TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

PROPOSED ACQUISITION OF REMAINING 49% OF THE ISSUED SHARES IN THE CAPITAL OF PLANET SMART SERVICES PTE. LTD.

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1. INTRODUCTION

1.1 SPA. The Board of Directors of TeleChoice International Limited ("**Company**") wishes to announce that it has entered into a sale and purchase agreement dated 2 January 2019 ("**SPA**") with Hun Tock Juan Ronnie ("**Ronnie**") in connection with the purchase of 294,000 ordinary shares in the capital of a subsidiary, Planet Smart Services Pte. Ltd. ("**PSSL**") ("**Sale Shares**") by the Company from Ronnie ("**Transaction**").

1.2 PSSL. PSSL is incorporated in Singapore and is engaged in the provision of infrastructure engineering services, and other information technology and computer service activities. Based on the unaudited balance sheet of PSSL for the nine months ended 30 September 2018, the net tangible asset of PSSL as at 30 September 2018 was around S$1,042,000 and the net profit after tax of PSSL for the period from 1 January 2018 to 30 September 2018 was around S$268,000.

1.3 Share Capital. As at the date hereof, PSSL has an issued and paid-up share capital of S$600,000, comprising 600,000 ordinary shares in the capital of PSSL ("**Shares**"). The Sale Shares represent 49% of the total number of issued shares in the capital of PSSL ("**Shares**"). The Company holds the remaining 306,000 Shares, representing 51% of the total number of issued Shares.

1.4 Completion. Completion of the Transaction ("**Completion**") has taken place on the date hereof, simultaneously with execution of the SPA. Following Completion, PSSL has become a wholly-owned subsidiary of the Company.

2. CONSIDERATION

2.1 Consideration. The consideration for the Transaction is 49% of the net tangible assets ("**NTA**") of PSSL as at 31 December 2018, to be based on the audited financial statements of PSSL for the financial year ended 31 December 2018 ("**PSSL Audited Accounts**") ("**Consideration**"). The Consideration will be known only when the PSSL Audited Accounts are available. The Consideration was arrived at following arm's length negotiations and on a willing-seller and willing-buyer basis.

2.2 Payment of Consideration. At Completion, the Company has paid an initial consideration of S$600,000 ("**Initial Consideration**"), which is equivalent to 49% of the NTA of PSSL as at 30 November 2018, based on the unaudited financial statements of PSSL for the period from 1 January 2018 to 30 November 2018. The balance of the Consideration, being the difference between the Consideration and the Initial Consideration, will be payable not later than 21 April 2019. The Consideration is being funded through internal resources of the Company and its subsidiaries ("**Group**").

3. RATIONALE

The Transaction provides the Company with the opportunity to gain full management control of, and to recognise the additional profit contribution from, PSSL.

4. DISCLOSEABLE TRANSACTION

The relative figures for the Transaction computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**") are as follows:

Rule	Basis of Computation	Relative Figures
1006(a)	The net asset value of the assets to be disposed of compared with the Group's net asset value. This basis is not applicable to an acquisition of assets	Not applicable
1006(b)	The net profits(1) attributable to the assets acquired or disposed of, compared with the Group's net profits(2)	6.07%
1006(c)	The aggregate value of the consideration given or received(3), compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares(4)	0.60%
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Notes:

(1) Based on the unaudited financial statements of PSSL for the period from 1 January 2018 to 30 September 2018, the net profit before income tax, minority interests and extraordinary items attributable to the Sale Shares was about S$159,000.

(2) Based on the unaudited results of the Group for the 3rd quarter and 9 months ended 30 September 2018 announced by the Company on 14 November 2018 ("**2018Q3 Results**"), the net profit before income tax, minority interests and extraordinary items attributable to the Group for the period from 1 January 2018 to 30 September 2018 was around S$2,617,000.

(3) The Consideration will be determined only after the PSSL Audited Accounts are available. For the purpose of the above computation, the Initial Consideration of S$600,000 is used.

(4) The market capitalisation of the Company, derived by multiplying the number of the Company's shares in issue by the weighted average price of the shares of S$0.22 transacted on 27 December 2018, being the market day preceding the date of the SPA on which trades in the Company's shares were conducted, was approximately S$99,965,000.

Based on the above, the Transaction is a discloseable transaction for the purposes of Chapter 10 of the Listing Manual.

5. FINANCIAL EFFECTS

5.1 Assumptions. The proforma financial effects of the Transaction on the Company are set out in Sections 5.2 to 5.4 below and have been presented based on (among other things):

(a) the audited consolidated financial statements of the Company for the financial year ended 31 December 2017;

(b) the audited financial statements of PSSL for the financial year ended 31 December 2017;

(c) the Initial Consideration of S$600,000, as the Consideration cannot be determined at this time; and

(d) the assumption that the Transaction is financed through internal resources. In particular, it is assumed that the net cash of the Company would be reduced by S$600,000.

As the proforma financial effects presented are proforma in nature and only for illustrative purposes, no representation or forecast is made as to the actual financial position and/or results of the Group immediately after Completion.

5.2 Share capital. The Transaction will not have any impact on the share capital of the Company.

5.3 Earnings per share. Assuming that the Transaction had been completed on 1 January 2017, the proforma financial effects of the Transaction on the Company's consolidated earnings per share are as follows:

	Before Transaction	After Transaction
Profit attributable to shareholders (S$'000)	8,166	8,260
Weighted average number of shares ('000)	454,307	454,307
Earnings per share (cents)	1.80	1.82

5.4 NTA per share. Assuming that the Transaction had been completed on 31 December 2017, the proforma financial effects of the Transaction on the Company's consolidated NTA per share are as follows:

	Before Transaction	After Transaction
NTA of the Group (S$'000)	60,833	60,233
Total number of issued shares ('000)	454,388	454,388
NTA per share (cents)	13.39	13.26

6. DIRECTOR'S SERVICE CONTRACT

No person is proposed to be appointed as a director of the Company in connection with the Transaction. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company has any interest, direct or indirect, in the Transaction.

8. DOCUMENT FOR INSPECTION

A copy of the SPA 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
2 January 2019