%
Network Engineering Services (Engineering)	0.3	0.1	0.2	200%
Total	2.5	4.1	(1.6)	-39%

- **PCS** - PBT decreased by \$1.5M or 45% as a result of lower revenue. The lower gross profit was partially mitigated by better gross margin and lower operating expenses.
- **Telecoms** - The \$0.3M or 43% decrease in PBT was from lower revenue and lower gross margin, partially offset by lower operating expenses.
- **Engineering** – PBT increased by \$0.2M or 200% mainly from unrealised exchange gain arising from the work-in-progress denominated in USD.



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**9. VARIANCE FROM PROSPECT STATEMENT**

No material variances from previous statement.

**10. PROSPECTS**

Based on the prevailing weak global economic conditions and uncertain prospects for recovery in 2009, the Group expects FY09 operating performance to be weaker than FY08.

*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? No**

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

N/A

**(d) Books closure date**

N/A

**12. If no dividend has been declared/recommended, a statement to that effect.**

N/A





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

In S\$M	Aggregate value of all transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual	
	1Q2009	1Q2008
<b><u>Transactions for the sales of goods and services</u></b>	<b>28.1</b>	<b>51.8</b>
Temasek Holdings (Private) Limited and its Associates	28.1	51.8
<b><u>Transactions for the purchases of goods and services</u></b>	<b>1.5</b>	<b>1.5</b>
Temasek Holdings (Private) Limited and its Associates	1.5	1.5
<b>Total Interested Person Transactions</b>	<b>29.6</b>	<b>53.3</b>

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

**14. Statement pursuant to Rule 705(5) of the SGX Listing Manual**

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial statements for the first quarter ended 31 March 2009 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Andrew Loh Sur Jin**  
**President**

Date: 8 May 2009