



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

**UPDATES ON THE GROUP'S BUSINESS PERFORMANCE
FOR THE FIRST QUARTER ENDED 31 MARCH 2022**

The Board of Directors (the "**Board**") of TeleChoice International Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to provide the Group's business performance update for the first quarter ended 31 March 2022 ("**1Q2022**").

FINANCIAL HIGHLIGHTS*

Revenue (S\$'M)	1Q2022	1Q2021	+/- (%)
Personal Communications Solutions Services ("PCS")	27.0	21.0	28
Info-Communications Technology Services ("ICT")	10.9	16.7	-35
Network Engineering Services ("Engineering")	12.1	12.5	-3
Group	50.0	50.2	-1
Profit/(Loss) Before Tax (S\$'M)	1Q2022	1Q2021	+/- (%)
PCS	(0.3)	0.2	nm
ICT	(1.3)	(1.2)	-13
Engineering	(0.5)	(0.7)	27
Group	(2.1)	(1.7)	-28

* The above figures have not been audited or reviewed by our auditors.

The Group registered revenue of S\$50.0 million in 1Q2022, a 1% decrease as compared to S\$50.2 million in 1Q2021, which can be mainly attributed to lower contribution from ICT Division. The S\$2.1 million loss before tax recorded in 1Q2022 was S\$0.4 million or 28% higher than the 1Q2021 loss before tax of S\$1.7 million, mainly due to the absence of government grants received in 1Q2022. In 1Q2021, the total government grants received was S\$0.8 million. There were also additional expenses incurred for the various new IoT initiatives by ICT Division in 1Q2022. Against 1Q2021, excluding the impact from the absence of government grants in 1Q2022, the Group had recorded operating improvement in 1Q2022 from higher gross profit and margins and lower financing cost. The improvement in operating performance from ICT and Engineering Divisions was partially offset by the weaker operating performance from the PCS Division.

The Group recorded a net cash and net current asset position as at 31 March 2022.

CONSUMER BUSINESS

PCS Division

PCS Division recorded a loss before tax of S\$0.3 million in 1Q2022 as compared to a profit before tax of S\$0.2 million in 1Q2021. Despite the challenging operating environment, PCS Division has continued

to broaden its service and product range. It is exploring smart and green technology applications and devices to leverage growing consumer demand for smart and sustainable lifestyle solutions. Some of the emerging brands which it has added to its widening product portfolio include Quair wearable air purifier, Neeuro brain health training, Lebooo sonic dental solutions, Oppl and ABKO consumer electronics, appliances and gadgets, and LifeSmart smart home solutions.

On the retail front, PCS has rationalised non-performing stores. PCS continues to work with a new principal, Oppo, operating its fully-fledged concept stores. The Division has also further strengthened its partnership with Samsung at the Samsung Experience Store, to enhance customer experience at its retail outlets. With respect to the prepaid card business, its distributorship contract with StarHub has been renewed for another two years.

ENTERPRISE BUSINESS

ICT Division

ICT sustained a S\$1.3 million loss in 1Q2022 as compared to a S\$1.2 million loss before tax in the same period last year. Despite its loss, the Division has been steadily pivoting its business to focus on service-based offerings such as ICT projects and managed services to meet the growing demand for smart, cloud-based services, driven by enterprise digital transformation. It launched two new initiatives, OneCC, an omni-channel AI powered Contact Centre as a Service (“CCaaS”) solution, and an IoT Platform as a Service (“PaaS”).

Additionally, the Division has secured a series of sizeable enterprise project wins in the education, financial, healthcare and hospitality sectors. It has also been transforming its business with subscription-based recurring revenue streams. Recently, the Division’s wholly-owned subsidiary, NxGen Communications Pte Ltd, entered into a conditional agreement for the proposed acquisition of Radiance Communications Ptd Ltd, which is expected to significantly strengthen the Division’s market leadership in unified communications, contact centre and system integrations solutions through an expanded customer base and service offerings when the proposed acquisition is completed by the second half of 2022.

Engineering Division

Engineering Division’s regional operations registered better performance in spite of the COVID-19 travel and movement restrictions imposed in these markets. The Division reduced its loss before tax in 1Q2022 by 27% to S\$0.5 million from S\$0.7 million in 1Q2021. It continued to secure a steady stream of significant multiyear, multimillion dollar contracts and won accolades and recognitions from operators and major equipment vendors.

As part of its revenue diversification efforts, the Division also managed to expand its customer base in the Philippines and Malaysia and had taken steps to sell its power and cable solutions beyond its traditional telecommunications customer base, extending into the enterprise market.

OUTLOOK

The Group maintains a cautious outlook in FY2022, considering both the projected growth trajectory for the Singapore and regional economies, and the downside risks from adverse macro-economic trends. In spite of the cautious outlook, based on TeleChoice’s current operating activities, the Group is targeting for revenue increase in each division and profit improvement in aggregate.

Segmentally, PCS Division is poised to benefit from the improvement in the retail sector and the increase in consumer sentiments with the lifting of most COVID-19 restrictions in Singapore and Malaysia. ICT Division, in line with the transformation of its voice and data solutions, will accelerate its service-based offerings growth, including ICT projects, particularly in the education sector, as well as managed services with recurring revenue streams. It is currently developing service bundles for smart building management such as energy, office occupancy and indoor air quality monitoring. Engineering Division will leverage network upgrading in the region to grow its network engineering projects, particularly in Indonesia where the consolidation of telco operators will bring about an increase in network investment to expand new mobile sites and coverage.

The Group will continue to look for business opportunities in synergistic areas both locally and overseas, to further enhance its business capabilities and services while maintaining a strong balance sheet through financial discipline and operational efficiencies. The Group also has adequate banking facilities to meet any short-term funding needs and to continue operation for the foreseeable future.

BY ORDER OF THE BOARD

Lim Shuh Moh Vincent
President and CEO
13 May 2022