



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

INCREASE OF SHAREHOLDING IN SUBSIDIARY

TeleChoice International Limited ("**Company**") wishes to announce that on 16 May 2013, the Company has increased its shareholding in its subsidiary, S & I Systems Pte. Ltd. ("**S & I**"), from 90% to 100%.

On 16 May 2013, S&I bought back an aggregate of 200,000 ordinary shares in the capital of S&I ("**Relevant Shares**") from two minority shareholders of S&I for an aggregate consideration of S\$2,232,709.20 ("**Aggregate Consideration**") pursuant to section 76D of the Companies Act, Chapter 50 of Singapore ("**Transaction**"). The Relevant Shares constitute 10% of the total number of issued shares in the capital of S&I ("**Shares**"), and have been cancelled. Following the completion of the Transaction and cancellation of the Relevant Shares, the Company is now the legal and beneficial owner of an aggregate of 1,800,000 Shares, constituting 100% of the total number of issued Shares.

The Aggregate Consideration was arrived at on a willing buyer, willing seller basis taking into account the audited net tangible asset ("**NTA**") per Share as at 31 December 2012 of approximately S\$3.8514, and the premium of the consideration per Share paid by the Company for the acquisition of 90% of the Shares completed on 1 November 2010 over the NTA per Share as at 1 November 2010.

The Aggregate Consideration takes into account a certain provision which was made in S&I's audited accounts for the financial year ended 31 December 2012. If such provision is reversed in the financial year ending 31 December 2013, the Aggregate Consideration will be increased accordingly and S&I will be obliged to pay the two minority shareholders additional consideration, subject to an aggregate maximum amount of S\$14,483.46.

The Aggregate Consideration was funded by internal sources of funds of S&I and has been paid in cash to the minority shareholders upon completion of the Transaction. Any additional consideration will also be funded by internal sources of funds of S&I and will be paid in cash.

The Transaction will not have any material impact on the consolidated net tangible asset per share and earnings per share of the Company for the financial year ending 31 December 2013.

None of the directors or substantial shareholders of the Company has any interest, direct or indirect in the Transaction.

By Order of the Board

Andrew Loh Sur Jin
President
16 May 2013