



**TELECHOICE INTERNATIONAL LIMITED**  
(REG. NO. 199802072R)

**PART I - UNAUDITED RESULTS FOR THE 3<sup>RD</sup> QUARTER AND 9 MONTHS ENDED 30 SEPTEMBER 2015**

**1(a)(i) INCOME STATEMENT FOR THE 3<sup>RD</sup> QUARTER AND 9 MONTHS ENDED 30 SEPTEMBER 2015**

In S\$'000	3Q2015	3Q2014	+/- %	9M2015	9M2014	+/- %
Revenue	145,170	131,544	10.4%	418,378	385,379	8.6%
Cost of sales	(135,561)	(120,891)	12.1%	(389,340)	(355,204)	9.6%
<b>Gross profit</b> (Note 1a)	<b>9,609</b>	<b>10,653</b>	-9.8%	<b>29,038</b>	<b>30,175</b>	-3.8%
Gross Margin % (Note 1b)	6.6%	8.1%	-1.5 ppt	6.9%	7.8%	-0.9 ppt
Other income (Note 2)	70	141	-50.4%	422	513	-17.8%
Selling and marketing expenses (Note 3)	(2,878)	(2,649)	8.6%	(8,479)	(7,663)	10.6%
Administrative expenses	(4,309)	(4,693)	-8.2%	(13,222)	(13,853)	-4.6%
Other expenses (Note 4)	(246)	(285)	-13.7%	(1,017)	(1,071)	-5.0%
Net finance costs (Note 5)	(102)	(217)	-53.0%	(289)	(594)	-51.3%
<b>Operating profit before income tax</b>	<b>2,144</b>	<b>2,950</b>	-27.3%	<b>6,453</b>	<b>7,507</b>	-14.0%
% of revenue	1.5%	2.2%	-0.7 ppt	1.5%	1.9%	-0.4 ppt
Loss on disposal of a joint venture (Note 6)	-	-	-	(409)	-	nm
<b>Profit before income tax</b>	<b>2,144</b>	<b>2,950</b>	-27.3%	<b>6,044</b>	<b>7,507</b>	-19.5%
% of revenue	1.5%	2.2%	-0.7 ppt	1.4%	1.9%	-0.5 ppt
Income tax expense (Note 7)	(677)	(767)	-11.7%	(1,805)	(2,018)	-10.6%
<b>Profit for the period</b>	<b>1,467</b>	<b>2,183</b>	-32.8%	<b>4,239</b>	<b>5,489</b>	-22.8%
Attributable to:						
<b>Equity holders of the Company</b>	<b>1,538</b>	<b>2,289</b>	-32.8%	<b>4,443</b>	<b>5,696</b>	-22.0%
% of revenue	1.1%	1.7%	-0.6 ppt	1.1%	1.5%	-0.4 ppt
Non-controlling interests	(71)	(106)	-33.0%	(204)	(207)	-1.4%
	1,467	2,183	-32.8%	4,239	5,489	-22.8%
Weighted average number of shares (in '000)	454,053	454,109		454,135	454,123	
<b>Earnings per share (in cents)</b>						
Basic	0.34	0.50		0.98	1.25	
Diluted	0.34	0.50		0.98	1.25	

**STATEMENT OF COMPREHENSIVE INCOME FOR THE 3<sup>RD</sup> QUARTER AND 9 MONTHS ENDED 30 SEPTEMBER 2015**

In S\$'000	3Q2015	3Q2014	+/- %	9M2015	9M2014	+/- %
<b>Profit for the period</b>	<b>1,467</b>	<b>2,183</b>	-32.8%	<b>4,239</b>	<b>5,489</b>	-22.8%
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign subsidiaries	(763)	168	nm	(1,758)	347	nm
Foreign currency translation differences on disposal of foreign joint venture reclassified to profit or loss	-	-	nm	409	-	nm
Exchange differences on monetary items forming part of net investment in a foreign operations	(26)	123	nm	(208)	87	nm
<b>Total comprehensive income for the period</b>	<b>678</b>	<b>2,474</b>	-72.6%	<b>2,682</b>	<b>5,923</b>	-54.7%
Attributable to:						
Equity holders of the Company	724	2,584	-72.0%	2,880	6,156	-53.2%
Non-controlling interests	(46)	(110)	-58.2%	(198)	(233)	-15.0%
<b>Total comprehensive income for the period</b>	<b>678</b>	<b>2,474</b>	-72.6%	<b>2,682</b>	<b>5,923</b>	-54.7%

nm - not meaningful

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

In S\$'000	3Q2015	3Q2014	+/- %	9M2015	9M2014	+/- %
Staff costs (Note 8)	11,071	11,025	0.4%	33,461	31,028	7.8%
Directors' remuneration, included in staff costs	114	117	-2.6%	342	352	-2.8%
Depreciation of property, plant and equipment (Note 9)	376	459	-18.1%	1,108	1,211	-8.5%
Amortisation of intangible assets (Note 10)	371	442	-16.1%	1,134	1,295	-12.4%
Provision for bad debts (Note 11)	11	18	-38.9%	27	7	285.7
Exchange (gain)/loss (Note 12)	(51)	(24)	112.5%	14	18	-22.2%
Write down of inventories to net realisable value (Note 13)	104	232	-55.2%	428	746	-42.6%
Adjustments for under/(over)provision of tax in respect of prior years (Note 14)	83	-	100%	78	(14)	nm

**Notes:**

- (1a) In 3Q2015 and 9M2015, ICT and Engineering divisions reported lower gross profit against previous periods.
- (1b) In 3Q2015, PCS and Engineering divisions reported lower gross margins against 3Q2014. In 9M2015, the lower gross margin was attributed to ICT and Engineering divisions.
- (2) Lower other income in 3Q2015 and 9M2015 were due to lower rental income.
- (3) Higher selling and marketing expenses in 3Q2015 and 9M2015 were mainly from higher payroll cost and expenses relating to the new master distributorship for prepaid cards.
- (4) Lower other expenses in 3Q2015 was due to lower foreign exchange loss.
- (5) Lower net finance costs in 3Q2015 and 9M2015 were due to higher interest income arising from changes in amortised costs of long term receivables.
- (6) Loss on disposal of a joint venture was related to disposal of a foreign joint venture. The loss arose from reclassification of exchange reserve to income statement.
- (7) The lower income tax expense in 3Q2015 and 9M2015 against previous period were due to lower profits.
- (8) Higher staff costs in 3Q2015 and 9M2015 were due to increase in headcount to support the retail and prepaid card operations in Singapore, public sector projects for the ICT business and Engineering projects in Indonesia.
- (9) Lower depreciation in 3Q2015 and 9M2015 were due to certain assets being fully depreciated.
- (10) Lower amortisation in 3Q2015 and 9M2015 were mainly due to the ePlanet ecommerce portal having been fully amortised in 2014.
- (11) Lower provision for bad debts in 3Q2015 was attributed to ICT customers while the lower provision of bad debts in 9M2014 was mainly attributed to a reversal from a PCS customer.
- (12) Net exchange gain in 3Q2015 arose mainly from USD cash balances and receivables. Exchange gain in 3Q2014 arose mainly from MYR cash balances and receivables. Net exchange loss in 9M2015 arose mainly from MYR cash balances. Exchange loss in 9M2014 arose mainly from USD cash balances.
- (13) Lower write down of inventories in 9M2015 was due to lower slow moving mobile phones held.
- (14) Adjustments for the under provision of taxation in 3Q2015 and 9M2015 were due to the differences in final tax assessment and tax estimates made in prior year.



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

In S\$'000	Group		Company	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
<b>Non-current assets</b> (Note 1)				
Subsidiaries	-	-	37,221	37,124
Joint venture	-	-	-	-
Property, plant and equipment	3,011	3,336	734	899
Intangible assets	13,049	14,046	61	110
Deferred tax assets	717	730	-	-
Trade and other receivables	4,213	6,237	-	-
	<b>20,990</b>	<b>24,349</b>	<b>38,016</b>	<b>38,133</b>
<b>Current assets</b> (Note 2)				
Inventories	45,217	13,119	37,195	5,483
Work-in-progress	23,652	19,629	-	-
Trade and other receivables	71,214	91,658	29,568	45,109
Cash and cash equivalents	28,659	37,986	7,431	11,901
	<b>168,742</b>	<b>162,392</b>	<b>74,194</b>	<b>62,493</b>
<b>Total assets</b>	<b>189,732</b>	<b>186,741</b>	<b>112,210</b>	<b>100,626</b>
<b>Equity</b>				
Share capital	21,987	21,987	21,987	21,987
Other reserves	7,558	9,346	13,287	13,512
Accumulated profits	37,947	40,775	9,869	12,913
<b>Equity attributable to equity holders of the Company</b>	<b>67,492</b>	<b>72,108</b>	<b>45,143</b>	<b>48,412</b>
Non-controlling interests	(29)	169	-	-
<b>Total equity</b>	<b>67,463</b>	<b>72,277</b>	<b>45,143</b>	<b>48,412</b>
<b>Non-current liabilities</b> (Note 3)				
Deferred tax liabilities	215	366	22	22
Loans and borrowings	4,985	-	4,985	-
Trade and other payables	3,192	2,734	-	-
	<b>8,392</b>	<b>3,100</b>	<b>5,007</b>	<b>22</b>
<b>Current liabilities</b> (Note 4)				
Trade and other payables	88,157	85,598	50,279	41,938
Excess of progress billings over work-in-progress	494	303	-	-
Provision for warranties	225	229	25	25
Current tax payable	1,089	396	498	229
Loans and borrowings	19,150	19,968	11,254	10,000
Deferred revenue	4,762	4,870	4	-
	<b>113,877</b>	<b>111,364</b>	<b>62,060</b>	<b>52,192</b>
<b>Total liabilities</b>	<b>122,269</b>	<b>114,464</b>	<b>67,067</b>	<b>52,214</b>
<b>Total equity and liabilities</b>	<b>189,732</b>	<b>186,741</b>	<b>112,210</b>	<b>100,626</b>



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Notes:

- (1) Group non-current assets were lower by \$3.4M mainly due to reclassification of trade receivables with an ICT customer from non-current to current and amortisation of intangible assets.
- (2) Group current assets were higher by \$6.4M mainly due to higher inventories purchased for forecasted mobile phones and prepaid card sales for 4Q2015. This was offset by lower trade receivables due from related corporations and lower cash and cash equivalents.
- (3) Group non-current liabilities were higher by \$5.3M due to a 3 Year loan draw down in 3Q2015.
- (4) Group current liabilities were higher by \$2.5M due to higher trade payables for inventories purchased for forecasted sales in 4Q2015. These were partially offset by the payment of the second tranche contingent consideration of \$5.9M for the acquisition of the remaining shares in NxGen Communications Pte Ltd.

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

<b>In S\$'000</b>	<b>As at 30/09/2015</b>	<b>As at 31/12/2014</b>
<b>Amount repayable in one year or less</b>		
Bank loans – unsecured	19,150	19,968
<b>Amount repayable after one year</b>		
Bank loan - unsecured	4,985	-
Total	<u>24,135</u>	<u>19,968</u>

**Details of any collateral**

Nil



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**1(c) CONSOLIDATED CASH FLOW STATEMENT FOR THE 3<sup>RD</sup> QUARTER AND 9 MONTHS ENDED 30 SEPTEMBER 2015**

<b>In S\$'000</b>	<b>3Q2015</b>	<b>3Q2014</b>	<b>9M2015</b>	<b>9M2014</b>
<b>Operating Activities</b>				
Profit before income tax	2,144	2,950	6,044	7,507
Adjustments for:				
Amortisation of intangible assets	371	442	1,134	1,295
Depreciation of property, plant and equipment	376	459	1,108	1,211
Finance costs	195	257	695	758
Finance income	(93)	(40)	(406)	(164)
Loss on disposal of property, plant and equipment and intangible assets	(3)	-	(3)	35
Loss on disposal of a joint venture	-	-	409	-
Gains on disposal of subsidiaries	-	-	-	(11)
Provision for warranties	(1)	37	10	47
Share-based payments expenses	106	88	313	222
Cash from operating profit before working capital changes	3,095	4,193	9,304	10,900
Changes in working capital	(6,794)	(6,235)	(5,217)	(15,347)
Cash (used in)/generated from operations	(3,699)	(2,042)	4,087	(4,447)
Income tax paid	(416)	(644)	(1,227)	(1,327)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(4,115)</b>	<b>(2,686)</b>	<b>2,860</b>	<b>(5,774)</b>
<b>Investing Activities</b>				
Dividend paid to selling shareholders of a subsidiary	(440)	-	(440)	(1,438)
Disposal of subsidiary, net of cash disposed of	-	-	-	(13)
Payment of contingent consideration	(5,900)	-	(5,900)	-
Purchase of intangible assets	(78)	(41)	(139)	(232)
Purchase of property, plant and equipment	(345)	(779)	(845)	(2,472)
Proceeds from disposal of property, plant and equipment	5	3	8	12
Interest received	40	17	120	141
Bank deposit pledged	-	-	-	22
<b>Net cash outflow from investing activities</b>	<b>(6,718)</b>	<b>(800)</b>	<b>(7,196)</b>	<b>(3,980)</b>
<b>Financing Activities</b>				
Balances with related corporations (non-trade)	121	(72)	(72)	(197)
Dividend paid	-	-	(7,271)	(7,270)
Interest paid	(162)	(161)	(577)	(492)
Proceeds from issue of shares under Pre-IPO Share Option Scheme	-	-	-	77
Purchase of treasury shares	(136)	(89)	(674)	(293)
Proceeds from bank loans	5,862	2,398	15,710	5,781
Repayment of short term bank loans	-	(3,223)	(11,543)	(6,142)
<b>Net cash inflow/(outflow) from financing activities</b>	<b>5,685</b>	<b>(1,147)</b>	<b>(4,427)</b>	<b>(8,536)</b>
Net decrease in cash and cash equivalents	(5,148)	(4,633)	(8,763)	(18,290)
Cash and cash equivalents at beginning of period	34,020	35,166	37,986	48,884
Effect of exchange rate changes on balances held in foreign currency	(213)	107	(564)	46
<b>Cash and cash equivalents at end of period</b>	<b>28,659</b>	<b>30,640</b>	<b>28,659</b>	<b>30,640</b>



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Cash flows from operating activities

There was higher net cash outflow in 3Q2015 mainly due to lower operating profits. Higher cash inflow in 9M2015 was due to lower negative change in working capital from lower trade receivables and higher payables offset by higher inventories.

Cash flows from investing activities

Higher net cash outflow in 3Q2015 and 9M2015 were mainly due to the payment of the second tranche contingent consideration of \$5.9M for the acquisition of the remaining shares in NxGen Communications Pte Ltd.

Cash flow from financing activities

Net cash inflow in 3Q2015 and lower cash outflow in 9M2015 were mainly due to additional borrowings.

**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 3RD QUARTER AND 9 MONTHS ENDED 30 SEPTEMBER 2015**

In S\$'000	Share capital	Accumulated profits	Other reserves	Total attributable to equity holders of the Company	Non controlling interests	Total equity
<b>GROUP</b>						
<b>At 1 July 2014</b>	<b>21,987</b>	<b>34,775</b>	<b>9,006</b>	<b>65,768</b>	<b>132</b>	<b>65,900</b>
Total comprehensive income for the period	-	2,289	295	2,584	(110)	2,474
Purchase of treasury shares	-	-	(89)	(89)	-	(89)
Transfer from treasury shares to share-based payments reserve	-	-	70	70	-	70
Share-based payments expenses	-	-	88	88	-	88
<b>At 30 September 2014</b>	<b>21,987</b>	<b>37,064</b>	<b>9,370</b>	<b>68,421</b>	<b>22</b>	<b>68,443</b>
<b>At 1 July 2015</b>	<b>21,987</b>	<b>36,409</b>	<b>8,266</b>	<b>66,662</b>	<b>17</b>	<b>66,679</b>
Total comprehensive income for the period	-	1,538	(814)	724	(46)	678
Purchase of treasury shares	-	-	(136)	(136)	-	(136)
Transfer from treasury shares to share-based payments reserve	-	-	136	136	-	136
Share-based payments expenses	-	-	106	106	-	106
<b>At 30 September 2015</b>	<b>21,987</b>	<b>37,947</b>	<b>7,558</b>	<b>67,492</b>	<b>(29)</b>	<b>67,463</b>
<b>At 1 January 2014</b>	<b>21,893</b>	<b>38,638</b>	<b>8,928</b>	<b>69,459</b>	<b>255</b>	<b>69,714</b>
Total comprehensive income for the period	-	5,696	460	6,156	(233)	5,923
Issue of 368,000 ordinary shares at exercise price of \$0.2079 per share under share option scheme	77	-	-	77	-	77
Share options exercised	17	-	(17)	-	-	-
Purchase of treasury shares	-	-	(293)	(293)	-	(293)
Transfer from treasury shares to share-based payments reserve	-	-	70	70	-	70
Share-based payments expenses	-	-	222	222	-	222
FY2013 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)	-	(7,270)
<b>At 30 September 2014</b>	<b>21,987</b>	<b>37,064</b>	<b>9,370</b>	<b>68,421</b>	<b>22</b>	<b>68,443</b>
<b>At 1 January 2015</b>	<b>21,987</b>	<b>40,775</b>	<b>9,346</b>	<b>72,108</b>	<b>169</b>	<b>72,277</b>
Total comprehensive income for the period	-	4,443	(1,563)	2,880	(198)	2,682
Purchase of treasury shares	-	-	(674)	(674)	-	(674)
Transfer from treasury shares to share-based payments reserve	-	-	136	136	-	136
Share-based payments expenses	-	-	313	313	-	313
FY2014 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,271)	-	(7,271)	-	(7,271)
<b>At 30 September 2015</b>	<b>21,987</b>	<b>37,947</b>	<b>7,558</b>	<b>67,492</b>	<b>(29)</b>	<b>67,463</b>

In S\$'000	Share capital	Accumulated profits	Other reserves	Total equity
<b>COMPANY</b>				
<b>At 1 July 2014</b>	<b>21,987</b>	<b>10,822</b>	<b>13,318</b>	<b>46,127</b>
Total comprehensive income for the period	-	525	-	525
Purchase of treasury shares	-	-	(89)	(89)
Transfer from treasury shares to share-based payments reserve	-	-	70	70
Share-based payments to employees of Company's subsidiaries	-	-	28	28
Share-based payments expenses	-	-	59	59
<b>At 30 September 2014</b>	<b>21,987</b>	<b>11,347</b>	<b>13,386</b>	<b>46,720</b>
<b>At 1 July 2015</b>	<b>21,987</b>	<b>8,857</b>	<b>13,181</b>	<b>44,025</b>
Total comprehensive income for the period	-	1,012	-	1,012
Purchase of treasury shares	-	-	(136)	(136)
Transfer from treasury shares to share-based payments reserve	-	-	136	136
Share-based payments to employees of Company's subsidiaries	-	-	34	34
Share-based payments expenses	-	-	72	72
FY2014 final dividend of 1.6 cents per share (one-tier tax exempt)	-	-	-	-
<b>At 30 September 2015</b>	<b>21,987</b>	<b>9,869</b>	<b>13,287</b>	<b>45,143</b>
<b>At 1 January 2014</b>	<b>21,893</b>	<b>16,548</b>	<b>13,404</b>	<b>51,845</b>
Total comprehensive income for the period	-	2,069	-	2,069
Issue of 368,000 ordinary shares at exercise price of \$0.2079 per share under share option scheme	77	-	-	77
Share options exercised	17	-	(17)	-
Purchase of treasury shares	-	-	(293)	(293)
Transfer from treasury shares to share-based payments reserve	-	-	70	70
Share-based payments to employees of Company's subsidiaries	-	-	81	81
Share-based payments expenses	-	-	141	141
FY2013 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)
<b>At 30 September 2014</b>	<b>21,987</b>	<b>11,347</b>	<b>13,386</b>	<b>46,720</b>
<b>At 1 January 2015</b>	<b>21,987</b>	<b>12,913</b>	<b>13,512</b>	<b>48,412</b>
Total comprehensive income for the period	-	4,227	-	4,227
Purchase of treasury shares	-	-	(674)	(674)
Transfer from treasury shares to share-based payments reserve	-	-	136	136
Share-based payments to employees of Company's subsidiaries	-	-	97	97
Share-based payments expenses	-	-	216	216
FY2014 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,271)	-	(7,271)
<b>At 30 September 2015</b>	<b>21,987</b>	<b>9,869</b>	<b>13,287</b>	<b>45,143</b>





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

**A) Share Capital**

As at 30 September 2015, the share capital of the Company amounted to \$21.987 million comprising 454,421,918 issued ordinary shares excluding treasury shares. (30 September 2014: 454,421,498 ordinary shares excluding treasury shares; 31 December 2014: 454,421,498 ordinary shares excluding treasury shares).

During the third quarter ended 30 September 2015, there was no issuance of new ordinary shares.

**B) Employee Share Options**

The TeleChoice Pre-IPO Share Option Scheme had expired on 17 May 2014. As at 30 September 2015 and 30 September 2014, there were no unexercised options.

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

As at 30 September 2015, the number of outstanding shares granted under the Company's RSP and PSP were 5,702,600 (30 September 2014: 5,055,280) and 2,043,890 (30 September 2014: 1,923,570) respectively.

**D) Treasury Shares**

During the third quarter ended 30 September 2015, a total of 486,000 ordinary shares were repurchased from the market at a total consideration of \$136,097 and 2,449,720 treasury shares were transferred to participants of the Company's share plans. After the transfer, the treasury shares balance was 582 shares as at 30 September 2015 (30 September 2014: 1,002) representing approximately 0.0001% of the total issued share capital of the Company.

**2. AUDIT**

The results have not been audited or reviewed by the Company's 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 2014.

In the current financial year, the Group and the Company have adopted all the new and revised Financial Reporting Standards (FRSs) and Interpretations of FRSs (INT FRSs) that are relevant to its operations and effective for annual periods beginning on 1 January 2015. The adoption of these new/revised FRSs and INT FRSs does not result in substantial changes to the Group's and the Company's accounting policies and had no material effect on the amounts reported for the current or prior periods.

**5. CHANGES IN ACCOUNTING POLICIES**

Not applicable.

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

Group	3Q2015	3Q2014	9M2015	9M2014	FY2014
Basic	0.34	0.50	0.98	1.25	2.06
Diluted	0.34	0.50	0.98	1.25	2.06

**7. NET ASSET VALUE**

	GROUP		COMPANY	
	30/09/2015	31/12/2014	30/09/2015	31/12/2014
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (in cents):	14.85	15.87	9.93	10.65

**8. REVIEW OF GROUP PERFORMANCE**

**A) Revenue**

S\$M	3Q2015	3Q2014	Growth		9M2015	9M2014	Growth	
			\$	%			\$	%
Personal Communications Solutions Services ("PCS")	109.7	80.9	28.8	36%	314.6	273.9	40.7	15%
Info-Communications Technology Services ("ICT")	21.4	38.0	(16.6)	(44%)	67.9	76.9	(9.0)	(12%)
Network Engineering Services ("Engineering")	14.1	12.6	1.5	12%	35.9	34.6	1.3	4%
Total	145.2	131.5	13.7	10%	418.4	385.4	33.0	9%

- **PCS** – Revenue increased by \$28.8M and \$40.7M in 3Q2015 and 9M2015 respectively. There were higher prepaid sales with the appointment as the new master distributor offset by lower sales in Malaysia. In 9M2015, there was also lower channel sales.
- **ICT** – Revenue decreased by \$16.6M and \$9.0M in 3Q2015 and 9M2015 respectively mainly due to a one-off long term software and maintenance contract recognised in 3Q2014. There were however higher enterprise solutions sales and wholesale voice revenue.
- **Engineering** – Revenue increased by \$1.5M and \$1.3M in 3Q2015 and 9M2015 respectively mainly due to higher power supply product sales in Indonesia offset by lower project revenues in Singapore and Malaysia.



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**B) PBT**

S\$M	3Q2015	3Q2014	Growth		9M2015	9M2014	Growth	
			\$	%			\$	%
PCS	1.6	1.3	0.3	23%	5.6	4.9	0.7	14%
ICT	(0.4)	0.7	(1.1)	(157%)	(1.2)	0.2	(1.4)	nm
Engineering	0.9	0.9	0	0%	2.0	2.4	(0.4)	(17%)
Operating PBT	2.1	2.9	(0.8)	(28%)	6.4	7.5	(1.1)	(15%)
Loss on disposal of a joint venture	-	-	-	-	(0.4)	-	(0.4)	(100%)
Group PBT	2.1	2.9	(0.8)	(28%)	6.0	7.5	(1.5)	(20%)

- **PCS** - PBT increased by \$0.3M and \$0.7M in 3Q2015 and 9M2015 respectively mainly due to higher profit contribution from Singapore operations. The weakening of the Malaysian Ringgit has also impacted the profit contribution from Malaysia.
- **ICT** – Weaker performance by \$1.1M and \$1.4M in 3Q2015 and 9M2015 were mainly due to lower gross profits partially mitigated by lower operating expenses. Excluding the amortisation of intangible assets arising from the acquisitions and interest accretion, operating loss for 9M2015 was \$0.29M while operating profit for 9M2014 was \$1.36M.
- **Engineering** – PBT was maintained at \$0.9M in 3Q2015. PBT decreased by \$0.4M in 9M2015 due to lower profit contribution from Singapore and higher losses in Malaysia. These were mitigated by higher profit contribution from Indonesia despite the translation loss due to the weakening of the Indonesian Rupiah.
- Loss on disposal of a joint venture is related to disposal of a foreign joint venture. The loss arose from reclassification of exchange reserve to income statement.

**9. VARIANCE FROM PROSPECT STATEMENT**

There are no material variances between the prospect statement set out in the 2Q2015 announcement dated 14 August 2015 and the actual results for 3Q2015.

**10. PROSPECTS**

Based on the current economic outlook and barring any unforeseen circumstances, the Group expects the operating performance for 2H2015 to be better than 1H2015. Overall, the operating performance for the full year 2015 is expected to be lower than that of 2014.

*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



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**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

Not applicable.

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

In S\$M	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual			
	3Q2015	3Q2014	9M2015	9M2014
<b><u>Transactions for the sales of goods and services</u></b>				
Temasek Holdings (Private) Limited and its Associates	61.8	44.9	173.1	153.2
<b><u>Transactions for the purchases of goods and services</u></b>				
Temasek Holdings (Private) Limited and its Associates	30.8	14.9	95.8	49.1
<b>Total Interested Person Transactions</b>	<b>92.6</b>	<b>59.8</b>	<b>268.9</b>	<b>202.3</b>

There were no interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST 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 third quarter and nine months ended 30 September 2015 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Lim Shuh Moh Vincent**  
**President**

Date: 12 November 2015