



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

PROFIT GUIDANCE FOR THE FULL YEAR ENDED 31 DECEMBER 2020

The Board of Directors (the “**Board**”) of TeleChoice International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to provide the following updates and profit guidance for the second half (“**2H2020**”) and full year (“**FY2020**”) ended 31 December 2020.

In the 13 November 2020 announcement on the Group’s business performance for the third quarter (“**3Q2020**”) and nine months (“**9M2020**”) ended 30 September 2020, it was disclosed that the Group maintained a cautious outlook for FY2020 due to the unprecedented impact of COVID-19 on the Group’s operations for its three business divisions and the challenging market environment.

The Group now expects to incur a loss for FY2020 as its operating profit has substantially reduced due to the lower revenue registered in FY2020, which is further negatively impacted by the full impairment of the goodwill acquired in FY2010 for the investment in S & I Systems Pte Ltd. The impairment is non-cash in nature and is primarily due to the recoverable amounts being below its carrying value.

Despite the weak 2H2020/FY2020 financial performance of the Group, the Board remains confident of the Group’s ability to overcome the challenges ahead. The Group’s balance sheet is expected to remain strong in a net current asset and a net cash position. The Group is expected to continue to maintain positive operating cash flow in FY2020 and have sufficient cash and unused credit lines from bank facilities to meet its short-term funding needs.

The Company is in the process of finalising the unaudited consolidated financial results of the Group and further details will be disclosed when the Company announces its 2H2020 and FY2020 financial results after trading hours on 24 February 2021.

The above disclosure reflects the Board’s current views and expectations of the prevailing economic and market conditions. This may be subject to revisions depending on upward or downward risks and uncertainties that may cause actual results to differ materially from any guidance issued or implied herein. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

22 February 2021