



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

**4PL MANAGED SERVICES AGREEMENT WITH U MOBILE SDN. BHD.
RESPONSE TO QUERIES FROM THE
SINGAPORE EXCHANGE SECURITIES TRADING LIMITED**

The Board of Directors (“**Board**”) of Telechoice International Limited (“**Company**” and, together with its subsidiaries, the “**Group**”) refers to its announcement on 7 February 2024 (“**Earlier Announcement**”) in relation to the Fourth Party Logistics Services Agreement (“**4PL Agreement**”) entered into between the Company’s wholly-owned subsidiary, Planet Telecoms Managed Services Sdn. Bhd., and U Mobile Sdn. Bhd. All capitalised terms used herein and defined in the Earlier Announcement have the meanings given to them in the Earlier Announcement.

The Board has received the following queries from the Singapore Exchange Securities Trading Limited on 9 February 2024, and sets out its response below:

Query (1)

The applicable categories of the interested person transactions (IPT) under the IPT general mandate were stipulated under section 3.1.1 of the Annexure of Appendix of the FY2022 Annual Report. For clarity, please disclose specifically which category of these IPTs in the IPT mandate do the transactions under the 4PL agreement fall; and

Company’s Response:

The particulars of the general mandate for interested person transactions (“**General Mandate**”) are set out in the Annexure to the Appendix to the FY2022 Annual Report (“**Annexure**”). The transactions under the 4PL Agreement fall within the following categories of “General Transactions” described under paragraph 3.1.1 of the Annexure:

- Paragraph 3.1.1(a): sale and procurement of mobile communication devices, accessories and prepaid cards for distribution and trade;
- Paragraph 3.1.1(b): provision and obtaining of professional, management, consultancy, sub-contract or outsourcing services;
- Paragraph 3.1.1(g): provision and obtaining warehousing, logistics, packing, handling, transportation and freight services;
- Paragraph 3.1.1(k): engaging dealers to sell prepaid cards;
- Paragraph 3.1.1(l): provision and obtaining printing, advertisement and marketing related services; and
- Paragraph 3.1.1(q): provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (a) to (p) above.

Query (2)

Please further elaborate how the Company will apply the applicable review procedures for the relevant category under the IPT Mandate “to ensure that the General Transactions with Interested Persons are undertaken on an arm’s length basis and on normal commercial terms consistent with the Group’s usual business practices and policies” and how this will dovetail with the contract value of S\$500 million.

Company’s Response:

Under the General Mandate, all “General Transactions” are subject to the review procedures and monitoring based on threshold limits as set out under paragraph 5.1.1 of the Annexure.

In accordance with the review procedure under paragraph 5.1.1(a)(i)(bb) of the Annexure, the 4PL Agreement was approved by the President & CEO and Chief Financial Officer prior to it being entered into, who made the decision in accordance with the Group’s usual business practices and pricing policies, consistent with the usual margin for the same or substantially similar type of transaction with unrelated third parties (after taking into account quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the agreement).

In addition to the above review procedure, transactions under the 4PL Agreement will also be subject to monitoring in accordance with the following threshold limits as set out under paragraph 5.1.1(b)(ii) of the Annexure:

- individual transactions less than S\$5.0 million in value will be reviewed and approved by the President & CEO or other officers designated by the President & CEO (all of whom shall not have any interest, whether direct or indirect, in the relevant interested persons);
- individual transactions in value equal to or exceeding S\$5.0 million and below S\$50.0 million will be reviewed and approved by the Company’s Audit Committee; and
- where the aggregate value of all transactions in the current financial year with an interested person is equal to or exceeds S\$50.0 million, the latest and all future transactions equal to or above S\$100,000 will be reviewed and approved by the Audit Committee.

By Order of the Board

Pauline Wong Mae Sum
Executive Director and President & CEO
14 February 2024