



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

INVESTMENT IN MVI SYSTEMS LIMITED

The Board of Directors of TeleChoice International Limited ("**Company**") wishes to announce that the Company's wholly-owned subsidiary, NxGen Communications Pte Ltd ("**NxGen**"), has on 16 May 2016 entered into a share subscription agreement ("**SSA**") with MVI Systems Limited ("**MVI**") and its shareholders, Anke Gill, Sin Tak Fai Karl, Au-Yeung Lo Chu Chris and Yeung Ying For Maurice ("**Existing MVI Shareholders**") for NxGen to acquire an approximately 25.19% stake in MVI on a fully diluted basis ("**Transaction**").

MVI is a company that is incorporated in Hong Kong. MVI and its subsidiaries ("**MVI Group**") are primarily engaged in the business of providing high-end internet protocol television technology and related solutions, high definition and ultra-high definition set-top boxes, and video contents, particularly for the hospitality industry, through its self-developed proprietary platform. MVI has a regional customer base located in Singapore, Malaysia, Thailand, Sri Lanka, Philippines, Hong Kong, Macau and China. MVI's products are complementary to NxGen's unified communication solutions offering for the hospitality industry. This strategic investment provides NxGen the opportunity to offer a broader range of solutions in the hospitality information technology ecosystem, as well as cross-sell opportunities in the regional countries.

The aggregate subscription price for the approximately 25.19% stake in MVI is HK\$11,640,000 ("**Subscription Price**"). The Subscription Price was arrived at following arms' length negotiations and on a willing-seller and willing-buyer basis, taking into account the agreed pre-money valuation of MVI of approximately HK\$34.57 million ("**Agreed Valuation**"), which in turn assumes that the average audited net profit after tax attributable to shareholders of MVI for each consecutive twelve (12) month period during the period of twenty-four (24) months from Completion ("**Average NPAT**") shall be approximately HK\$10.57 million ("**Reference NPAT**"). The Subscription Price was fully paid in cash on completion of the Transaction.

If the actual Average NPAT is less than the Reference NPAT, then the Agreed Valuation will be adjusted downwards on a proportionate basis, and NxGen's stake in MVI will correspondingly be increased to more than 25.19% after the actual Average NPAT has been determined.

Based on the unaudited balance sheet of MVI Group for the financial year ended 31 March 2016, MVI Group recorded an unaudited negative net tangible asset of HK\$7.0 million.

Completion of the Transaction has taken place on 16 May 2016. Following completion of the Transaction, MVI has become an associated company of NxGen.

Under the SSA, NxGen and the Existing MVI Shareholders have agreed to discuss in good faith and negotiate diligently with a view to NxGen increasing its stake in MVI to more than 50% within thirty-six (36) months from the date of the SSA, provided for the avoidance of doubt that NxGen is under no obligation to subscribe for or otherwise take up any further shares in MVI.

The Transaction constitutes a non-discloseable transaction within Chapter 10 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The Transaction is not expected to have any material effect on the net tangible asset per share or the earnings per share of the Company for the current financial year.



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None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Transaction, other than through their shareholding interests in the Company.

A copy of the SSA will be available for inspection during normal business hours at the Company's registered office at 1 Temasek Avenue, #33-01 Millenia Tower, Singapore 039192 for a period of three (3) months from the date of this Announcement.

By Order of the Board

Lim Shuh Moh Vincent
President
16 May 2016