



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

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**PROPOSED ACQUISITION OF 100% OF RADIANCE COMMUNICATIONS PTE LTD  
ENTRY INTO SALE AND PURCHASE AGREEMENT**

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**1. INTRODUCTION**

The board of directors ("**Board**") of TeleChoice International Limited ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that NxGen Communications Pte Ltd ("**NxGen**"), a wholly-owned subsidiary of the Company, had on 12 April 2022 entered into a conditional share purchase agreement ("**SPA**") with Singapore Telecommunications Limited ("**Singtel**") and Keppel Communications Pte Ltd ("**KCPL**") (collectively "**Sellers**") for the acquisition of 4,000,000 ordinary shares ("**Sale Shares**" or "**RCPL Shares**") in the capital of Radiance Communications Pte Ltd ("**RCPL**"), for an aggregate consideration of S\$1.25 million, subject to adjustment as described in Section 3.1 below ("**Proposed Acquisition**"). The number of the Sale Shares may be subject to change depending on the final number of ordinary shares in RCPL which will be subject to the capital reduction exercise described in Section 3.2(a) of this announcement, and in any case, the final number of Sale Shares will represent 100% of the total issued shares of RCPL on completion of the Proposed Acquisition ("**Completion**").

**2. INFORMATION ON THE RCPL GROUP AND THE SELLERS**

**2.1 Information on the RCPL Group**

- (a) RCPL is a private company limited by shares incorporated in Singapore on 26 April 1997 and, as at the date of this announcement, has an issued and paid-up share capital of S\$6,000,000 comprising 6,000,000 ordinary shares, which are held by Singtel and KCPL as to 50% each. Prior to Completion, RCPL will undertake the capital reduction exercise as described in Section 3.2(a) of this announcement. RCPL has one wholly-owned subsidiary incorporated in Malaysia, Radiance Converged Communications Sdn Bhd ("**RCCSB**" and, together with RCPL, the "**RCPL Group**").
- (b) The RCPL Group carries on business as an info-communications system integrator and service provider, with its core competency being the provision of unified communications ("**UC**") and contact centre ("**CC**") solutions for the government sector and the general enterprise market segment. RCPL operates in Singapore while RCCSB operates in Malaysia.
- (c) Based on the unaudited consolidated financial statements of RCPL for the financial year ended 31 December 2021 ("**FY2021**"): (i) the unaudited net tangible asset ("**NTA**") of the RCPL Group was approximately S\$7.9 million as at 31 December 2021; and (ii) the RCPL Group recorded a net loss of approximately S\$0.4 million for the financial year ended 31 December 2021.

## 2.2 Information on the Sellers

- (a) Singtel is Asia's leading communications technology group, and is currently listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”).
- (b) KCPL is an indirect wholly-owned subsidiary of Keppel Corporation Limited, and provides solutions for sustainable urbanisation, focusing on four key areas comprising energy and environment, urban development, connectivity and asset management. Keppel Corporation Limited is currently listed on the Mainboard of the SGX-ST.

## 3. **SALIENT TERMS OF THE PROPOSED ACQUISITION**

### 3.1 Consideration

- (a) The consideration for the Sale Shares (“**Consideration**”) is S\$1.25 million, subject to adjustment depending on the agreed level of net working capital and cash as at Completion as determined in accordance with the provisions of the SPA. The Consideration will be satisfied fully in cash. The initial Consideration of S\$1.25 million will be paid on Completion, and the adjustment amount to the initial Consideration will be paid upon the adjustment to the Consideration having been finalised and agreed post-Completion in accordance with the provisions of the SPA.
- (b) The Consideration was arrived at based on arms’ length negotiations on a willing-seller willing-buyer basis, taking into account the NTA of the RCPL Shares, the rationale and benefits to the Company for the Proposed Acquisition as set out in Section 4 of this announcement, and the current market conditions.

### 3.2 Conditions Precedent

Completion is conditional upon, among other things, the fulfilment and satisfaction of the following conditions precedent:

- (a) the completion of the capital reduction exercise to be undertaken by RCPL in relation to the reduction of the issued and paid-up capital of RCPL from S\$6,000,000 comprising 6,000,000 RCPL Shares to S\$4,000,000 comprising 4,000,000 RCPL Shares (or such other value and number of RCPL Shares as may be mutually agreed in writing between the Sellers and NxGen);
- (b) NxGen being reasonably satisfied that no material adverse event (as defined in the SPA) has occurred between the date of the SPA and Completion; and
- (c) NxGen determining if the Company is required to obtain shareholders’ approval for the transactions contemplated by the SPA (“**Shareholders’ Approval**”) pursuant to Chapter 9 of the Listing Manual of the SGX-ST (“**Listing Manual**”), and notifying the Sellers in writing once it has determined whether or not Shareholders’ Approval is required, in accordance with the provisions of the SPA. If Shareholders’ Approval is required, Completion will be conditional upon the Company (i) obtaining approval from its Board, and (ii) subject to the Board giving its approval, obtaining the Shareholders’ Approval at a duly convened extraordinary general meeting.

If any of the conditions precedent is not satisfied (or waived) by the date falling four (4) months after the date of the SPA (or such later date as the Sellers and NxGen may agree in writing), the SPA will cease and determine and no party will have any claim against any other party for costs, damages, compensation or otherwise.

### 3.3 Completion

Completion will take place on the date falling five (5) business days from the date on which the last of the conditions precedent has been satisfied or waived in accordance with the SPA, or such other date as the Sellers and NxGen may agree in writing.

Upon Completion, RCPL will become an indirect wholly-owned subsidiary of the Company through NxGen.

## 4. **RATIONALE FOR THE PROPOSED ACQUISITION**

The Company believes that the Proposed Acquisition will benefit the Company as follows:

- (a) The RCPL Group is an info-communications system integrator and service provider, with its core competency in the provision of UC and CC solutions for the government sector and the general enterprise market segment. NxGen carries on, among others, a similar business. The Proposed Acquisition will result in a significant strengthening of the business proposition of the Group in this segment, from the perspectives of both customer reach and combined service offerings.
- (b) The Proposed Acquisition is expected to significantly expand the customer base of the Group in this segment, particularly for customers whose UC/CC solutions are based on third party vendors. The enlarged customer base will also present opportunities for the Group to cross-sell and up-sell to customers the combined and enhanced suite of service offerings of the Group.
- (c) Currently, NxGen's customer base is largely focused on the government, healthcare and financial services sectors. The Proposed Acquisition is expected to further consolidate the presence of the Group in the government and financial services sectors, and also enable the Group to expand its customer base into the manufacturing industries.
- (d) The Proposed Acquisition will also allow NxGen to further reap operational efficiency from economies of scale of the combined operations post-Completion. There will also be potential opportunity for the Group to improve its talent and managerial bench strength, as well as to reduce operating costs and improve overall margin.
- (e) With the growing trends in social networking and remote working arrangement, the demand for smart cloud-based UC and CC solutions is on the rise. The Proposed Acquisition will provide the Group's info-communications technologies services segment an essential lift to participate in the evolution of the seamless next-generation communications solutions and also enhance the Group's overall value proposition.

## 5. **FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION**

### 5.1 Assumptions

- (a) The *pro forma* financial effects of the Proposed Acquisition as set out below are for illustrative purposes only and do not reflect the future financial position of the Company or the Group after Completion.
- (b) The *pro forma* financial effects in this section are based on the audited consolidated financial statements of the Company for FY2021 and the unaudited consolidated

financial statements of RCPL for FY2021. The *pro forma* financial effects of the Proposed Acquisition have been prepared based on the following assumptions:

- (i) the Consideration will be S\$1.25 million, based on the assumption that any adjustments will not materially affect the financial effects;
- (ii) the financial effect of the Proposed Acquisition on the Group's NTA per share for FY2021 is based on the assumption that the Proposed Acquisition had been completed on 31 December 2021; and
- (iii) the financial effect of the Proposed Acquisition on the Group's earnings/(loss) per share from continuing operations for FY2021 is based on the assumption that the Proposed Acquisition had been completed on 1 January 2021.

5.2 The financial effect of the Proposed Acquisition on the Group's NTA is as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Group (S\$'000)	50,372	50,322
Total number of issued shares ('000)	453,319	453,319
NTA per share (cents)	11.11	11.10

5.3 The financial effect of the Proposed Acquisition on the Group's earnings/(loss) per share from continuing operations is as follows:

	Before the Proposed Acquisition	After the Proposed Acquisition
Profit/(loss) attributable to shareholders of the Company (S\$'000)	(2,700)	(3,112)
Weighted average number of shares ('000)	453,872	453,872
Earnings/(loss) per share (cents)	(0.59)	(0.69)

## 6. CHAPTER 9 OF THE LISTING MANUAL

### 6.1 Interested person transaction

Temasek Holdings (Private) Limited ("**Temasek**") is deemed to have an interest in approximately 50.50% of the issued shares in the capital of the Company and is therefore a controlling shareholder of the Company. Singtel is majority owned by Temasek, which holds approximately 52.47% of the issued shares in the capital of Singtel.

As such, Singtel is an "associate" of Temasek and, therefore, an "interested person" of the Company, and the acquisition by NxGen of 50% of the Sale Shares from Singtel pursuant to the Proposed Acquisition is an "interested person transaction" ("**IPT**") under Chapter 9 of the Listing Manual.

For completeness, Temasek is deemed to have an interest in approximately 21.0% of the issued shares in the capital of Keppel Corporation Limited and, as such, Keppel Corporation Limited is not an "associate" of Temasek and therefore not an "interested person" of the Company.

### 6.2 Net tangible asset

Based on the audited consolidated financial statements of the Company for FY2021, the audited consolidated net tangible asset of the Company as at 31 December 2021 was

approximately S\$50.4 million (“**Latest Audited NTA**”). As such, 3% of the Latest Audited NTA will be approximately S\$1.5 million and 5% of the Latest Audited NTA will be approximately S\$2.5 million.

### 6.3 Total value of IPTs with the Singtel group

During the period from the beginning of the current financial year, 1 January 2022, to 31 March 2022, the total value of all transactions with the Singtel group (excluding transactions less than S\$100,000) was approximately S\$0.3 million. The Singtel Consideration is S\$0.625 million (“**Singtel Consideration**”), before taking into account any adjustment described in Section 3.1 above.

The total value of all transactions with the Singtel group of S\$0.3 million referred to above, when aggregated with the Singtel Consideration of S\$0.625 million, will not exceed 3% of the Latest Audited NTA. The adjustments to the Singtel Consideration under the SPA as described in Section 3.1 may result in the 3% threshold being exceeded, in which event the Company will comply with the disclosure requirements under Chapter 9 of the Listing Manual. It is not currently expected that any adjustment to the Singtel Consideration under the SPA will result in the 5% threshold being exceeded. In any event, under the SPA, one of the conditions precedent to Completion is that if the Shareholders’ Approval is required, then the Proposed Acquisition is conditional upon the approval of the Board and the Shareholders’ Approval. As such, if the Shareholders’ Approval is required pursuant to Chapter 9 of the Listing Manual, the Proposed Acquisition will not be proceeded with unless the approval of the Board and the requisite Shareholders’ Approval have been obtained.

### 6.4 Total value of all IPTs

During the period from the beginning of the current financial year, 1 January 2022, to 31 March 2022, the total value of all transactions (excluding transactions less than S\$100,000) entered into between the Group and all interested persons was approximately S\$6.5 million, representing approximately 13.0% of the Latest Audited NTA.

### 6.5 Audit Committee statement

The Audit Committee of the Company has considered the terms of the Proposed Acquisition and is of the view that the Proposed Acquisition is on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

## 7. **CHAPTER 10 OF THE LISTING MANUAL**

The Board is of the view that the Proposed Acquisition is in the ordinary course of the Company’s business and therefore does not fall within the scope of Chapter 10 of the Listing Manual.

## 8. **INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS IN THE PROPOSED ACQUISITION**

Save for Temasek as disclosed in this announcement and save as disclosed below, none of the Directors (other than in his capacity as a Director) and controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their shareholdings in the Company, if any.

As at the date of this announcement, each of Mr Tang Yew Kay Jackson and Mr Yeo Siew Chye Stephen (both of whom are Independent Directors of the Company) and Ms Ho Koon

Lian Irene (who is a Non-Executive Director of the Company) holds a small number of shares in Singtel (representing such shareholding interest in Singtel that is not meaningful) as personal investment.

By Order of the Board

Lim Shuh Moh Vincent  
President and Chief Executive Officer  
12 April 2022