



TELECHOICE INTERNATIONAL LIMITED  
(REG. NO. 199802072R)

**FOR IMMEDIATE RELEASE**

**TELECHOICE POSTS NET PROFIT OF S\$0.8 MILLION AND REVENUE OF S\$126.3 MILLION FOR 1Q15**

- Lower net profit attributed to a one-off S\$0.4 million loss on disposal of a joint venture due to reclassification of exchange reserve to income statement and lower contribution mainly from ICT division
- Better quarter ahead with the full year's operating performance not to be worse off than the operating performance of FY14.

**Singapore, 14 May 2015** – 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 first quarter (“1Q15”) results for the financial period ended 31 March 2015.

**RESULTS HIGHLIGHTS**

S\$'M	1Q15	1Q14	+/- (%)
Revenue	126.3	124.7	1.3
Gross Profit	9.2	9.6	-5.1
Gross Margin	7.2%	7.7%	-0.5ppt
<b>Operating Profit</b>	<b>1.7</b>	<b>2.3</b>	<b>-28.7</b>
<b>One-off Loss on Disposal of a Joint Venture</b>	<b>0.4</b>	<b>-</b>	<b>nm</b>
<b>Profit Before Tax</b>	<b>1.3</b>	<b>2.3</b>	<b>-46.2</b>
<b>Profit Attributable to Equity Holders</b>	<b>0.8</b>	<b>1.6</b>	<b>-52.6</b>
EPS (cents)	0.17	0.36	-52.8
	As at 31/03/15	As at 31/12/14	
NAV Per Share (cents)	16.14	15.87	

For 1Q15, Group revenue increased by 1.3% to S\$126.3 million due to higher contribution from Info-Communications Technology Services (“ICT”) division and Network Engineering Services (“Engineering”) division. Gross profit dropped by 5.1% to S\$9.2 million (1Q14: S\$9.6 million) while gross margin decreased to 7.2% (1Q14: 7.7%). Group operating profit was lower at S\$1.7 million due

mainly to a 14.8% increase in selling and marketing expenses relating to higher payroll cost and expenses relating to the Group's appointment as the new master distributor for StarHub prepaid cards.

Group PBT fell 46.2% due to lower contribution from ICT and Engineering divisions and a significant one-off S\$0.4 million loss on disposal of a joint venture due to reclassification of exchange reserve to income statement. If not for the one-off loss on disposal of the joint venture, PBT would have been S\$1.7 million (1Q14: S\$2.3 million).

As at 31 March 2015, the Group maintained a healthy balance sheet and financial position with cash and cash equivalents of S\$39.3 million, and net asset value per share of 16.14 cents.

### **CEO'S COMMENTARY**

**Mr Vincent Lim, President of TeleChoice said, "The first quarter is traditionally not a strong quarter for us because of weak seasonal demand for PCS division aggravated by the variable contributions from the ICT & Engineering divisions due to timing of profit recognition of projects and the mix and value of the projects.**

**"As guided in the FY14 results announcement, we expected 1Q15 operating performance to be lower than 1Q14. Although our operating profit was relatively in line with our guidance, net profit was significantly impacted due to a one-off S\$0.4 million loss on disposal of a joint venture due to reclassification of exchange reserve to income statement. Notwithstanding this one-off exceptional loss, the Group still turned in a profitable quarter, attesting to the strength and soundness of our business and operations.**

**"Our fundamentals are intact and our financials remain strong. With the completion of our restructuring last year, we are well-positioned as a horizontally integrated company with the capabilities, resources and the people to take advantage of new opportunities in our industry.**

**"PCS division will continue to benefit from the increasing prevalence and the launch of new smart devices, intelligent wearables and products in the year. Our appointment as the master distributor for StarHub prepaid cards will also contribute to the Group's operating performance.**

**"For ICT and Engineering divisions, we continue to maintain healthy order books. ICT division has made headway in expanding our customer base beyond the financial services industry with significant government sector project wins in the second half of 2014 and we will continue to gain traction in this space riding on the government's Smart Nation Initiatives. For Engineering, a key focus will be to expand into new markets such as Vietnam and Myanmar leveraging on our close working relationships with partners and vendors."**

### **OUTLOOK**

Based on the current outlook and barring any unforeseen circumstances, the Group expects 2Q15 to be better than 1Q2015 with the full year's operating performance not to be worse off than the operating performance of FY14.

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*This press release is to be read in conjunction with TeleChoice's announcement posted on the SGXNET on 14 May 2015.*

### **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 Services ("PCS"), Info-Communications Technology Services ("ICT") and Network Engineering Services ("Engineering").

For more information, please visit our website at [www.telechoice.com.sg](http://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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