TeleChoice

ANNUAL REPORT 2023

BEYOND BOUNDARIES:
INNOVATE, BUILD, TRANSFORM

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BEYOND BOUNDARIES: INNOVATE, BUILD, TRANSFORM

Through the dynamic visuals of building blocks, each representing a milestone, innovation, or transformative endeavor, a cohesive path emerges, encapsulating the essence of our unwavering commitment to pushing boundaries and shaping a future defined by a solid foundation and sustainable growth.

CORPORATE PROFILE

ABOUT TELECHOICE INTERNATIONAL LIMITED

TeleChoice International Limited ("TeleChoice") is a regional diversified provider and enabler of innovative info-communications products and services. It is a portfolio company of ST Telemedia, a strategic investor focused on communications and media, data centres and infrastructure technology businesses across Asia, the US and Europe.

Incorporated in Singapore on 28 April 1998 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 25 June 2004, TeleChoice offers a comprehensive suite of info-communications services and solutions under three business divisions.

PERSONAL COMMUNICATIONS SOLUTIONS SERVICES ("PCS")

This Division is a regional provider of consumer fulfilment and managed services. It provides retail, e-commerce, distribution, and supply chain management services relating to mobile communication devices, wearables, and smart lifestyle products.

In Singapore, the Division operates a retail chain under the Planet Telecoms brand and holds the exclusive role of being the sole StarHub Ltd Exclusive Partner entrusted with the management of StarHub Platinum Shops. Additionally, it serves as the appointed distributor for StarHub's prepaid card business. The Division also oversees concept stores for well-known mobile device manufacturers such as Samsung and HONOR. Leveraging its track record and strengths, it has been appointed for the full-service distribution, brand marketing, and retail management of HONOR products in Singapore.

In Malaysia, the Division offers comprehensive Fourth-Party Logistics (4PL) services, including procurement, retail management, fulfillment, and holistic supply chain solutions to U Mobile Sdn Bhd, a leading telecom company. Additionally, the Division provides managed fulfillment for e-commerce orders and the distribution of consumer electronics and lifestyle products through an extensive retail network across the country.

Aligning with the demands of the digital era, the Division also operates the e-commerce platform www.eplanetworld.com, featuring the latest mobile phones, tablets, accessories, wearables, and smart gadgets to cater to the preferences of online shoppers.

INFO-COMMUNICATIONS TECHNOLOGY SERVICES ("ICT")

This Division serves as a regional provider of integrated info-communications solutions, specialising in consultancy, system integration, and comprehensive ICT offerings across three essential pillars: Digital Infrastructure, Tech & Apps Services, and Communications.

In Digital Infrastructure, the Division extends storage and server space infrastructure services, encompassing managed and hosted services, fixed and wireless networking, along with dedicated Day-2 support.

Under Tech & Apps, the Division operates as a proficient Managed Service Provider (MSP), guiding companies through optimised cloud costs and the adoption of transformative technologies like Development Operations (Dev Ops) and Office Automation (OA). Its expertise spans diverse areas such as cloud computing, Hybrid Cloud, big data, analytics, smart learning, and AI Solutions. Notably, the Division excels in campus management and customer relationship management.

Within Communications, the Division specialises in Contact Centre as a Service (CCaaS) and Unified Communications as a Service (UCaaS), offering versatile on-premises, hybrid, and cloud solutions for contact centre and unified communications needs. Additionally, through its associate MVI, it tailors Internet Protocol (IP) television solutions specifically for the hospitality industry.

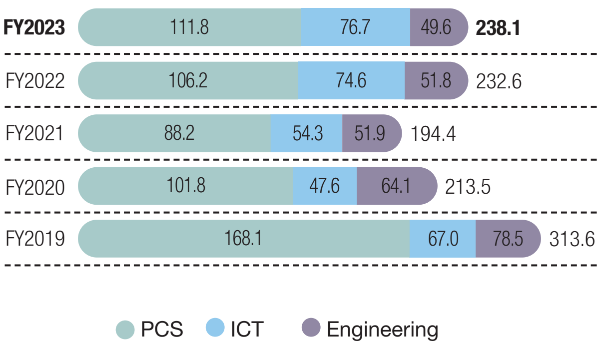
NETWORK ENGINEERING SERVICES ("ENGINEERING")

This Division is a regional provider of network engineering services and supplier of specialised telecommunications products. It designs, builds and manages telecommunications networks and provides a comprehensive suite of specialised products and solutions to address the network infrastructure needs of fixed and mobile operators in Asia-Pacific. Its services encompass radio network planning and optimisation, transmission network planning, network implementation, maintenance, and project management.

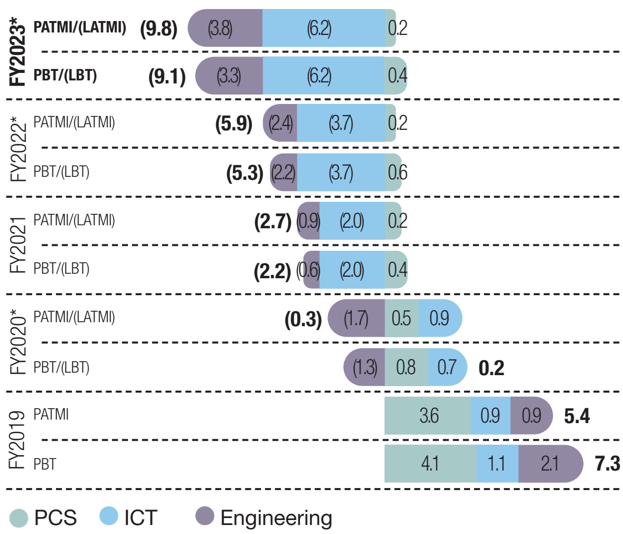
Engineering Division also provides an extensive range of innovative and cost-effective products for telecommunications access and coverage needs, as well as for power supply and power backup requirements.

FINANCIAL HIGHLIGHTS

REVENUE (S$ MILLION)

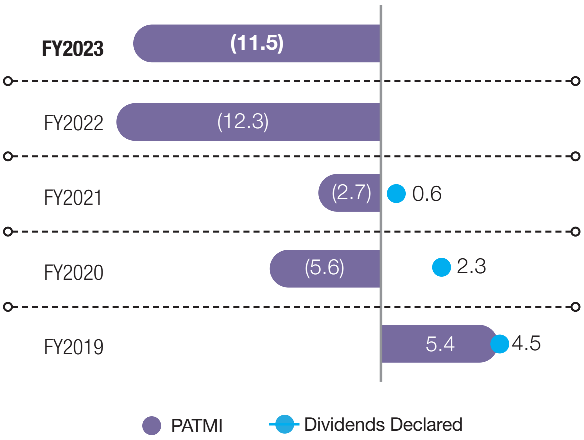


EARNINGS (S$ MILLION)

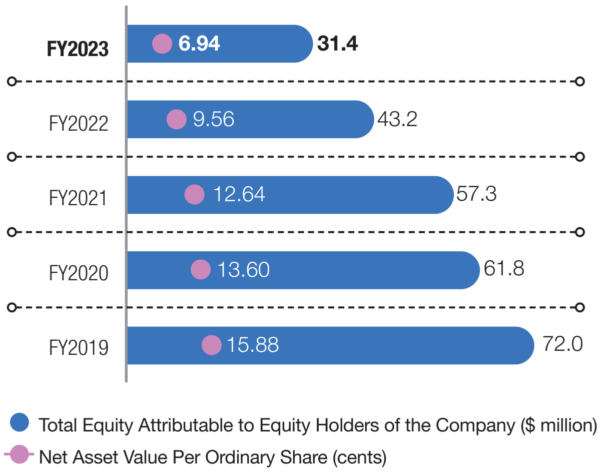


* excluded impairment loss from investment

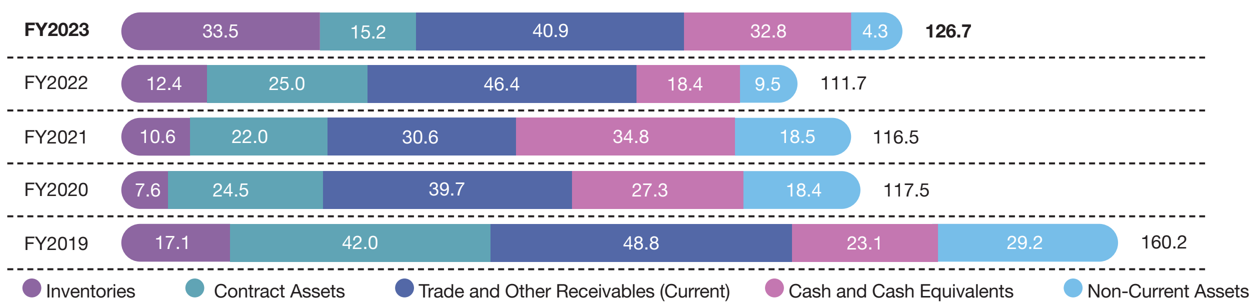
DIVIDENDS DECLARED AGAINST PATMI (S$ MILLION)



TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY



TOTAL ASSETS (S$ MILLION)



LETTER TO SHAREHOLDERS

"BEYOND BOUNDARIES: INNOVATE, BUILD, TRANSFORM"

RONALD SEAH LIM SIANG
Chairman

PAULINE WONG
President and CEO

DEAR SHAREHOLDER

We are pleased to present to you the annual report of TeleChoice International Limited (TeleChoice or the Group) for the full-year ended 31 December 2023 (FY2023).

As we navigate through dynamic global uncertainties, including the lingering impact of COVID-19, TeleChoice remains steadfast in actively enhancing operational capabilities through innovation, building on existing business strengths, and aligning with our strategic five-year roadmap to transform our business.

FINANCIAL HIGHLIGHTS

In FY2023, our revenue reached S$238.1 million, reflecting a 2.4% increase over FY2022, primarily driven by higher revenue from the PCS and ICT Divisions. However, challenges led to a decline in gross profit and gross margins, coupled with higher operating expenses mainly in consultancy and restructuring costs. The Group reported a higher operating loss before tax of S$9.2 million in FY2023 compared to an operating loss before tax of S$5.3 million in FY2022. However, as the impairment of investment recognised in FY2023 was lower than FY2022, the Group recorded a lower net loss attributable to equity holders of S$11.5 million in FY2023 compared to S$12.3 million in FY2022. The losses recorded in FY2023 were attributed to the ICT and Engineering Divisions.

Segmentally, the PCS Division reported higher revenue of S$111.8 million at a S$0.4 million profit, with improved profits from the Malaysian operations partially offset by lower profits from the Singapore retail operations. The ICT Division had recorded higher revenue of S$76.7 million but incurred an increased operating loss of S$6.3 million, primarily attributable to additional costs provided to complete certain IT projects and higher staff cost incurred post the acquisition of Radiance Communications Pte Ltd (RCPL). The Engineering Division witnessed a decline in revenue to S$49.6 million, with losses of S$3.3 million mainly attributed to the Philippines operations while the Indonesian operations continued to be profitable.

As at 31 December 2023, TeleChoice maintained a healthy financial position with S$126.7 million in total assets and S$95.4 million in total liabilities, resulting in a net asset value per share of 6.9 cents. Our net cash position strengthened to S$16.7 million, demonstrating a commitment to financial resilience. We will continue to manage our cash flow prudently and maintain a resilient balance sheet to ensure operational stability.

DIVIDEND UPDATE

In consideration of our current financial performance, the Board of Directors has made the decision not to propose a dividend for FY2023. We acknowledge that this decision may bring some disappointment to our valued shareholders, but we believe it is a prudent and necessary move to conserve resources and focus on our transformation initiatives ahead. Your continued support during these challenging times is invaluable to us. We look forward to updating you on our progress as we steer TeleChoice towards a path of sustainable returns and growth.

OPERATIONAL HIGHLIGHTS

In the face of challenges presented by FY2023, our resilience and commitment to recovery have been resolute.

We are particularly encouraged by the remarkable progress made within the PCS Division, having successfully secured our first fourth-party logistics (4PL) contract in Malaysia-a substantial 2+1-year S$500 million agreement with major telco, U Mobile Sdn. Bhd. (U Mobile). This achievement is a significant milestone, with the potential to contribute positively to our Malaysian operations. It positions the Division at the forefront of overseeing U Mobile's extensive distribution network, encompassing over 600 touchpoints in Malaysia. In addition to this, our Division has successfully secured a coveted fulfilment

LETTER TO SHAREHOLDERS

services agreement with global handset maker, HONOR, increasing our service revenue base.

Turning our focus to the enterprise businesses within the ICT and Engineering Divisions, we have embarked on a comprehensive restructuring strategy. This initiative encompasses a thorough rationalisation of our business units, streamlining of products and services offerings, and a focused emphasis on key markets. These initiatives, alongside increasing productivity and prudent cost-management, will position us well as we navigate the path of transformation.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG)

Recognising that it is important to include ESG considerations as part of risk management, a new Risk and Sustainability Committee (RSC) has been established in the year. The RSC assumes a pivotal role in overseeing risk management and sustainability, evaluating our risk framework, policies, and processes. Under the supervision of the RSC, besides implementing effective risk management strategies, we also strive to optimise our ESG communication and climate reporting to enhance our ability to meet stakeholders' expectations.

As part of our routine annual materiality assessment, we identify and refine key ESG issues to align with the latest Global Reporting Initiative (GRI) Standards. In line with SGX's Task Force on Climate-Related Financial Disclosures (TCFD) recommendations for climate-related disclosures, we have conducted qualitative scenario analysis, shedding light on potential financial impacts linked to climate-related risks, including both physical and transition risks. Our commitment extends to actively reducing our carbon footprint and preparing for upcoming regulatory changes. Furthermore, we are strategically capitalising on climate-related opportunities, focusing on resource efficiency and a diverse range of products and services.

The Group maintains a Board Assurance Framework (BAF) and has expanded the Enterprise Risk Management (ERM) framework to include climate-related and other ESG risks, ensuring comprehensive risk identification and management across financial, operational, compliance, IT, and material domains.

For further details, please refer to our Sustainability Report and Corporate Governance sections.

LOOKING AHEAD

The economic forecast for Singapore in 2024 is optimistic, projecting a GDP growth range of 1.0% to 3.0%. This positive outlook is buoyed by a gradual recovery extending to Southeast Asian economies. For TeleChoice, FY2024 will be a pivotal year representing a continued transformation journey as we strengthen our base and seize emerging opportunities.

To this end, the PCS Division is positioned for opportunities, especially in higher-value fulfilment services and overseas contracts. The ICT Division is capitalising on the industry trends geared towards hybrid and multi-cloud approaches. In the Engineering Division, we anticipate heightened activities in Indonesia, with a strategic focus on expanding our presence in the telco market, particularly in Fiber-To-The-Home (FTTH) initiatives as well as beyond the telco market to deliver power solutions for data centres.

We are confident that our strategic endeavours will contribute to revenue growth and lead to a progressive return to profitability.

APPRECIATION AND ACKNOWLEDGMENT

In conclusion, we extend sincere appreciation to our Board of Directors for their invaluable guidance and unwavering support. Special thanks are extended to Mr Clive Lim, our founder, for his enduring contributions, and to Mr Nicholas Tan, both of whom stepped down from our Board in the past year. A warm welcome is extended to our new directors, Mr Lim Yong, our major shareholder through Leap International, and Mr Shailesh Anand Ganu who brings in-depth expertise in sustainability strategies and corporate governance practices. Additionally, we acknowledge Mr Vincent Lim, our former President and CEO, upon his retirement, with Ms Pauline Wong, a 25-year veteran of TeleChoice, succeeding him.

Our heartfelt thanks extend to our talented and dedicated management and staff for their hard work, resilience, and commitment. We deeply appreciate our shareholders, customers, and partners for their ongoing support, and together, we look forward to delivering value to our stakeholders while upholding our commitment to ESG and sustainable business practices.

RONALD SEAH LIM SIANG
Chairman

PAULINE WONG
President and CEO

MISSION

TO BE THE LEADING PROVIDER OF INFOCOMM SOLUTIONS THROUGH INNOVATIVE PRODUCTS AND SERVICES

VISION

CONNECTING PEOPLE, EMPOWERING BUSINESSES

VALUES

INTEGRITY
COMMITMENT
EXCELLENCE
SOCIALLY RESPONSIBLE
FUN@WORK

BOARD OF DIRECTORS

RONALD SEAH LIM SIANG

Chairman and Non-Executive and Independent Director

- Appointed on 3 May 2012
- Last re-elected on 27 April 2023

CURRENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

- *Nil*

CURRENT PRINCIPAL COMMITMENTS

- *Soft Capital SG (sole proprietorship – business consultancy services)*

Mr Seah is the Chairman of the Board. He is also the Chairman of the Remuneration Committee, the Nominating Committee and the Executive Committee, and a Member of the Risk and Sustainability Committee.

Mr Seah is currently the Chairman of Nucleus Connect Pte. Ltd., a Non-Executive Director of Straits Investment Management Pte. Ltd., and the sole proprietor of Soft Capital SG, a business consultancy.

Over a 25 year period between 1980 and 2005, Mr Seah held various senior positions within the AIG Group in Singapore, initially as AIA Singapore's Vice-President and Chief Investment Officer managing the investment portfolio of AIA Singapore and later as Vice-President of Direct Investments of AIG Global Investment Corporation (Singapore) Ltd. Between 2001 and 2005, Mr Seah was also the Chairman of the Board of AIG Global Investment Corporation (Singapore) Ltd.

From 1978 to 1980, Mr Seah managed the investment portfolio of Post Office Savings Bank as Deputy Head of the Investment and Credit Department. Prior to that, he worked at Singapore Nomura Merchant Bank as an Assistant Manager with responsibilities covering the sale of bonds and securities and offshore (ACU) loan administration for the bank. Between 2002 and 2003, Mr Seah served on the panel of experts of the Commercial Affairs Department of Singapore.

Mr Seah graduated with a Bachelor of Arts and Social Sciences (Second Class Honours (Upper)) in Economics from the then University of Singapore in 1975.

STEPHEN GEOFFREY MILLER

Deputy Chairman and Non-Executive and Non-Independent Director

- Appointed on 26 January 2017
- Last re-elected on 28 April 2022

CURRENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

- StarHub Ltd

CURRENT PRINCIPAL COMMITMENTS

- *Singapore Technologies Telemedia Pte Ltd (President & Group Chief Executive Officer and Director)*
- *Asia Mobile Holdings Pte. Ltd. (Director)*
- *STT GDC Pte. Ltd. (Director)*
- *Antina Pte. Ltd. (Director)*
- *Armor Defense Inc. (Director)*
- *Armor Defense Asia Pte. Ltd. (Director)*
- *t2wards Ltd (Chairman)*
- *STT Garnet Pte. Ltd. (Director)*
- *Australian Chamber of Commerce, Singapore (Board Member)*
- *Climate Governance Singapore Limited (Steering Committee Member)*

Mr Miller is the Deputy Chairman of the Board. He is also a member of the Remuneration Committee, the Nominating Committee and the Executive Committee.

Mr Miller is the President & Group Chief Executive Officer of Singapore Technologies Telemedia Pte Ltd ("ST Telemedia") and is a member of ST Telemedia's Board of Directors.

Mr Miller joined ST Telemedia in 2005 and has held various senior positions including President & Chief Operating Officer and Chief Financial Officer. He played a crucial role in enhancing ST Telemedia's business competitiveness and asset portfolio while simultaneously maintaining prudent financial management.

Prior to joining ST Telemedia, Mr Miller was Financial Advisor to ST Telemedia on the combination of its data centre business with Equinix and Pihana Pacific, creating the world's largest carrier-neutral data centre network.

Mr Miller has more than 25 years of global investment, financial management, strategic planning and CMT industry experience. He spent over 14 years of his career in investment banking with Credit Suisse, primarily heading its telecommunications and media group throughout Asia and the Pacific.

Mr Miller holds a Bachelor's Degree in Commerce, with First Class Honours in Economics and Finance, from the University of New South Wales, Australia.

BOARD OF DIRECTORS

PAULINE WONG MAE SUM

Executive Director and President and CEO

- Appointed on 14 October 2023

CURRENT DIRECTORSHIPS IN OTHER LISTED COMPANIES
- *Nil*

CURRENT PRINCIPAL COMMITMENTS
- *TeleChoice International Limited (Executive Director and President and CEO)*
- *Planet Managed Services Pte. Ltd. (Director)*
- *Planet Smart Services Pte. Ltd. (Director)*
- *Planet Telecoms (S) Pte Ltd (Director)*
- *Planet Telecoms Managed Services Sdn Bhd (Director)*
- *NexWave Technologies Pte Ltd (Director)*
- *N-Wave Technologies (Malaysia) Sdn Bhd (Director)*
- *PT NexWave (Director)*
- *S & I Systems Pte Ltd (Director)*
- *TeleChoice Technologies (Shanghai) Co. Ltd (Director)*
- *N-Wave Technologies Philippines Inc. (Director)*
- *NxGen Communications Pte Ltd (Director)*
- *NexWave Technologies Vietnam Company Limited (Director)*
- *Radiance Communications Pte Ltd (Director)*
- *NxGen Malaysia Sdn. Bhd. (formerly known as Radiance Converged Communications Sdn Bhd) (Director)*

Ms Wong, appointed as Executive Director on 14 October 2023, also holds pivotal roles as President and CEO, where she leads business operations and shapes strategic trajectories. Additionally, she acts as the Acting Head of the Info-Communications Technology Services Division, actively overseeing operations and fostering growth.

Ms Wong brings 30 years of extensive experience in the telecommunications industry, with expertise in corporate planning, strategy development, business operations, fulfillment, managed services, and retail management. Ms Wong joined TeleChoice in December 1999 as the Operations Manager for Personal Communications Solutions Services Division. Her exceptional leadership led to her appointment in 2006 as the head of the Division, overseeing regional and retail managed services. She played a pivotal role in developing strategies and driving business growth, significantly contributing to the Division's expansion and achievements.

Prior to joining TeleChoice, she served as the Area Manager for Telecom Equipment Pte Ltd, a subsidiary of Singapore Telecommunications Limited.

Ms Wong graduated with a Bachelor of Business (Distinction) from the Royal Melbourne Institute of Technology University, Victoria, Australia, and holds an Executive MBA (Honours) from the University of Chicago Booth School of Business.

CHEAH SUI LING

Non-Executive and Independent Director

- Appointed on 3 June 2020
- Last re-elected on 27 April 2023

CURRENT DIRECTORSHIPS IN OTHER LISTED COMPANIES
- *M&C REIT Management Limited (as the manager of CDL Hospitality Real Estate Investment Trust) (Independent Director)*
- *M&C Business Trust Management Limited (as the trustee-manager of CDL Hospitality Business Trust) (Independent Director)*
- *Parkway Trust Management Limited (as the manager of ParkwayLife REIT) (Independent Director)*

CURRENT PRINCIPAL COMMITMENTS
- *Pathology Asia Holdings Pte. Ltd. (Independent Director)*

Ms Cheah serves as Chairman of the Audit Committee.

Ms Cheah is a Venture Partner with Wavemaker Partners, a venture capital firm based in Singapore and Los Angeles that focuses on technology company investments. She also serves as Executive Board Chair of privately held ESG startup ECOSPIRITS Pte. Ltd. In addition, she holds board directorships at ParkwayLife REIT, CDL Hospitality REIT and Pathology Asia Holdings Pte. Ltd. She is Chair of Audit Committee at ParkwayLife REIT and Pathology Asia Holdings Pte. Ltd.

Ms Cheah has over 20 years of international investment banking and corporate experience. Most of her career was spent across Singapore, Paris, Hong Kong, London and New York, focusing on capital raising transactions and cross border mergers and acquisitions for corporate clients. Between 2010 to 2013, she was Co-Head of Corporate Finance for South East Asia at BNP Paribas. Prior to that, she was a senior coverage banker for Singapore in the investment banking division of JP Morgan. She started out her career at Merrill Lynch Investment Banking.

Ms Cheah graduated Magna Cum Laude with a Bachelor of Arts in Economics and French from Wellesley College, Massachusetts in the US.

BOARD OF DIRECTORS

YEO SIEW CHYE STEPHEN

Non-Executive and Independent Director

- Appointed on 3 June 2020
- Last re-elected on 27 April 2023

CURRENT DIRECTORSHIPS IN OTHER LISTED COMPANIES
- *Nil*

CURRENT PRINCIPAL COMMITMENTS
- *Nil*

Mr Yeo serves as a member of the Audit Committee, Remuneration Committee, Nominating Committee and Executive Committee.

Mr Yeo was the founding director of S2S Consulting. Mr Yeo began his career in Singapore Ministry of Defence as Director of Systems and Computers. He spearheaded the introduction of ICT in command and control systems during his stint there. He was CEO of National Computer Board, Singapore from 1995 to 1999, where he promoted the development of e-Government and ICT in healthcare, education, trade and economic development. He then moved to the commercial sector for the next 14 years where he served as President and CEO of Singapore Computer Systems Limited, President of EDS International (SE Asia) and Managing Director for SE Asia of British Telecom Global Services.

Mr Yeo consults with companies in the area of leveraging ICT for strategic advantage. He also helps to nurture emerging ICT companies. In the past 20 years, he had served on the boards of companies, statutory boards and educational institutions. He had served as chair of Institute of Systems Science (ISS) of National University of Singapore, Institute of Communications and Information Science (ICIS) of Nanyang Technological University of Singapore (NTU), board member of the NTU Business School, founding chair of the School of IT of Republic Polytechnic (RP) and member of the Board of Governors of RP. He had also served as board member of Telecoms Authority of Singapore, National Library Board, Asia Pacific Jets Pte Ltd, NTUCLink and NTUC LearningHub. He was also deputy chair of National Computer Systems Pte Ltd before it was subsumed into Singapore Telecommunications Limited.

Mr Yeo graduated with a Bachelor of Arts (Honours) in Engineering Science from Oxford University, UK, obtained a Master of Science in Industrial Engineering from the National University of Singapore, Singapore and a Master of Business Administration in International Business from the University of Southern California, US.

HO KOON LIAN IRENE

Non-Executive and Non-Independent Director

- Appointed on 5 May 2015
- Last re-elected on 28 April 2022

CURRENT DIRECTORSHIPS IN OTHER LISTED COMPANIES
- *Nil*

CURRENT PRINCIPAL COMMITMENTS
- *STTC (Non-Executive Consultant)*

Ms Ho serves as a member of the Audit Committee and the Executive Committee.

Ms Ho has more than 20 years of financial management experience and is currently a Consultant in STTC Communications Ltd ("STTC"). Prior to that, she held the position of Chief Financial Officer & Executive Vice President of STTC with responsibilities including overseeing aspects of STTC's financial strategy and operations, including controller, tax, internal audit, treasury as well as analysis for mergers and acquisitions ("M&A").

Ms Ho also worked at the former Singapore Technologies Pte Ltd and held various senior financial positions at its high-tech companies, as well as at a Singapore listed semiconductor company as its managing director overseeing M&A activities.

Ms Ho holds a Bachelor of Commerce (double major in Accounting & Information Systems) from the University of New South Wales, Australia. She has also been a member of the Certified Practising Accountants Australia since 1992.

BOARD OF DIRECTORS

LIM YONG

Non-Executive and Non-Independent Director

• Appointed on 7 July 2023

CURRENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

• *Nil*

CURRENT PRINCIPAL COMMITMENTS

• *Leap Securities Pte. Ltd. (Portfolio Manager)*
• *Leap International Pte Ltd (Director)*

Mr Lim serves as a member of the Risk and Sustainability Committee.

He is a Portfolio Manager at Leap Securities Pte. Ltd. and a Director at Leap International Pte Ltd (“Leap International”), a private investment holding company and a substantial shareholder of our Group. Leap International is owned by Mr Lim Chai Hock Clive, our Group’s founder, who served as a Non-Executive and Non-Independent Director from 2006 until he stepped down in 2023.

In his role as Portfolio Manager, Mr Lim has played a crucial role in managing diverse investment portfolios since 2017, leveraging his extensive knowledge and expertise in finance and economics. With his deep understanding of the industry, he has played a crucial role in making informed investment decisions and optimizing portfolio performance.

Prior to joining Leap International, he served as the Marketing Director at D&C (Design and Comfort) from 2016 to 2017, where he showcased his strategic expertise by spearheading marketing initiatives and contributing to the brand’s growth and market presence. Before that, he gained valuable experience at DBS KYC in 2015, where he developed his skills in compliance and due diligence processes.

Mr Lim graduated with a Bachelor of Commerce (BCom) degree with High Distinction from the University of Toronto, Canada, where he specialised in Finance and majored in Economics.

SHAILESH ANAND GANU

Non-Executive and Independent Director

• Appointed on 7 July 2023

CURRENT DIRECTORSHIPS IN OTHER LISTED COMPANIES

• *Far East Orchard Limited (Independent Director)*

CURRENT PRINCIPAL COMMITMENTS

• *Willis, Towers Watson (Singapore) (Managing Director; Global Leader – Executive Compensation & Board Advisory)*
• *SATA Commhealth (Independent Director)*
• *Singapore Institute of Directors (Governing Council Member and Chair of ESG Committee)*
• *Vanguard Healthcare Pte Ltd (Independent Director)*
• *NUS High School of Math and Science (Governing Board Member)*

Mr Ganu serves as the Chairman of the Risk and Sustainability Committee.

Mr Ganu holds the position of Managing Director at Willis, Towers Watson (Singapore), where he leads the Executive Compensation and Board Advisory practice globally.

He is a seasoned business leader, management consultant, and board director with a wealth of experience in leading large teams and projects in both corporate and consulting environments. With over 22 years of experience, Mr Ganu has forged close collaborations with Boards and management teams of renowned companies worldwide. He is recognised as an expert in sustainability and corporate governance, and serves on World Economic Forum’s Climate Governance Global Community of Experts. He has in-depth expertise in designing and implementing people and sustainability strategies, driving organisation development, facilitating business transformations, and addressing crucial environmental, social, and governance (ESG) issues.

In addition to his professional roles, Mr Ganu actively contributes to non-executive director institutes in the region as a member and faculty, where he teaches sustainability, governance, and remuneration related courses. He is a keynote speaker and frequently shares his insights on sustainability and climate governance, board diversity and effectiveness, and remuneration matters through his writings in business publications.

Mr Ganu holds a Bachelor of Engineering (Chemical Engineering) degree from the University of Mumbai, India, and a Master of Business Administration from Sydney Business School, Australia, University of Wollongong.

EXECUTIVE MANAGEMENT

PAULINE WONG MAE SUM

Executive Director and President and CEO

Ms Wong, appointed as Executive Director on 14 October 2023, also holds pivotal roles as President and CEO, where she leads business operations and shapes strategic trajectories. Additionally, she acts as the Acting Head of the Info-Communications Technology Services Division, actively overseeing operations and fostering growth.

Ms Wong brings 30 years of extensive experience in the telecommunications industry, with expertise in corporate planning, strategy development, business operations, fulfillment, managed services, and retail management. Ms Wong joined TeleChoice in December 1999 as the Operations Manager for Personal Communications Solutions Services Division. Her exceptional leadership led to her appointment in 2006 as the head of the Division, overseeing regional and retail managed services. She played a pivotal role in developing strategies and driving business growth, significantly contributing to the Division's expansion and achievements.

Prior to joining TeleChoice, she served as the Area Manager for Telecom Equipment Pte Ltd, a subsidiary of Singapore Telecommunications Limited.

Ms Wong graduated with a Bachelor of Business (Distinction) from the Royal Melbourne Institute of Technology University, Victoria, Australia, and holds an Executive MBA (Honours) from the University of Chicago Booth School of Business.

JESSIE SNG

Senior Vice President Personal Communications Solutions Services Division

Ms Sng is the Senior Vice President of Personal Communications Solutions Services Division, responsible for overseeing the Division's management including regional and retail operations and playing a crucial role in strategising and finding growth opportunities within the Division.

Ms Sng, with over three decades in telecommunications and media, brings invaluable expertise. She joined TeleChoice in 2018 and previously served as the Managing Director of the Consumer Business Group (CBG). During her tenure, she spearheaded the digital transformation of CBG, identified new business opportunities, and expanded revenue streams through client acquisition and account growth.

Before joining TeleChoice, Ms Sng spent 14 years at Mediacorp, where she held various senior positions, culminating in her role as Executive Vice President of Events & Partnership for the English Audience Segment. Her tenure at Mediacorp allowed her to develop a deep understanding of the media industry and honed her expertise in event management and regional strategic partnerships.

Ms Sng graduated with a Bachelor of Business (Marketing) from the Royal Melbourne Institute of Technology University, Victoria, Australia, and she also holds a Higher Diploma in Management Accounting.

EXECUTIVE MANAGEMENT

SUWANTO SANTOSO

Senior Vice President
Network Engineering
Services Division

Mr Santoso is the Senior Vice President of Network Engineering Services Division, responsible for overseeing the Division's profitability, growth, and strategic directions.

Mr Santoso is an accomplished professional with over 29 years of experience in the telecommunications industry, primarily within the ST Telemedia group of companies. He joined TeleChoice in 2004 and has been serving as Vice President since 2018. In this role, he played a pivotal role in the Division's successful regional business expansion and spearheaded its entry into the Indonesian market.

Mr Santoso's academic qualifications include a Bachelor of Engineering (Honours) in Computer Engineering from the University of New South Wales, Australia, which he pursued with a scholarship awarded by AIDAP. Additionally, he holds an MBA from the University of Western Australia.

WONG LOKE MEI

Chief Financial
Officer

Ms Wong was appointed Chief Financial Officer in 2007, having been Vice-President, Finance, since 2005. She oversees the financial affairs and reporting for the Group, and supports the Group's investor relations and risk management activities.

Ms Wong has over 20 years of experience in finance and accounting, most of which were with the ST Telemedia group of companies. She joined the Group in June 1995 as an Accountant and participated in the listing of TeleChoice on the Mainboard of the Singapore Exchange Securities Trading Limited in June 2004.

Ms Wong holds a Bachelor of Accountancy from the National University of Singapore, and an MBA from Heriot-Watt University, Edinburgh, United Kingdom. Ms Wong is also a member of the Institute of Singapore Chartered Accountants.

ANGIE NG

Vice President
Human Resources

Angie Ng serves as Vice President of Human Resources, assuming the role in 2024. Her responsibilities include overseeing local and regional HR functions with a focus on human capital development, leadership, and organisational enhancement.

Since joining TeleChoice in 2010 as HR Manager, she has steadily progressed, attaining the roles of Senior Manager in 2013 and HR Director in 2015. Throughout her tenure, Angie has exemplified strategic HR leadership, aligning initiatives with corporate objectives to drive sustained growth.

Prior to TeleChoice, she garnered invaluable experience at renowned MNCs such as Applied Biosystems, Siemens VDO, and GE Plastics, as well as at ASEAN Cableship Pte Ltd, a joint venture between Singtel and ASEAN telco operators.

Angie holds a Master of Business Administration from the University of Wales, United Kingdom.

OPERATIONS REVIEW

PERSONAL COMMUNICATIONS SOLUTIONS SERVICES ("PCS")

In FY2023, the PCS Division reported a revenue of S$111.8 million, representing 47.0% of the Group's total revenue. While maintaining profitability with a PBT of S$0.4 million, there was a decline compared to FY2022. This reduction is attributed to lower service revenue and reduced commission revenue from retail operations in Singapore as the Division closed non-performing retail shops during the year. Despite this, the Malaysian operations emerged as the primary profit driver with increased profits compared to FY2022. The deliberate shift towards a sales-centric focus, coupled with intensive training for retail frontliners, have led to an uptick in sales. Additionally, there was profit contribution from a managed service contract secured with global handset manufacturer HONOR since June 2023.

The PCS Division has displayed resilience amidst challenges, achieving notable operational milestones. With a dedicated focus on customer acquisition and retention through well-executed strategies, the Division has strengthened its position in the market, fostering long-term relationships with customers and principals.

A notable milestone is the inking of a comprehensive partnership with HONOR, elevating the Division to a full-fledged fulfillment service provider. The collaboration with HONOR led to a trade launch that achieved sales of a million dollars, supported by over 60 trade partners and 100 retail touchpoints. The successful penetration of HONOR's 11 products across various channels highlighted the Division's agility in navigating diverse markets. Notably, the flagship Magic V2 received widespread media acclaim. Furthermore, the PCS Division is dedicated to market responsiveness and employs innovative marketing strategies, as exemplified by the continuous expansion of online sales through various e-commerce platforms.

OPERATIONS REVIEW

Another significant achievement was the securing of a substantial S$500 million fourth-party logistics (4PL) managed services contract with U Mobile Sdn. Bhd. (U Mobile), a prominent Malaysian telco. The 2+1-year S$500 million contract, anticipated to potentially increase profits in its Malaysian operations, encompasses device procurement, warehousing, storage, distribution, and real-time inventory management. The Division is also tasked with overseeing U Mobile's extensive distribution network of over 600 touchpoints in Malaysia. This achievement marks TeleChoice's foray into higher margin managed services beyond Singapore, paving the way for broader market growth.

INFO-COMMUNICATIONS TECHNOLOGY SERVICES ("ICT")

The ICT Division contributed S$76.7 million or 32.2% of the Group's revenue in FY2023. Despite the increased revenue compared to FY2022, the Division faced challenges as both the Communications and IT segments incurred losses. The losses in the Communications segment were exacerbated by additional costs related to higher staff expenses associated with the acquisition of Radiance Communications Pte Ltd (RCPL) in the previous year. Furthermore, in the IT segment, there were additional expenses attributed to specific project completions and investments in expertise development for hybrid cloud managed services and data analytics.

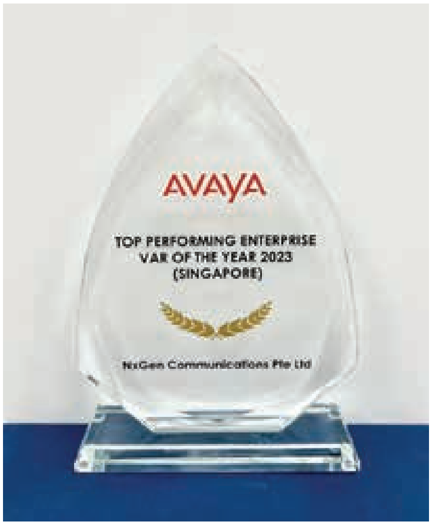
During the year, the Division underwent a comprehensive rationalisation of business units and streamlining of products. It completed the sale of voice and Internet Protocol (IP) telephony services and reorganised ICT offerings into three pillars: Digital Infrastructure (storage and server space services), Tech & Apps Services (managed service provider in cloud optimisation and transformative technologies), and Communications Services (specialising in Unified Communications as a Service (UCaaS) and Contact Centre as a Service (CCaaS), with tailored hospitality solutions through the Division's associate MVI).

OPERATIONS REVIEW

The Division achieved significant technological milestones, particularly in Tech & Apps Services segment, excelling in campus management and customer relationship management (CRM) deployments. Notable achievements include major upgrades and Campus Solution system migration for two tertiary institutions. This expansion resulted in a customer base encompassing four local universities and polytechnics, utilising the Division's Campus Solution. Furthermore, the Division extended its portfolio into cloud-based Applied Management Services (AMS), cybersecurity, cloud security, and DevOps-related tools/Software as a Service (SaaS), showcasing its adaptability to dynamic industry trends. The successful tender awards for an AMS project with an Institute of Higher Learning (IHL) and a CRM project with a tertiary healthcare institute underscored the Division's capabilities.

In the Communications segment, the Division's focus on enterprise communications centred around Avaya solutions, complemented by cloud communications in UCaaS and CCaaS services. It achieved a milestone with its inaugural Avaya Experience Platform (AXP) project, and successfully commissioned the first Zoom Customer Experience (ZCX) project, affirming its CCaaS and UCaaS capabilities. Additionally, its client portfolio expanded with the addition of 15 new clients spanning across various industries, including medical, banking and finance, airlines, and energy and tourism. This expansion was further reinforced with the securing of subscription wins with both private and public sector customers.

The Division continued to foster collaborations with its partners, underscoring its unwavering commitment to excellence and the success of strategic alliances within the industry. A notable accolade includes being recognised as Avaya Top Performing Enterprise Value-Added-Reseller of the Year 2023 for Singapore. Furthermore, the Division garnered another distinction by securing the Best IBM Overall Partner of the Year award for three consecutive years.



NETWORK ENGINEERING SERVICES ("ENGINEERING")

In FY2023, the Engineering Division contributed S$49.6 million, constituting 20.8% of the Group's total revenue. Despite a decrease in revenue, the Division experienced improved gross profit and gross margins, primarily driven by profitable operations in Indonesia. However, overall losses were incurred, largely attributed to the Philippines operations where contract assets were written off due to order cancellations. The Singapore operations also recorded losses, although at a lower level, reflecting improved gross margins.

During the year, the Division implemented a focused market strategy, intensifying efforts in profitable markets with promising prospects and higher margins, and streamlining operations by enhancing productivity in underperforming markets.

In Indonesia, the Division's key market and primary revenue source, notable enhancements in operational processes led to the expedited completion of projects. This not only optimised resource management but also strengthened payment and financial positions. Additionally, diversification of its product portfolio beyond its primary rollout services have yielded positive results.

To this end, the Division has effectively broadened its customer base beyond Original Equipment Manufacturers (OEMs) and Mobile Network Operators (MNOs). Successful ventures into the Tower Company (TowerCo) sector and non-telecommunication industries, such as data centres with major orders received for power solutions, and banking industry with the success in selling chip module cards to a bank, underscored the Division's proactive customer acquisition initiatives. Furthermore, efforts to expand into Fiber To The Home (FTTH) services have started to show promise, with ongoing projects in Indonesia.

OPERATIONS REVIEW

To optimise operations and elevate productivity in underperforming markets, the Division intensified its digitalisation efforts and implemented resource optimisation and productivity measures. Additionally, the establishment of a regional team further strengthened its organisational structure, enabling the implementation of best practices and processes across all countries of operation. This strategic shift not only underscores the Division's commitment to operational excellence but also positions it favourably for sustained growth in the future.

PROSPECTS AND FUTURE PLANS

In alignment with our five-year business transformation roadmap, the Group is steadily advancing its focus on improving operational performance through leveraging capabilities, development of innovative products and services, building new partnerships and exploring opportunities in new markets for revenue growth and progressive turnaround.

For the PCS Division, the operating landscape continues to be competitive and dynamic. The industry faces challenges such as a slowdown in handset replacement rates, rising rentals, and cost-of-living pressures. Furthermore, addressing the gap in the average selling price of handsets across various fulfillment and distribution channels necessitates careful market positioning.

Nevertheless, the Division remains optimistic about its prospects, driven by a commitment to operational efficiency and the pursuit of new revenue streams. Various strategic measures have been systematically implemented in different markets to adeptly navigate external challenges, positioning the Division for sustainable growth ahead.

The S$500 million three-year contract awarded by U Mobile for 4PL services holds the potential to increase profits in its Malaysian operations. The Division is capitalising on the success of its shift to a sales-centric approach, coupled with extensive training for retail frontliners, to enhance overall sales performance. The achievement of its inaugural overseas 4PL contract has also led to the initiation of managed services in Malaysia for two other lifestyle product clients, further reinforcing the Division's track record.

In Singapore, the Division has firmly established its credentials in managed services, providing crucial competitive advantages. Its adaptability in navigating intense competition has been evidenced by the successful re-entry of HONOR as a new market player through the acquisition of a managed service contract. To effectively address external challenges, the Division has implemented prudent operational measures, including vigilant stock management, avoiding overstocking, and management of vendor expectations. These strategies play pivotal roles in maintaining operational efficiency and ensuring financial resilience for both the Division and its distribution partners.

The ICT Division, through streamlined operations and a reorganised product portfolio, is committed to customer-centric strategies and innovation. Other growth initiatives include diversification of product offerings, strategic collaborations with both existing and new partners and market expansion.

In FY2024, the Division is prioritising the acceleration of successful project delivery, customer trust-building, and continuous value-added support through responsive service desk calls. It aims to enhance resource deployment and optimise external costs. Moreover, it will actively pursue expansion opportunities in both cloud and on-premise solutions. This entails developing cloud-based micro-services for current IHL customers and creating adaptable tools and resources that can be used repeatedly for tasks related to Alumni Management, CCA, Teaching Resource Allocation, and Case Management, with the potential of selling them to other IHLs.

OPERATIONS REVIEW

The Division will prioritise closer partnerships with technology collaborators, providing complete solutions with CRM and AI capabilities. Internally, the focus will be on staff innovation and upscaling efforts, emphasising solutions like Logger, Workforce Management, Network, and Application. This strategy aims to keep up with evolving customer demands and swiftly changing industry trends.

For the Engineering Division, its prospects closely align with market conditions and telco trends across the Southeast Asian region. In Indonesia, the 5G network remained relatively under-deployed due to the absence of successful user cases. This has prompted MNOs to focus on upgrading optical networks, which the Division is well-positioned to leverage for business opportunities. In Singapore, the government plans to enhance the broadband network speed to up to 10Gbps, providing additional opportunities. Meanwhile in Malaysia, the potential resumption of the second 5G network deployment may create opportunities by reversing the cautious “wait and see” approach adopted by MNOs. This development offers favourable prospects for the Division in terms of 5G deployment. In the Philippines, the market is anticipated to face ongoing challenges, with a notable slowdown following PLDT/Smart’s developments in December 2022.

Moving forward, the Division is committed to its renewed corporate positioning as the preferred partner, delivering a comprehensive suite of network engineering solutions. It aims to continuously build and strengthen relationships with OEMs, MNOs and TowerCos, offering end-to-end services to increase customer stickiness across diverse geographical regions and markets.

The Division will continue to focus on profitable and higher-margin markets, particularly in Indonesia, where it already holds a leading position. Strategically, the Division is gearing up for revenue growth, upgrading existing telco offerings while navigating cost pressures from MNOs through optimised resource deployment and improving productivity to fast-track delivery.

Simultaneously, the Division is set to expand into non-telco sectors, delving into data centre market. The expected delivery of power solution equipment for a data centre project is expected to boost revenue and spur growth in the upcoming year. Further initiatives involve maintaining focus on FTTH and broadening the portfolio through strategic vendor partnerships, aiming for seamless and enhanced value-added solutions to foster stronger customer loyalty.

PLANET TOUCHPOINTS

NORTH

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23 Serangoon Central
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Tel: +65 6636 7392
Nearest MRT: NE12 CC13 Serangoon
Opening hours: 11am to 9pm daily

STARHUB CAUSEWAY POINT

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Singapore 738099
Tel: +65 6980 7313
Nearest MRT: NS9 TE2 Woodlands
Opening hours: 11am to 9pm daily

CENTRAL

SAMSUNG EXPERIENCE STORE

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#B3-14 ION Orchard
Singapore 238801
Tel: +65 6235 0185
Nearest MRT: NS22 TE14 Orchard
Opening hours: 11am to 9pm daily

EAST

SAMSUNG EXPERIENCE STORE

311 New Upper Changi Road
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Nearest MRT: EW5 Bedok
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WEST

STARHUB WESTGATE

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Jurong East
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CORPORATE INFORMATION

BOARD OF DIRECTORS

Ronald Seah Lim Siang
(Chairman and Non-Executive and Independent Director)
Stephen Geoffrey Miller
(Deputy Chairman and Non-Executive and Non-Independent Director)
Pauline Wong Mae Sum
(Executive Director)
Cheah Sui Ling
(Non-Executive and Independent Director)
Yeo Siew Chye Stephen
(Non-Executive and Independent Director)
Shailesh Anand Ganu
(Non-Executive and Independent Director)
Ho Koon Lian Irene
(Non-Executive and Non-Independent Director)
Lim Yong
(Non-Executive and Non-Independent Director)

COMPANY SECRETARY

Lai Wai Kit Andrew

REGISTERED OFFICE

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Singapore 179104

EXTERNAL AUDITORS

KPMG LLP
Audit Partner: Jeya Poh Wan
S/O K. Suppiah
(Partner since financial year ended
31 December 2019)

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PERSONAL COMMUNICATIONS SOLUTIONS SERVICES

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NETWORK ENGINEERING SERVICES

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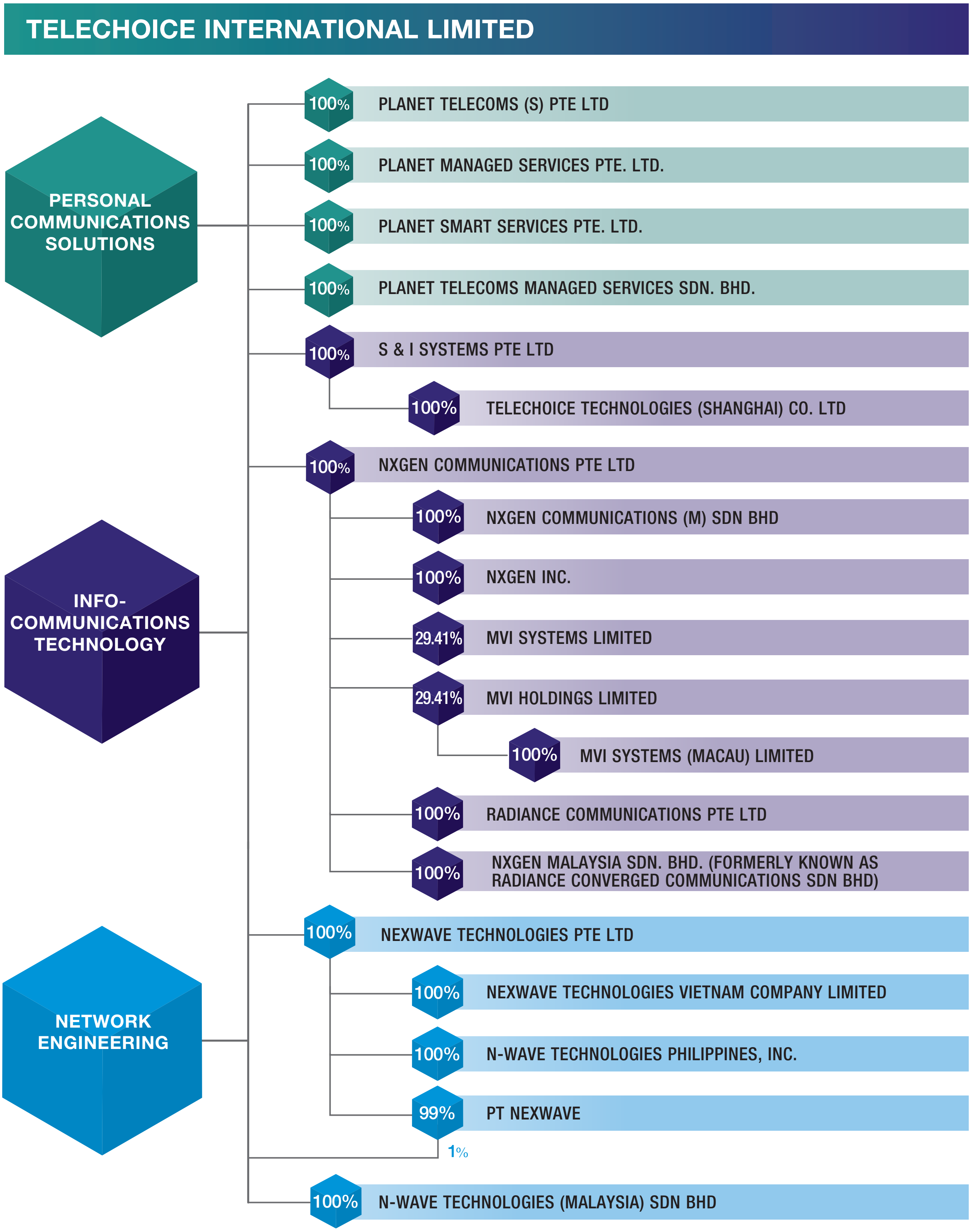
Ho Chi Minh City,
Vietnam

GROUP STRUCTURE

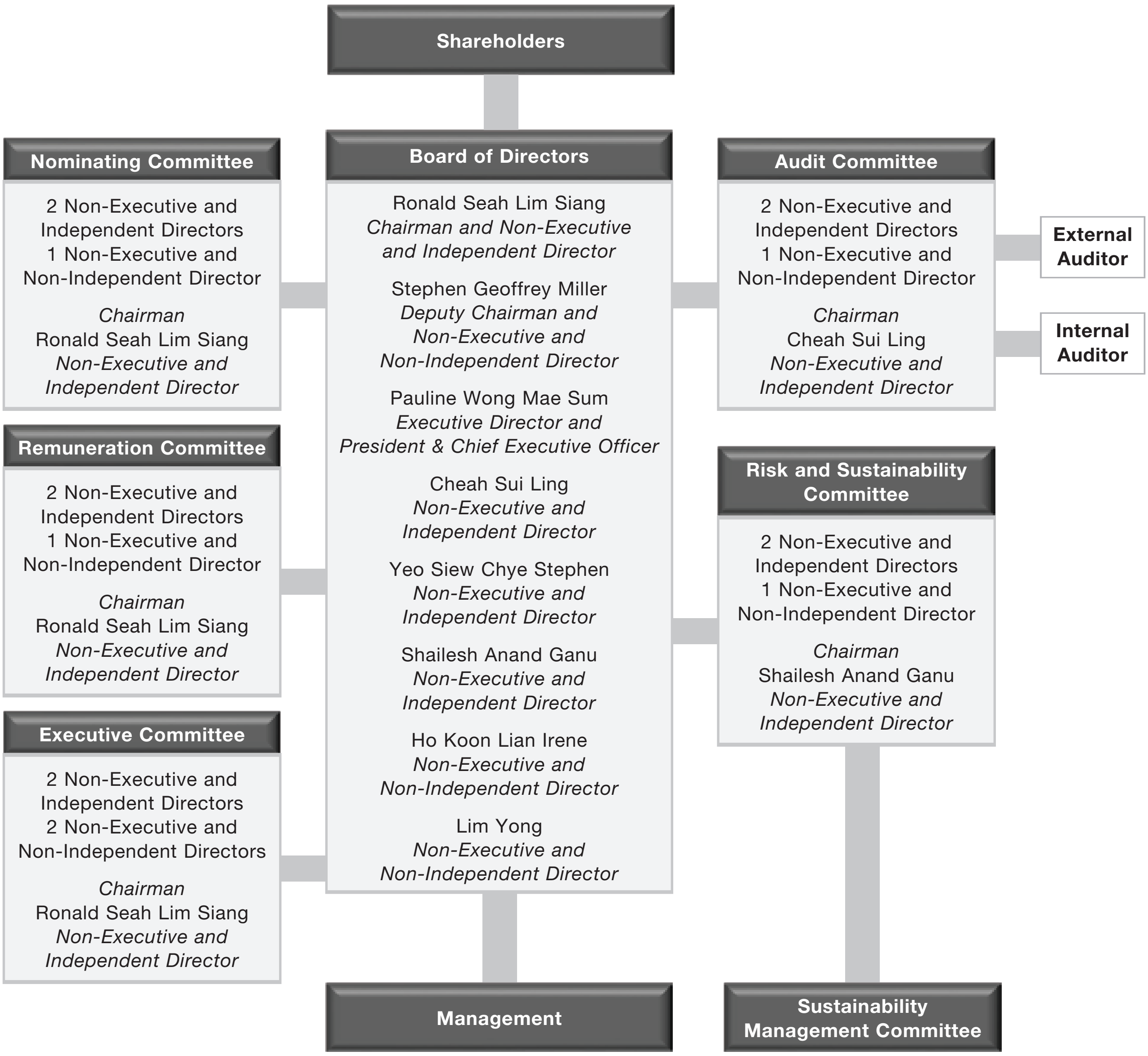
AS OF 9 MARCH 2024



CORPORATE GOVERNANCE

Our Board of Directors and Management are committed to maintaining high standards of corporate governance, to protect the interests of our shareholders and other stakeholders. This Report describes our corporate governance practices, with reference to the principles set out in the revised Code of Corporate Governance issued by the Monetary Authority of Singapore on 6 August 2018 (“**Code of Corporate Governance**”), for the financial year ended 31 December 2023 (“**FY2023**”). Our Company has complied with the principles and provisions as set out in the Code of Corporate Governance for FY2023 in all material respects, except as specifically stated. Where our Company’s practices vary from any provisions of the Code of Corporate Governance, these variations are identified together with an explanation of the reason for the variation and an explanation on how the practices which our Company has adopted are consistent with the intent of the relevant principle.

CORPORATE GOVERNANCE FRAMEWORK



CORPORATE GOVERNANCE

(A) BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

Board duties and responsibilities

Our Board is collectively responsible for, and works with Management to achieve, the long-term success of our Company and value creation for our shareholders. Our Board is responsible for guiding our overall strategic direction, corporate governance, setting organisational culture and providing oversight in the proper conduct of the business of our Company and our subsidiaries ("**Group**"). Our Board supervises the achievement of Management's performance targets which align the interests of our Board and Management with that of the shareholders, whilst balancing the interests of all shareholders. Our Board also sets the tone for our Group in respect of organisational culture and values, and ensures proper accountability within our Group. Our Company has in place an internal code of business conduct and ethics which sets out the professional and ethical framework to guide our behaviour and within which business decisions should be made at our Company. Please also refer to the sections "Whistleblowing Policy" and "Anti-Corruption Policy" on pages 49 to 50 for further information.

Our Board meets regularly to review our key activities and business strategies. Regular Board meetings are held quarterly to deliberate on strategic matters and policies, including significant acquisitions and disposals, the annual budget, review the performance of the business and approve the release of the first quarter and third quarter business updates and half-year and full-year financial results. Where necessary, we convene additional Board sessions to address significant transactions or developments. Where a physical Board meeting is not possible, timely communication with members of our Board is effected through electronic means, which include electronic mail, teleconference and/or videoconference. Our Constitution provides for Directors to participate in meetings by teleconference or videoconference. Where necessary, Management will arrange to brief each Director, before seeking our Board's approval.

Unless delegated, all transactions of our Company are approved by our Board. Material items that require Board approval include the following:

- Strategic direction of our Group
- Corporate strategies and policies
- Annual operating and capital budgets of our Group
- Release of business performance updates for first and third quarters
- Release of half-year and full-year financial results
- Annual report and financial statements
- Convening of shareholders' meetings
- Recommendations of dividend payments and other distributions to shareholders
- Issue of shares

CORPORATE GOVERNANCE

- Material acquisitions and disposals of assets
- Capital and operating expenditure above specified limits
- Investments and divestments above specified limits
- Interested person transactions
- Board assurance framework
- Banking facilities
- Sustainability reporting

All Directors are required to act objectively in the best interests of our Company as fiduciaries at all times. Consistent with this principle, any Director who has an interest or relationship that is likely to interfere or impact on his/her independence or conflict with a subject under discussion or consideration by our Board is required to immediately declare his/her interest or relationship or conflict and, if required by our Board, abstain from participation in further discussion and/or voting on the matter.

Access to information

We recognise the importance of the provision of complete, adequate and timely information relating to our Group to our Board in order to enable our Directors to make informed decisions and discharge their duties and responsibilities. Management provides our Board members with monthly business and financial reports that include updates on our key operational activities and financial performance, a comparison of our actual performance with budget, and highlighting key business indicators and major issues that are relevant to our performance, position and prospects. The monthly flow of information and reports allows our Directors to make informed decisions and also to keep abreast of key challenges and opportunities between our Board meetings.

The agenda and Board papers for Board meetings are circulated to our Directors prior to the Board Meetings to facilitate review and preparation for the Board meetings. During the quarterly Board meetings, Management will typically provide our Board with an update on our Group's business and operations in the relevant quarter and the financial performance for that quarter, and any other significant matters or issues that may have arisen. This provides our Board with continuous oversight of the progress of our business and financial performance throughout the financial year, and also an opportunity for active engagement between our Board and Management.

Aside from Board meetings, frequent dialogue takes place between Management and members of our Board, and our Executive Director and President & Chief Executive Officer ("**President & CEO**") encourages all Directors to interact directly with all members of our Management team.

Our Board has separate and independent access to our Senior Management and the Company Secretary at all times and are free to conduct independent or collective discussions with Management and the Company Secretary and seek independent professional advice, if necessary, at our Company's expense on any area of interest or concern. The appointment and removal of the Company Secretary are subject to the approval of the Board.

CORPORATE GOVERNANCE

Board committees

Our Board has established an Executive Committee ("**EC**") to oversee major business and operational matters. Our EC comprises Ronald Seah Lim Siang, Stephen Geoffrey Miller, Yeo Siew Chye Stephen and Ho Koon Lian Irene. Management regularly consults and updates our EC on all major business and operational issues.

Our Board is also supported by other Board committees which are delegated with specific responsibilities, being the Audit Committee ("**AC**"), the Risk and Sustainability Committee ("**RSC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"). The RSC was established by our Board as a new committee in FY2023 with a view to having a more holistic view of, and integrated approach to, managing sustainability and the governance of risks. Each of these Board committees has its own terms of reference that set out its authority and duties. A description of, among other things, the composition, duties and activities of the Board committees is set out under:

- in respect of the NC, "Principle 4: Board Membership" and "Principle 5: Board Performance";
- in respect of the RC, "Principle 6: Procedures for Developing Remuneration Policies" and "Principle 7: Level and Mix of Remuneration";
- in respect of the RSC, "Principle 9: Risk Management and Internal Controls"; and
- in respect of the AC, "Principle 10: Audit Committee".

Delegation of authority

Our Board, upon the recommendation of our AC, has adopted a comprehensive set of internal controls, which sets out the authority and approval limits for capital and operating expenditure, investments and divestments, bank borrowings and cheque signatories arrangements at Board level. Authority and approval sub-limits are also provided at Management levels to facilitate operational efficiency.

Understanding of Directors' roles

Our Board implements measures with a view to ensuring that both newly appointed as well as existing Directors are familiar with our Group's business and operations as well as their duties and responsibilities as directors.

In relation to new Directors, our practice is to issue a letter of appointment setting out their duties and obligations as executive directors, non-executive directors or independent directors (as the case may be) upon their appointment. New Directors are given briefings by Management on the business activities of our Group and its strategic directions. New Directors are also given manuals containing, among others, relevant information on our Group and information about their statutory and other responsibilities as Directors. Unless our NC assesses that training is not required for a newly appointed Director because he or she has other relevant experience (which basis of assessment will be disclosed in accordance with the SGX-ST Listing Manual ("**Listing Manual**")), newly appointed Directors who have no prior experience as directors of a listed company will also be required to attend relevant training as prescribed by the Listing Manual.

During FY2023, Pauline Wong Mae Sum, Shailesh Anand Ganu and Lim Yong were appointed as Executive Director and President & CEO, Non-Executive and Independent Director and Non-Executive and Non-Independent Director respectively. As Shailesh Anand Ganu and Lim Yong were new to our Group, they were provided with briefings from Management on our Group's

CORPORATE GOVERNANCE

objectives, strategic directions, key business strategies and plans, operational activities and processes. As Pauline Wong Mae Sum and Lim Yong have no prior experience as a director of a listed company, they were provided with a briefing on the duties and responsibilities of a director of a listed company as well as the principal laws and regulations applicable to a listed company. Our Company will also arrange for them to attend the relevant courses conducted by the Singapore Institute of Directors ("**SID**") as prescribed by the Listing Manual within one year of his or her appointment.

On an ongoing basis, our Board as a whole is kept up-to-date on pertinent developments in our Group's business and operations, as well as the industry and legal and regulatory environment in which our Group operates. In particular, Management monitors changes to regulations and accounting standards closely. Updates and briefings on regulatory requirements are conducted either during Board sessions or by circulation of papers. Directors are also encouraged to attend seminars and training (including those conducted by the SID in conjunction with SGX-ST) that may be relevant to their duties and responsibilities as directors, at our Company's cost, to continually develop and refresh their professional knowledge and skills and to keep themselves abreast of relevant developments in our Group's business and the regulatory and industry-specific environments in which our Group operates. This enables our Directors to serve effectively and contribute to our Board. Our Directors are regularly provided with a list of upcoming seminars and trainings conducted by the SID and/or SGX-ST.

Principle 2: Board Composition and Guidance

Board composition

To be effective, we believe our Board should comprise a majority of Non-Executive Directors independent of Management, with the right core competencies and appropriate balance and diversity of skills, knowledge and experience and other aspects of diversity, such as gender and age, from time to time determined by our Board to enable them to contribute effectively. At the beginning of FY2023, our Board comprised seven (7) Directors, all of whom were Non-Executive Directors, and a majority of whom were Non-Executive and Independent Directors. During the course of FY2023, the following changes were made to the composition of our Board (collectively "**Change in Board Composition**"):

- in July 2023, Shailesh Anand Ganu and Lim Yong were appointed as Non-Executive and Independent Director and Non-Executive and Non-Independent Director respectively, while Lim Chai Hock Clive stepped down as Non-Executive and Non-Independent Director;

- in October 2023, Pauline Wong Mae Sum was appointed as Executive Director, concurrently with her appointment as President & CEO following the retirement of Vincent Lim Shuh Moh; and

- in December 2023, Nicholas Tan Kok Peng stepped down as Non-Executive and Independent Director.

Following the Change in Board Composition, our Board currently comprises eight (8) Directors, being four (4) Non-Executive and Independent Directors, three (3) Non-Executive and Non-Independent Directors, and one (1) Executive Director.

Board independence

As noted above, there were changes in the composition of our Board in the course of FY2023. Throughout these changes, our Board at all times comprised either all or a majority Non-Executive Directors, with Non-Executive and Independent Directors comprising a majority or at least half of our Board. Our Board believes that there was at all times a strong and independent element on our Board.

CORPORATE GOVERNANCE

Following the Change in Board Composition, as from 1 January 2024, our Board comprises eight (8) Directors, seven (7) of whom are Non-Executive Directors. There are currently four (4) Non-Executive and Independent Directors, namely Ronald Seah Lim Siang[1], Cheah Sui Ling, Yeo Siew Chye Stephen and Shailesh Anand Ganu, which comprise half of our Board. Our Board is led by our Chairman, Ronald Seah Lim Siang, who is currently also a Non-Executive and Independent Director[1]. Our Board continues to be able to exercise objective judgement on corporate affairs independently, in particular, from Management given that a majority of our Board comprises Non-Executive Directors and half of our Board comprises Non-Executive and Independent Directors. This helped to ensure a strong element of independence in all our Board's deliberations.

Our Board, taking into account the views of our NC, assesses the independence of each Director annually in accordance with the guidance in the Code of Corporate Governance and Practice Guidance to the Code of Corporate Governance ("**Practice Guidance**"). Based on such assessment, and taking into account the guidance in the Code of Corporate Governance and the Practice Guidance, our Board has determined Ronald Seah Lim Siang, Cheah Sui Ling, Yeo Siew Chye Stephen and Shailesh Anand Ganu to be independent. However, Ronald Seah Lim Siang will be re-designated as Non-Executive and Non-Independent Director following the conclusion of the Annual General Meeting ("**AGM**") to be held on 24 April 2024 pursuant to the transitional arrangements applicable to an independent director who has served as an independent director for an aggregate period of more than 9 years. Please see further the section "Selection, appointment and re-appointment of Directors" under "Principle 4: Board Membership" on the intention to change the composition of our Board following the re-designation of Ronald Seah Lim Siang as Non-Executive and Non-Independent Director.

Please see further the section "Assessment of Independence" under "Principle 4: Board Membership" on details of the assessment of the independence of our Independent Directors.

Board diversity

We recognise the benefits of diversity in terms of skills, knowledge and experience, as well as broader aspects of diversity such as gender and age, and believe that an appropriate balance of diversity will raise the level of Board discussions, enhance the decision-making process and better support our Company in achieving our strategic objectives.

Prior to the Change in Board Composition, our Board comprised seven (7) Directors who were business leaders and professionals of high calibre and integrity, collectively with a broad range of core competencies and skills, knowledge and experience in banking and finance, investment, business and management, accounting and financial management, risk management, and relevant industry experience (including information, communications and technology). Shailesh Anand Ganu and Lim Yong were appointed as Non-Executive and Independent Director and Non-Executive and Non-Independent Director respectively in July 2023, while Pauline Wong Mae Sum was appointed as an Executive Director and President & CEO in October 2023. Based on the recommendation of our NC, our Board was of the view that the appointment of Shailesh Anand Ganu, Lim Yong and Pauline Wong Mae Sum brings further diversity and adds depth to our Board. Please see the section "Selection, appointment and re-appointment of Directors" under "Principle 4: Board Membership" on the considerations taken into account in relation to their appointment. The profiles of our current Directors are found on pages 6 to 9 of this Annual Report.

Prior to the Change in Board Composition, our Board comprised four (4) Non-Executive and Independent Directors (i.e. Ronald Seah Lim Siang, Nicholas Tan Kok Peng, Cheah Sui Ling and Yeo Siew Chye Stephen) and three (3) Non-Executive and Non-Independent Directors (i.e. Stephen Geoffrey Miller, Ho Koon Lian Irene and Lim Chai Hock Clive), and included two (2) female Directors (i.e. Cheah Sui Ling and Ho Koon Lian Irene), one of whom served as a member of our EC and both of whom served as members of our AC.

1 As disclosed in the next paragraph, Mr Ronald Seah Lim Siang will be re-designated from a Non-Executive and Independent Director to a Non-Executive and Non-Independent Director following the conclusion of the Annual General Meeting to be held on 24 April 2024 pursuant to the transitional arrangements applicable to an independent director who has served as an independent director for an aggregate period of more than 9 years.

CORPORATE GOVERNANCE

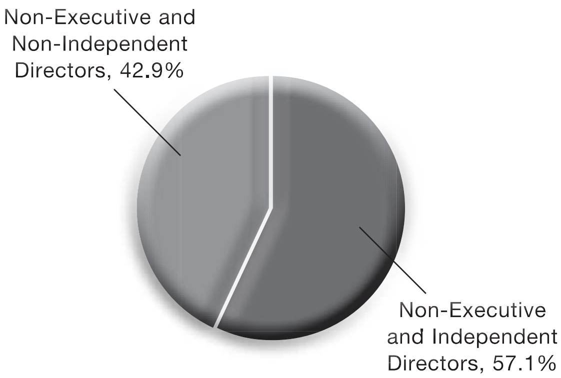
Following the Change in Board Composition, our Board comprises four (4) Non-Executive and Independent Directors (i.e. Ronald Seah Lim Siang, Cheah Sui Ling, Yeo Siew Chye Stephen and Shailesh Anand Ganu), three (3) Non-Executive and Non-Independent Directors (i.e. Stephen Geoffrey Miller, Ho Koon Lian Irene and Lim Yong) and one (1) Executive Director (i.e. Pauline Wong Mae Sum). The appointment of Pauline Wong Mae Sum as Executive Director and President & CEO also adds an additional female Director to our Board and brings the total number of female Directors to three (3), or 37.5%, which exceeds the target set by the Council for Board Diversity for female board representation of 25% by 2025.

Prior to the Change in Board Composition, our Directors had varying age profiles ranging from 50s to 70s, and had served on our Board for varying tenures. Pursuant to the Change in Board Composition, with the appointment of three (3) new Directors, including one (1) Director who is in his 30s, there is now greater diversity in terms of age profile and tenures. This reflects the continuous efforts of the Board renewal process, with a higher proportion of Directors who are younger and have served a shorter tenure in office following the Change in Board Composition.

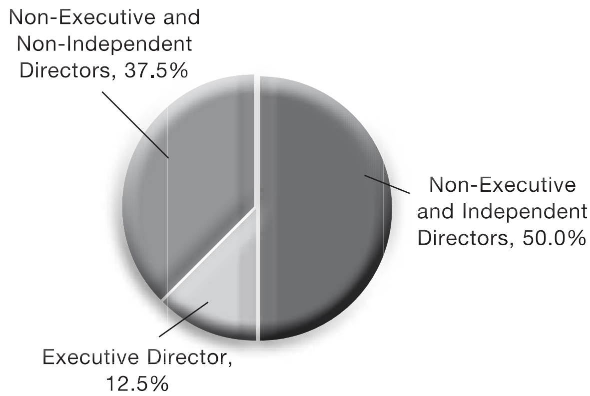
The following charts reflect the diversity profiles of the Board prior to the Change in Board Composition, and after the Change in Board Composition (as from 1 January 2024):

Independence

Prior to Change in Board Composition

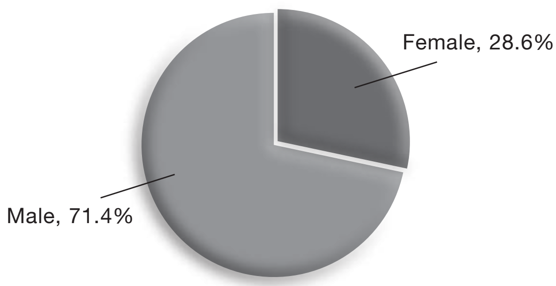


After Change in Board Composition

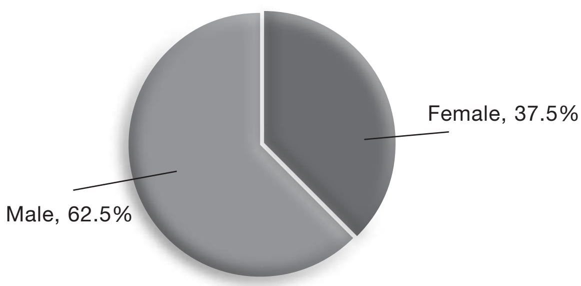


Gender

Prior to Change in Board Composition



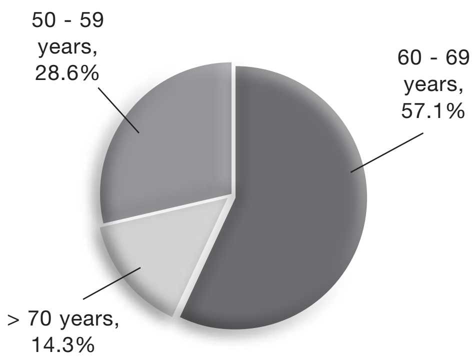
After Change in Board Composition



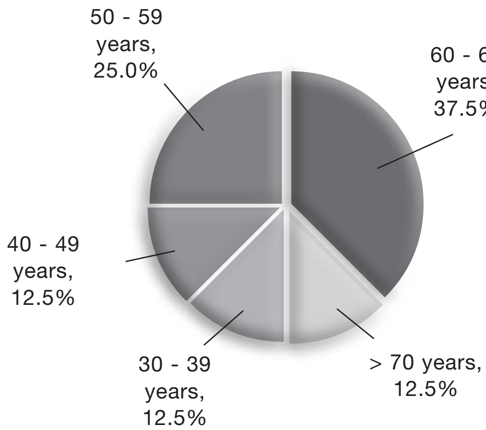
CORPORATE GOVERNANCE

Age

Prior to Change in Board Composition[2]

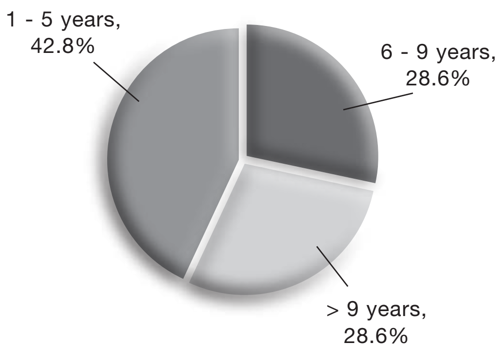


After Change in Board Composition

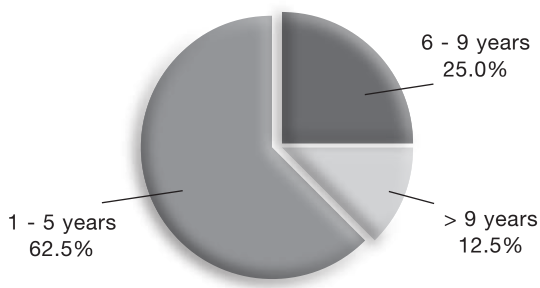


Tenure

Prior to Change in Board Composition



After Change in Board Composition



The current composition of our Board enables Management to benefit from an external diverse and objective perspectives of issues from our Board. It also enables our Board to interact and work with Management through a robust exchange of ideas and views to help shape strategic directions. This, coupled with a clear separation of the role of our Chairman and our President & CEO, provides a healthy professional relationship between our Board and Management, with clarity of roles and robust oversight. In addition, our Non-Executive and Non-Independent Directors and Non-Executive and Independent Directors also meet separately, whether formally or informally, without the presence of our Executive Director or Management on a regular basis and also as and when the need arises, and the chairman of such meetings will provide feedback to our Board and/or Chairman as appropriate.

2 In the Corporate Governance Report included in the FY2022 Annual Report, in respect of the age distribution after the change in board composition described therein, one director who fell within the 50 – 59 years band was inadvertently included in the 60 – 69 years band, resulting in the 50 – 59 years band reflecting 14.3% and 60 – 69 years band reflecting 71.4%. The correct percentages are set out in the chart above.

CORPORATE GOVERNANCE

Board Diversity Policy

Our Board has adopted a formal Board Diversity Policy for promoting diversity on our Board. The Board Diversity Policy provides, among other things, that:

- Our Company recognises that a Board comprising appropriately qualified members with a broad range of relevant skills, knowledge and experience, and other aspects of diversity such as gender and age, will bring diversity of thought and different perspectives to Board discussions, avoid group-think and enhance the decision-making process of our Board. Our Company believes that a diverse Board is essential to the effective governance of our business and ensuring long-term sustainable growth. Accordingly, our Company is committed to promoting diversity on our Board.

- Our Board will consider all aspects of diversity, including educational background, skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of our Board.

- In particular, our Board has identified the diversity in terms of skills, experience, independence, gender, age and tenure as important aspects of diversity that are elaborated on in the Board Diversity Policy. In relation specifically to gender diversity, our Board believes that there should be female representation on our Board and will strive to:

    - ensure that female candidates are included for consideration by our NC whenever it seeks to identify a new Director for appointment to our Board;

    - ensure that if external search consultants are engaged to identify candidates for appointment to our Board, the consultants will be asked to present female candidates for consideration; and

    - align with the target set by the Council for Board Diversity for female board representation to the extent reasonably practicable.

- The consideration and selection of candidates for appointment to our Board will ultimately be based on merit, with the objective of achieving the appropriate mix and balance of skills, experience and diversity of perspectives on our Board that will meet the requirements of our Company from time to time.

- In the implementation of the Board Diversity Policy, our NC will consider and, if appropriate, set qualitative and quantitative objectives for promoting and achieving diversity on our Board, taking into account our Directors' mix of background, skills, experiences and qualities that our Board requires to function competently and efficiently in the context of the scope and nature of our Company's business and operations and the corporate strategy.

Our Board is of the view that the current Board members, collectively as a group, provide an appropriate mix and balance of diversity of skills, experience, independence, gender, age and tenure. In arriving at this view, our Board has taken into account the Change in Board Composition in the course of FY2023.

CORPORATE GOVERNANCE

Lim Chai Hock Clive, who has been a Director since 1999, stepped down as part of the Board renewal process. Lim Yong, who was appointed as Non-Executive and Non-Independent Director, brings with him a fresh perspective given his age and background in portfolio management. Shailesh Anand Ganu, who was appointed as Non-Executive and Independent Director, brings with him extensive experience in the areas of executive compensation, board advisory and ESG, and has been appointed as the Chairman of the RSC. Pauline Wong Mae Sum, who has been with the Company since 1999 and last held the position of Senior Vice President, Personal Communications Solutions Services Division, was appointed as President & CEO-designate in July 2023 and worked alongside Lim Shuh Moh Vincent for transition purposes. She assumed the position of President & CEO and was concurrently appointed as an Executive Director in October 2023.

At the same time, the Change in Board Composition has resulted in a higher proportion of Directors who are younger and have served a shorter tenure in office. Specifically, the percentage of Directors below the age of 60 years old has increased from 28.6% in FY2022 to 50.0% in FY2023, while the percentage of Directors who have served for five (5) years or less has increased from 42.9% in FY2022 to 62.5% in FY2023. Our Board further noted that female representation on our Board has increased from 28.6% to 37.5%, which exceeds the target of 25% of female representation by 2025 set by the Council for Board Diversity. Nonetheless, in order to emphasise our Board's commitment to gender diversity, our Board continues to target to maintain female representation on our Board at a minimum of 25%. As our Board is of the view that there has already been an ongoing Board renewal process for the past couple of years and the current Board members, collectively as a group, provide an appropriate mix and balance of diversity of skills, experience, independence, gender, age and tenure, our Board has not set any further diversity targets. Our Board will also continue to consider diversity in relation to any future changes to the composition of our Board, taking into account the Board Diversity Policy.

Principle 3: Chairman and President & Chief Executive Officer

We believe there should be a clear separation of the roles and responsibilities between our Chairman and the President & CEO. Our Chairman and the President & CEO are separate persons and are not related to each other in order to maintain an effective balance of power, increased accountability and greater capacity of our Board for independent decision making.

Our Chairman is Ronald Seah Lim Siang, who is currently a Non-Executive and Independent Director. Our Chairman leads our Board and ensures that our Board members work together with Management, with the capability and moral authority to engage and contribute effectively and constructively on various matters, including strategic issues and business planning processes.

Our President & CEO, Pauline Wong Mae Sum, is also an Executive Director and is charged with full executive responsibility for the running of our businesses, making operational decisions and implementing business directions, strategies and policies. Our President & CEO is supported on major business and operational issues by the oversight of our EC.

Our Board is not required to have, and does not have, a lead independent director as our Chairman, Ronald Seah Lim Siang, is currently a Non-Executive and Independent Director. However, Ronald Seah Lim Siang will be re-designated from Non-Executive and Independent Director to Non-Executive and Non-Independent Director upon conclusion of the AGM to be held on 24 April 2024, and there will be further changes to the composition of our Board and our Board Committees. Please see further the section "Selection, appointment and re-appointment of Directors" under "Principle 4: Board Membership" on the intention to change the composition of our Board following the re-designation of Ronald Seah Lim Siang as Non-Executive and Non-Independent Director, including the appointment of a lead independent director.

CORPORATE GOVERNANCE

Principle 4: Board Membership

Board and Board committees

We believe that Board renewal must be an ongoing process, to ensure good governance, and maintain relevance to the changing needs of our Company and the business of our Group. As required by our Constitution, our Directors are subject to retirement and re-election by shareholders as part of the Board renewal process. Nominations and election of Board members are the prerogatives and rights of all our shareholders.

In carrying out its functions, our Board is supported by key Board committees, namely the AC, the RSC, the RC, the NC and the EC. Each of our Board committees has been established with clear charters setting out their respective areas of authority, terms of reference and committee procedures. Other Board committees can be formed from time to time to look into specific areas as and when the need arises. Membership in the different committees is carefully managed to ensure that there is equitable distribution of responsibilities amongst Board members, to maximise the effectiveness of our Board and foster active participation and contribution from Board members. Diversity of experiences and appropriate skills are also considered, along with the need to ensure appropriate checks and balances between the different Board committees.

Details of frequency and participation at our Board, AC, RSC, RC, NC, EC and general meetings for FY2023 are set out in Table 1.

Table 1: FY2023 – Directors' Attendance at Board, Board Committees and AGM

	Board		AC		RSC	
Directors(1)	No. of Meetings Held	No. of Meetings Attended (% Attendance)	No. of Meetings Held	No. of Meetings Attended (% Attendance)	No. of Meetings Held	No. of Meetings Attended (% Attendance)
Ronald Seah Lim Siang	4	4 (100%)	NA	NA	1	1 (100%)
Stephen Geoffrey Miller	4	4 (100%)	NA	NA	NA	NA
Pauline Wong Mae Sum(2)	1	1 (100%)	NA	NA	NA	NA
Cheah Sui Ling	4	4 (100%)	5	5 (100%)	NA	NA
Yeo Siew Chye Stephen	4	4 (100%)	NA	NA	NA	NA
Shailesh Anand Ganu(3)	2	2 (100%)	NA	NA	1	1 (100%)
Ho Koon Lian Irene	4	4 (100%)	5	5 (100%)	NA	NA
Lim Yong(3)	2	2 (100%)	NA	NA	1	1 (100%)

CORPORATE GOVERNANCE

Directors[1]	RC		NC		EC		Annual General Meeting	
	No. of Meetings Held	No. of Meetings Attended (% Attendance)	No. of Meetings Held	No. of Meetings Attended (% Attendance)	No. of Meetings Held	No. of Meetings Attended (% Attendance)	No. of Meetings Held	No. of Meetings Attended (% Attendance)
Ronald Seah Lim Siang	2	2 (100%)	1	1 (100%)	3	3 (100%)	1	1 (100%)
Stephen Geoffrey Miller	2	2 (100%)	1	1 (100%)	3	3 (100%)	1	1 (100%)
Pauline Wong Mae Sum[2]	NA	NA	NA	NA	1	1 (100%)	NA	NA
Cheah Sui Ling	NA	NA	NA	NA	NA	NA	1	1 (100%)
Yeo Siew Chye Stephen	2	2 (100%)	1	1 (100%)	3	3 (100%)	1	1 (100%)
Shailesh Anand Ganu[3]	NA	NA	NA	NA	NA	NA	NA	NA
Ho Koon Lian Irene	NA	NA	NA	NA	3	3 (100%)	1	1 (100%)
Lim Yong[3]	NA	NA	NA	NA	NA	NA	NA	NA

Notes:

(1) *Only current Directors have been listed above. During FY2023, Lim Chai Hock Clive resigned as a Director with effect from 7 July 2023, and Nicholas Tan Kok Peng resigned as a Director with effect from 31 December 2023. Lim Chai Hock Clive attended 1 out of 2 Board meetings held while he was a Director and also attended the AGM held on 27 April 2023. Nicholas Tan Kok Peng attended 4 out of 4 Board meetings and 5 out of 5 AC meetings as Chairman of the AC, and also attended the AGM held on 27 April 2023. Lim Chai Hock Clive and Nicholas Tan Kok Peng did not sit on any other Board committees.*

(2) *Pauline Wong Mae Sum was appointed as a Director with effect from 14 October 2023. She attended one (1) EC meeting that took place after her appointment at the invitation of the EC.*

(3) *Shailesh Anand Ganu and Lim Yong were appointed as Directors with effect from 7 July 2023.*

Nominating Committee

Our NC is chaired by a Non-Executive and Independent Director, Ronald Seah Lim Siang, and also comprises Yeo Siew Chye Stephen (Non-Executive and Independent Director) and Stephen Geoffrey Miller (Non-Executive and Non-Independent Director). The members of our NC are all Non-Executive Directors, a majority of whom (including the Chairman) are Non-Executive and Independent Directors.

Our NC's responsibilities include:

- making recommendations to our Board on the selection, appointment and re-appointment of our Company's Directors;
- determining the independence of a Director on an annual basis;
- deciding how our Board's performance and the performance of our Chairman, Board committees and each individual Director are to be evaluated;
- making recommendations to our Board on the review of board succession plans for Directors and Key Management Personnel (defined as the President & CEO and other persons having authority and responsibility for planning, directing and controlling the activities of our Company); and
- making recommendations to our Board on training and professional development programs for our Board.

CORPORATE GOVERNANCE

Selection, appointment and re-appointment of Directors

Our Company has in place a process for selecting and appointing new Directors as well as for the re-appointment of retiring Directors.

In proposing candidates for appointment as new Directors or existing Directors for re-election pursuant to their retirement by rotation or retirement following appointment to fill a casual vacancy, our NC considers several criteria, including the composition, the diversity and the need for progressive renewal of our Board. Our NC will review the core competencies and mix of skills, knowledge and experience of our existing Directors, so as to identify any specific attributes that are required and/or desired at Board level and consider whether and how the skills, knowledge and experience of the candidate or existing Director being considered for re-election will complement, add to and/or enhance the skillsets and core competencies of our Board. Our NC will review the principal commitments (including listed directorships) of the candidate or existing Director being considered for re-election, so as to assess his or her ability to adequately carry out his or her duties and responsibilities as a Director. In relation to existing Directors being considered for re-election, our NC will also consider his or her commitment, contribution and performance (including attendance, preparedness, participation and candour) at meetings of our Board and Board committees. With the adoption of the Board Diversity Policy as described in the section “Board Diversity Policy” under “Principle 2: Board Composition and Guidance”, our NC will also take into account diversity considerations by reference to the Board Diversity Policy. This ensures that the Board composition reflects an appropriate mix having regard to skills, experience, expertise, diversity and independence, which enables our Board to stay engaged and agile in meeting the needs of our Group.

In relation to the appointment of a new Director, potential candidates may be proposed by existing Directors, Management or through third-party referrals. External consultants are engaged to assist with the selection process, if necessary. As part of the process, short-listed candidates will be required to furnish their curriculum vitae stating in detail (among other things) their educational and professional qualifications, working experience, employment history, current and past directorships and current principal commitments and, in the case of a candidate being considered for appointment as a Non-Executive and Independent Director, factors that will affect independence. Our NC takes an active role in screening short-listed candidates, including interviewing the candidates. Our NC will carefully evaluate each potential candidate and such evaluation will, where appropriate, extend to whether he or she has fully discharged his or her duties and obligations during his or her previous directorship of any listed company, has previously served on the board of any company with an adverse track record or a history of irregularities, has been under investigation by any professional association or regulatory authority, or has resigned from the board of any such company for any reason that may cast doubt on his or her ability to act as a Director.

As part of the Board renewal process, Lim Chai Hock Clive, who is also our Controlling Shareholder and had served on our Board since 1999, stepped down from our Board in July 2023. Lim Yong, who is Lim Chai Hock Clive’s son, was appointed as a Non-Executive and Non-Independent Director.

Shailesh Anand Ganu was proposed by our existing Directors to be appointed as an additional Director to our Board in view of his extensive experience in the areas of executive compensation, board advisory and ESG. He has been appointed as Chairman of the newly established RSC. He was identified through internal referral, and no search consultant was involved in the process of his appointment.

Lim Shuh Moh Vincent retired as President & CEO in FY2023 after leading our Company for 10 years. Our Company engaged an external independent international executive search firm to source for a suitable candidate. After an extensive search, Pauline Wong Mae Sum was eventually identified from within our Group to assume the position of President & CEO. In making this decision, our NC and our Board had considered her qualifications, experience and performance previously as Senior Vice President, TeleChoice, in leading the Personal Communications Solutions Services Division.

CORPORATE GOVERNANCE

Our Constitution requires one-third of our Directors to retire and subject themselves to re-election by shareholders at every AGM (“**one-third rotation rule**”). In other words, no Director stays in office for more than three (3) years without being re-elected by our shareholders.

In addition, a newly-appointed Director is required to submit himself or herself for retirement and re-election at the AGM immediately following his/her appointment. Thereafter, he or she is subject to the one-third rotation rule.

Pursuant to the one-third rotation rule, Stephen Geoffrey Miller, Ho Koon Lian Irene and Ronald Seah Lim Siang will retire by rotation at the AGM to be held on 24 April 2024. Stephen Geoffrey Miller and Ronald Seah Lim Siang will be subject to re-election by shareholders at the AGM. Ho Koon Lian Irene, who has served on our Board since May 2015, has decided not to seek re-election as a Director as part of the Board renewal process. Pursuant to Regulation 105 of our Company’s Constitution, Pauline Wong Mae Sum, Shailesh Anand Ganu and Lim Yong will retire and will be subject to re-election by shareholders at our AGM to be held on 24 April 2024 as they were appointed in the course of FY2023.

Upon re-election:

- Stephen Geoffrey Miller will remain as Deputy Chairman and Non-Executive and Non-Independent Director, and a member of our EC.

- Ronald Seah Lim Siang will cease to be a Non-Executive and Independent Director and will be re-designated as a Non-Executive and Non-Independent Director, pursuant to the transitional arrangements applicable to an independent director who has served as an independent director for an aggregate period of more than 9 years. He will remain as Chairman of our Board and our EC, and a member of our RSC after conclusion of the AGM to be held on 24 April 2024. With the re-designation of our Chairman, Ronald Seah Lim Siang, as a Non-Executive and Non-Independent Director upon the conclusion of the AGM to be held on 24 April 2024, our Board will appoint two (2) additional Non-Executive and Independent Directors, to take effect immediately after the conclusion of the AGM, so that our Board will eventually comprise a majority of Non-Executive and Independent Directors. In addition, a Lead Independent Director will also be appointed as our Chairman will be a Non-Executive and Non-Independent Director. The appointments and resulting changes to the composition of the Board and the Board Committees are expected to be finalised and announced before conclusion of the AGM.

- Pauline Wong Mae Sum will remain as an Executive Director and President & CEO.

- Shailesh Anand Ganu will remain as a Non-Executive and Independent Director and Chairman of our RSC.

- Lim Yong will remain as a Non-Executive and Non-Independent Director and a member of our RSC.

Our Board has considered our NC’s recommendation and assessment of each of these Director’s skills, knowledge and experience, as well as the overall size, composition and diversity of skillsets of our Board, and is satisfied that each of these Directors will continue to contribute to our Board and to the combination of skills, knowledge, experience and diversity required on our Board. Please see the section “Additional Information in relation to Directors Standing for Re-election” for further information.

Assessment of independence

Our Board, taking into account the views of our NC, assesses the independence of each Director annually in accordance with the guidance in the Code of Corporate Governance and Practice Guidance. In accordance with the Code of Corporate Governance, a Director is considered independent if he or she is independent in conduct, character and judgement, and has no relationship with our Company, our related corporations, our substantial shareholders or our officers that could interfere, or be reasonably perceived to interfere, with the exercise of his or her independent business judgement in the best interests of our Company.

CORPORATE GOVERNANCE

Our Board and our NC also take into account the existence of relationships or circumstances, including those identified by the Practice Guidance and the Listing Manual, in assessing the independence of a Director. Such relationships or circumstances include the employment of a Director by our Company or any of our related corporations during the financial year in question or in any of the previous three (3) financial years, a Director being on our Board for an aggregate period of more than nine (9) years, the acceptance by a Director of any significant compensation from our Company or any of our subsidiaries for the provision of services during the financial year in question or the previous financial year, other than compensation for board service, and a Director being related to any organisation to which our Company or any of our subsidiaries made, or from which our Company or any of our subsidiaries received, significant payments or material services during the financial year in question or the previous financial year.

To facilitate the assessment of the independence of our Directors, each Director is required to promptly disclose to our Board any relationship or change in circumstances which may lead to his or her status as Non-Executive and Independent Director being affected.

Based on the declarations of independence provided by our Directors and taking into account the guidance in the Code of Corporate Governance and the Practice Guidance, our Board has determined that Ronald Seah Lim Siang, Cheah Sui Ling, Yeo Siew Chye Stephen and Shailesh Anand Ganu are independent. However, as noted above, Ronald Seah Lim Siang will cease to be considered independent upon the conclusion of the AGM to be held on 24 April 2024.

Assessment of Directors' Commitment

Our NC assesses annually whether a Director is able to and has been adequately carrying out his or her duties and responsibilities as a Director and, in particular, whether a Director who serves on multiple boards is able to commit the necessary time and attention to serve on our Board. In this regard, our NC has established an internal guideline that (a) a Director holding a full time position should not be a director of more than four (4) listed companies; and (b) a "professional" Director should not be a director of more than six (6) listed companies. However, our NC recognises that the individual circumstances and capacity of each Director are different and there may be circumstances in which a different limit on board appointments is appropriate. As such, our NC has the discretion to deviate from this guideline on a case-by-case assessment.

The directorships of our Directors in other listed companies and their principal commitments are set out in their respective profiles on pages 6 to 9 of this Annual Report. All of our Directors currently fall within the internal guideline in terms of directorships in other listed companies.

Our NC is of the view that, during FY2023, our Directors have devoted sufficient time and attention to the affairs of our Company and have been able to discharge their duties and responsibilities as Directors effectively. Our NC has also reviewed and is satisfied that none of our Directors held such a significant number of listed company directorships and other principal commitments as to potentially affect their ability to serve on our Board and, in particular, that those Directors who hold multiple listed company directorships and other principal commitments have devoted sufficient time and attention to the affairs of our Company and adequately discharged their duties and responsibilities as Directors during FY2023.

Principle 5: Board Performance

We believe that Board performance is ultimately reflected in our business performance. Our Board should ensure compliance with applicable laws and all Board members should act in good faith, with due diligence and care, in our best interests and the best interests of our shareholders.

CORPORATE GOVERNANCE

Our Board, through the delegation of its authority to our NC, has used its best efforts to ensure that our Directors are equipped with the necessary background, experience and expertise in technology, business, finance and management skills to make valuable contributions and that each Director brings to our Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Our NC has implemented a framework for assessing Board performance and diversity, and undertakes regular reviews of the performance and diversity of our Board, our Chairman, our Board committees and each individual Director, with inputs from our other Board members. The results of the Board appraisal exercise, which is conducted at least once annually, are circulated to all Directors for information and feedback. The information gleaned from the completed Board appraisal exercise(s) are taken into consideration by our NC, in determining whether there are any changes needed to the appraisal system, prior to the commencement of the next Board appraisal cycle.

Our Board has completed its appraisal exercise for FY2023. Our NC is satisfied that for FY2023, our Board and Board committees were effective in the discharge of their respective duties and responsibilities. The results of our NC's assessment were communicated to and accepted by our Board. No external facilitator was used in FY2023.

(B) REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies
Principle 7: Level and Mix of Remuneration
Principle 8: Disclosure on Remuneration

Remuneration Committee

We believe that a framework of remuneration for our Senior Management and key staff should not be taken in isolation. It should be linked to the development of our Senior Management and key staff to ensure that there is a continual development of talent and renewal of strong and sound leadership for our continued success. For this reason, our RC oversees the compensation package for our Senior Management and key staff.

Our RC is responsible for reviewing cash and long-term incentive compensation policies for our President & CEO, Senior Management and key staff. Our RC is chaired by a Non-Executive and Independent Director, Ronald Seah Lim Siang, and also comprises Yeo Siew Chye Stephen (Non-Executive and Independent Director) and Stephen Geoffrey Miller (Non-Executive and Non-Independent Director). The members of our RC (including the Chairman) are all Non-Executive Directors, a majority of whom (including the Chairman) are Non-Executive and Independent Directors. From time to time, we may co-opt an outside member into our RC to provide additional perspectives on talent management and remuneration practices.

Our RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. Aon Solutions Singapore Pte. Ltd. ("**Aon**") was appointed to provide professional advice on certain human resource matters. Aon only provides human resource consulting services to our Company and has no other relationships with our Company. In its deliberations, our RC takes into consideration industry practices and norms in compensation. Our Executive Director and President & CEO is not present during the discussions relating to her own compensation, and terms and conditions of service, and the review of her performance. However, our Executive Director and President & CEO will be in attendance when our RC discusses the policies and compensations of our Senior Management and key staff, as well as major compensation and incentive policies such as share options, stock purchase schemes, framework for bonus, staff salary and other incentive schemes.

CORPORATE GOVERNANCE

All decisions at any RC meeting are decided by a majority of votes of RC members present and voting (the decision of our RC shall at all times exclude the vote, approval or recommendation of any member having a conflict of interest in the subject matter under consideration).

Our RC is guided by its terms of reference which are aligned with requirements under the Code of Corporate Governance.

Our RC's responsibilities include:

- reviewing and recommending to our Board the cash and long-term incentive compensation policies and framework and fee schedule for Directors and Key Management Personnel of our Company;

- administering and reviewing any proposed amendments to the TeleChoice Restricted Share Plan, the TeleChoice Performance Share Plan and such other similar share schemes or plans that may be adopted by our Company from time to time;

- reviewing and recommending to our Board for approval, on an annual basis, the specific remuneration packages of each Director and the Key Management Personnel of our Company. Where our RC deems appropriate, it may, in consultation with the Chairman of our Board, make the relevant recommendations in respect of the remuneration of Director or Key Management Personnel, to the entire Board for approval; and

- undertaking such other reviews and projects as may be requested by our Board and report to our Board its findings from time to time on matters which require the attention of our RC.

The term "Key Management Personnel" means the President & CEO and other persons having authority and responsibility for planning, directing and controlling the activities of our Company.

Management Remuneration Policy and Framework

Remuneration for Key Management Personnel comprises a fixed component, a variable cash component, a share-based component and benefits-in-kind, as elaborated below:

A. Fixed Component:

The Fixed Component comprises the annual base salary, annual wage supplement and monthly allowances.

B. Variable Cash Component:

The Variable Cash Component, including the Performance Bonus and the Discretionary Bonus, is a remuneration component linked to the achievement of annual performance targets for each Key Management Personnel as agreed with our Board at the beginning of each financial year. Performance objectives aligned to the overall business metrics and strategic goals of our Company are cascaded down throughout the organisation through the use of Performance Scorecards, thereby creating greater alignment between the performance of our Company, business units and the individual employees. These performance objectives could be in the form of both quantitative and qualitative measures which are aligned to our Company's business strategy. In determining the final payout for each Key Management Personnel, the RC considers the overall performance of our Company, funding affordability and individual performance.

CORPORATE GOVERNANCE

C. Share-Based Component:

The aggregate number of new shares to be issued, when aggregated with existing shares (including treasury shares, if any, and cash equivalents) delivered and/or to be delivered pursuant to the TeleChoice Restricted Share Plan (as amended) ("**TeleChoice RSP**") and the TeleChoice Performance Share Plan (as amended) ("**TeleChoice PSP**") (collectively referred to as "**Share Plans**") then in force, shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) from time to time. To align the interest of the Key Management Personnel and that of shareholders, the Key Management Personnel are required to retain a certain percentage of shares acquired through the Share Plans, up to the lower of: (1) a percentage of total number of shares acquired under the Share Plans for FY2007 and onwards based on position level; or (2) the number of TeleChoice shares to be retained in order to meet the minimum value, which is set at a percentage of annual base salary based on position level.

Please refer to the section on Equity Compensation Benefits in the Directors' Statement on pages 116 to 119 of this Annual Report for the details of the Share Plans as well as awards granted under the Share Plans.

TeleChoice RSP

Under the TeleChoice RSP, conditional awards vest over a three-year period, once the RC is, at its sole discretion, satisfied that the performance and extended service conditions are attained. For RSP grants for 2017 onwards, the total number of shares to be awarded depends on the level of attainment of the individual performance targets.

TeleChoice PSP

Under the TeleChoice PSP, conditional awards of shares are granted. Awards represent the right of a participant to receive fully paid shares upon the participant achieving certain pre-determined performance targets which are set based on corporate objectives aimed at sustaining longer-term growth. After the awards vest, the shares comprised in the awards are issued at the end of the performance and/or service period once our RC is, at its sole discretion, satisfied that the prescribed performance targets have been achieved. The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period, currently prescribed to be a three-year period. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretched performance targets are met or exceeded. The performance measures used in the TeleChoice PSP grants are Total Shareholder Return against Cost of Equity Hurdles (i.e. measure of absolute performance) ("**ATSR**"), Relative Total Shareholder Return against the FTSE Straits Times All Share Index (i.e. measure of relative performance), and Return on Capital Employed (i.e. measure of capital efficiency). For the purpose of grant of awards under the TeleChoice PSP in FY2023, our RC decided to replace the performance measure of ATSR with net profit before tax ("**NPBT**"), as it was felt that a non-market metric such as NPBT will be better able to motivate executives and achieve the objectives of the TeleChoice PSP. Our Company has attained an achievement factor which is reflective of not meeting the pre-determined target performance levels based on the performance period from FY2021 to FY2023.

D. Benefits-In-Kind:

Benefits provided are comparable with local market practices and include non-cash benefits such as leave, medical benefits and handphones.

CORPORATE GOVERNANCE

In performing the duties as required under its terms of reference, our RC ensures that remuneration paid to the Key Management Personnel is strongly linked to the achievement of business and individual performance targets, industry practices and compensation norms and the need to ensure the continuing development of talents. The performance targets as determined by our RC are set at realistic yet stretched levels each year to motivate a high degree of business performance with emphasis on both short-term and long-term quantifiable objectives. Our RC also considers the tight talent market for Senior Management in setting total compensation levels. Our RC is satisfied that the level and mix of remuneration is appropriate and is aligned with pay-for-performance principles.

Under the Code of Corporate Governance, the compensation system should take into account the risk policies of our Company, be symmetric with risk outcomes and be sensitive to the time horizon of risks. Our RC has reviewed the various compensation risks that may arise and introduced mitigating policies to better manage risk exposures identified. Our RC also undertakes periodic reviews of the compensation related risks.

From FY2014, our Company has implemented a contractual “Clawback” provision in the event that an Executive Director or Key Management Personnel of our Company engages in fraud or misconduct, which results in restatement of our Company’s financial results or a fraud/misconduct resulting in financial loss to our Company. Our Board may pursue to reclaim the unvested components of remuneration from an Executive Director or Key Management Personnel from all incentive plans for the relevant period, to the extent such incentive has been earned but not yet released or disbursed. Our Board, taking into account our RC’s recommendation, can decide whether and to what extent, such recoupment of the incentive is appropriate, based on the specific facts and circumstances of the case.

Remuneration of Management

Details of remuneration paid to our President & CEO and top five (5) Key Management Personnel for FY2023 are set out in Table 2 below. The table below reflects more than five (5) Key Management Personnel as it includes Key Management Personnel who have retired or resigned and Key Management Personnel appointed in their place in FY2023.

Table 2: FY2023 – President & Chief Executive Officer and Top Five (5) Key Management Personnel’s Remuneration

Name	Fixed Component %	Variable Cash Component %	Share-Based Component %	Benefits-In-Kind %	Remuneration Bands[1]
Lim Shuh Moh Vincent[2]	54.5	27.5	16.0	2.0	D
Pauline Wong Mae Sum[3]	74.0	16.2	9.5	0.3	C
Lee Yoong Kin[4]	87.0	0.0	0.0	13.0	A
David Ho[5]	85.5	0.0	13.5	1.0	B
Jessie Sng[6]	75.6	18.5	4.8	1.1	C
Wong Loke Mei	82.6	8.6	8.1	0.7	B
Suwanto Santoso[7]	82.0	14.4	3.4	0.2	B
Goh Song Puay[8]	80.8	11.4	7.5	0.3	B

CORPORATE GOVERNANCE

Notes:

(1) Remuneration Bands:

"A" refers to remuneration between S$1 and S$250,000.

"B" refers to remuneration between S$250,001 and S$500,000.

"C" refers to remuneration between S$500,001 and S$750,000.

"D" refers to remuneration between S$750,001 and S$1,000,000.

(2) Lim Shuh Moh Vincent retired as President & CEO with effect from 14 October 2023. The information reflects his remuneration for the period up to 14 October 2023.

(3) The information reflects Pauline Wong Mae Sum's remuneration as Senior Vice President, Personal Communications Solutions Services Division prior to 14 October 2023, and as President & CEO and concurrently Executive Director with effect from 14 October 2023.

(4) Lee Yoong Kin resigned as Senior Vice President, Network Engineering Services Division with effect from 30 April 2023. The information reflects his remuneration up to 30 April 2023.

(5) David Ho resigned as Senior Vice President, Info-Communications Technology Services Division with effect from 3 January 2024.

(6) The information reflects Jessie Sng's remuneration as Vice President, Personal Communications Solutions Services Division prior to 1 October 2023, and as Senior Vice President, Personal Communications Solutions Services Division with effect from 1 October 2023.

(7) The information reflects Suwanto Santoso's remuneration as Vice President, Network Engineering Services Division prior to 1 October 2023 and as Senior Vice President, Network Engineering Services Division with effect from 1 October 2023.

(8) Retired as Vice President, Human Resource, with effect from 31 December 2023.

For FY2023, the aggregate total remuneration paid to the President & CEO and top five (5) Key Management Personnel (who are not Directors) (including Key Management Personnel who have retired or resigned and Key Management Personnel appointed in their place) amounted to approximately $3,746,706.

For competitive reasons, we have disclosed the remuneration of our Executive Director and President & CEO only in bands of $250,000. Our Board notes that this Report has already disclosed the policy and framework for remuneration of Management, including details on the different components of the remuneration. Our Board is of the view that the disclosure of such information, together with disclosure of the remuneration of our Executive Director and President & CEO in bands of $250,000 with a breakdown of the level and mix of the remuneration in the above table, provide shareholders with sufficient insight into the compensation of our Executive Director and President & CEO and is consistent with the intent of Principle 8.

For FY2023, there were no termination, retirement and post-employment benefits granted to Key Management Personnel, except for a one-off ex-gratia payment to each of Lim Shuh Moh Vincent and Goh Song Puay upon their retirement in recognition of their dedication and contribution that was approved by the RC.

There is no employee who is a Substantial Shareholder, or an immediate family member of a Director or the President & CEO or a Substantial Shareholder, whose remuneration exceeds $100,000 a year.

Remuneration for Non-Executive Directors

We remunerate our Non-Executive Directors with Directors' fees which take into account the nature of their responsibilities. The remuneration structure is based on a scale of basic retainer fees as Director and additional fees for serving on Board Committees as set out in Table 3 below. The Directors' remuneration for FY2023 will be subject to shareholders' approval at the forthcoming AGM.

CORPORATE GOVERNANCE

Table 3: FY2023 – Scale of Fees

Basic Retainer Fee	S$
Board Chairman(1)	85,000
Board Member	42,000
Fee for appointment to the Audit Committee	
Committee Chairman(1)	26,000
Committee Member	20,000
Fee for appointment to the Risk and Sustainability Committee	
Committee Chairman(1)	22,000
Committee Member	15,000
Fee for appointment to the Remuneration Committee	
Committee Chairman(1)	17,000
Committee Member	9,500
Fee for appointment to the Nominating Committee	
Committee Chairman(1)	17,000
Committee Member	7,500

Note:

(1) Board and Committee Chairman Fee includes Annual Basic Retainer as Board Member or Committee Member (as the case may be).

In respect of FY2023, the NC and the RC had the same members, i.e. Ronald Seah Lim Siang as Chairman, and Yeo Siew Chye Stephen and Stephen Geoffrey Miller as members. They have agreed to waive their fees as Chairman and members of the NC, and will receive only fees as Chairman and members of the RC. They will continue to receive fees as members of our Board and other Board Committees (where relevant).

To align the interests of our Directors to that of our shareholders, Directors who served on our Board during FY2023 (other than Lim Chai Hock Clive and Lim Yong, in respect of whom please refer to the paragraph below) will be remunerated as to approximately 70 percent (70%) of his/her total Director's remuneration in cash and approximately 30 percent (30%) of his/her total Director's remuneration in the form of a restricted share award pursuant to the TeleChoice RSP. The number of shares to be awarded will be based on the volume-weighted average price ("**VWAP**") of a share listed on the SGX-ST over the 14 market days commencing on (and including) the first ex-dividend date that immediately follows the date of this AGM (and in the event that no dividend is declared at such last concluded AGM, the VWAP of a share listed on the SGX-ST over the 14 market days commencing after the date of such last concluded AGM). The number of shares to be awarded will be rounded down to the nearest thousand shares, and any residual balance settled in cash. The restricted share awards will consist of the grant of fully paid shares, without any performance or vesting conditions attached. However, in order to encourage alignment of interests of our Directors with the interests of shareholders, a Director is required to hold such number of shares equivalent to at least (a) the prevailing annual basic Board retainer fee, based on the VWAP of a share listed on the SGX-ST over the 14 market days from (and including) the first ex-dividend date (if any) following the date of our Company's last concluded AGM (and in the event that no dividend is declared at such last concluded AGM, the VWAP of a share listed on the SGX-ST over the 14 market days commencing after the date of such last concluded AGM); or (b) the total number of shares awarded to that Director under the TeleChoice RSP (as amended) for FY2013 and onwards, whichever is lower. Notwithstanding the foregoing, a Director is permitted to dispose of all of his or her shares after the first anniversary of the date of his or her cessation as a Director of our Company.

CORPORATE GOVERNANCE

In relation to Lim Chai Hock Clive, he has resigned as a Director with effect from 7 July 2023 and will be entitled to a pro-rated amount of his Director's remuneration. In relation to Lim Yong, he was appointed as a Director with effect from 7 July 2023 and will be entitled to a pro-rated amount of his Director's remuneration. It is proposed that the entire amount of the pro-rated Director's remuneration of each of Lim Chai Hock Clive and Mr Lim Yong for FY2023 be paid to him in cash in full. Lim Chai Hock Clive is a controlling shareholder of our Company, while Lim Yong is the son, and therefore an associate, of Lim Chai Hock Clive. As such, the approval of independent shareholders by way of a separate resolution for the grant of the specific number of share awards to each of Lim Chai Hock Clive and Lim Yong is required under Rule 853 of the Listing Manual. However, as the number of share awards to be granted to Lim Chai Hock Clive and Lim Yong would have been computed only after the date of the AGM (as described above), such number of awards would not be known until after the AGM, and it is therefore not possible to seek approval for the grant of the specific number of share awards to them at the AGM. In view of the difficulties that our Company would face in complying with Rule 853 of the Listing Manual for the grant of share awards to Lim Chai Hock Clive and Lim Yong, our Company is therefore proposing to pay them in cash in full instead.

The following Table 4 shows the total composition of Directors' remuneration for FY2023.

Table 4: FY2023 – Directors' Remuneration

	Total Directors' Remuneration(1)		
Name	**Cash-based (S$)**	**Share-based (S$)**	**Total (S$)**
Ronald Seah Lim Siang	76,521	32,795	109,315
Stephen Geoffrey Miller	36,050(2)	15,450	51,500
Pauline Wong Mae Sum(3)	–	–	–
Nicholas Tan Kok Peng(4)	47,600	20,400	68,000
Cheah Sui Ling	43,400	18,600	62,000
Yeo Siew Chye Stephen	36,050	15,450	51,500
Shailesh Anand Ganu(5)	21,848	9,363	31,211
Ho Koon Lian Irene	43,400(2)	18,600	62,000
Lim Chai Hock Clive(6)	21,518	–	21,518
Lim Yong(7)	27,797	–	27,797

Notes:

(1) *The aggregate amount of these fees is subject to approval by shareholders at the upcoming AGM for FY2023.*

(2) *These fees are payable to STT Communications Ltd.*

(3) *Pauline Wong Mae Sum was appointed as an Executive Director with effect from 14 October 2023.*

(4) *Nicholas Tan Kok Peng resigned as a Director with effect from 31 December 2023. As he has served for the entire FY2023, he will be paid his Director's remuneration in full for FY2023.*

(5) *Shailesh Anand Ganu was appointed as a Director with effect from 7 July 2023.*

(6) *Lim Chai Hock Clive resigned as a Director with effect from 7 July 2023 and is entitled to a pro-rata amount of his Director's remuneration. As explained above, Lim Chai Hock Clive will be paid his pro-rated Director's remuneration in cash in full.*

(7) *Lim Yong was appointed as a Director with effect from 7 July 2023. As explained above, Lim Yong will be paid his pro-rated Director's remuneration in cash in full.*

CORPORATE GOVERNANCE

(C) ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls

Our Board has overall responsibility for the management of risks, including the determination of the nature and extent of the significant risks which our Company is willing to take in achieving its strategic objectives and value creation. Prior to the establishment of our RSC in July 2023, our AC assisted our Board in carrying out its responsibility of overseeing our Group's risk management and internal controls.

In July 2023, our Board established the RSC as a new Board committee to assist our Board in fulfilling its oversight responsibilities in relation to risk management and sustainability. Our RSC will also work together with our AC to review the adequacy and effectiveness of our Company's internal controls and risk management systems, including financial, operational, compliance and information technology controls, with our AC focusing primarily on financial-reporting risks.

Our RSC is chaired by a Non-Executive and Independent Director, Shailesh Anand Ganu, and also comprises Ronald Seah Lim Siang (Non-Executive and Independent Director) and Lim Yong (Non-Executive and Non-Independent Director).

Our RSC will review and assess our Company's risk management framework, policies and processes, identify and evaluate key risks, and provide guidance and recommendations to enhance our Company's sustainability practices.

Our RSC's responsibilities include:

- identifying and inventorising all risks faced by our Group but our RSC may direct oversight of certain categories of risks to be allocated to other Board committees as appropriate, assessing and monitoring such risks and identifying and evaluating the effectiveness of risk mitigation strategies;

- maintaining oversight of the sustainability reporting of our Company, considering ESG risks and opportunities for our Group and monitoring the integration of ESG considerations into our Company's decision-making process.

Our Group has in place an Enterprise Risk Management ("**ERM**") Framework, which governs the process of identification, prioritisation, assessment, management and monitoring of key financial, operational, compliance and IT risks to our Group. The key risks of our Group are deliberated by Management and reported to our RSC. Integral to the ERM is a Group-wide system of internal controls.

Our Board, with the advice of our RSC, determines our Group's level of risk tolerance and risk policies and our RSC and AC oversee Management in the design, implementation and monitoring of the risk management and internal control systems. Our Board, our RSC and our AC are supported by Management and various independent professional service providers such as external and internal auditors to review the adequacy and effectiveness of our Group's risk management and internal controls systems.

As part of the risk management process, Management will identify the key risk factors that are faced by our Group in our business and operations, categorise them according to financial, operations, compliance and IT risks, rank the risk factors in terms of their relative importance, likelihood of occurrence and potential impact to our Group should such risks materialise, and implement the internal controls and other risk mitigating practices which may be in place to address such risks. The risk management framework is reviewed, considered and approved by our RSC at least on a half-yearly basis and as and when it becomes necessary to do so.

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Management, under the supervision of our RSC, is responsible for the effective implementation of risk management strategies, policies and processes based on the risk management framework to facilitate the achievement of business plans and goals. Key risks, mitigating measures and management actions are continually identified, reviewed and monitored by Management.

Our internal auditors, Ernst & Young Advisory Pte. Ltd., conduct audits that involve testing the effectiveness of the material internal control systems within our Group, relating to financial, operations, compliance and IT risks. Any material non-compliance or lapses in internal controls are reported to our AC and RSC (as appropriate), including the remedial measures recommended to address the risks identified. Our AC and RSC (as appropriate) also review the adequacy and timeliness of the actions taken by Management in response to the recommendations made by our internal auditors. To facilitate their work, our internal auditors are invited to attend all AC meetings so that they would be familiar with the business and operations of our Group and better understand the key risks faced by our Group and concerns of our AC. Our AC will work together with our RSC, where necessary, to address any issues identified in the course of the internal audit. In addition, control self-assessment in respect of the key risk factors identified in the risk management framework is conducted by Management on a periodic basis to evaluate the adequacy and effectiveness of the risk management and internal control systems.

Our Board, with the concurrence of our RSC and our AC, commented that our Group's internal controls and risk management systems are adequate and effective in addressing the financial, operational, compliance and IT risks of our Group. Our Board acknowledges that it is responsible for our Group's overall risk management and internal control system framework, but recognises that there is no system that will preclude all errors and irregularities, as a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

Our Board has received the following assurances from:

- the President & CEO and the Chief Financial Officer ("**CFO**") that the financial records have been properly maintained and the financial statements give a true and fair view of our Group's operations and finances; and

- the President & CEO and other relevant Key Management Personnel that our Group's risk management and internal control systems are effective and adequate.

Principle 10: Audit Committee

Audit Committee

In FY2023, our AC comprised three (3) Non-Executive Directors, two of whom (including the Chairman) were Non-Executive and Independent Directors. Our AC members were Nicholas Tan Kok Peng as Chairman, Cheah Sui Ling and Ho Koon Lian Irene. Our AC members brought with them invaluable professional and managerial expertise in the accounting and financial sectors.

After Nicholas Tan Kok Peng stepped down from our Board at the end of FY2023 pursuant to the Change in Board Composition, Cheah Sui Ling was appointed as Chairman of our AC and our Non-Executive and Independent Director, Yeo Siew Chye Stephen, was appointed as a member of our AC. Ho Koon Lian Irene continues to be a member of our AC.

CORPORATE GOVERNANCE

Our AC's responsibilities include reviewing our annual audit plan, internal audit processes, the adequacy and effectiveness of internal controls and Interested Person Transactions for which there is a shareholders' mandate renewable annually. In addition, our AC will also work together with our RSC to review the adequacy and effectiveness of our Company's internal controls and risk management systems, including financial, operational, compliance and information technology controls, with our AC focusing primarily on financial-reporting risks.

Our AC has separate and independent access to the external and internal auditors, without the presence of our President & CEO and other Senior Management members, in order to have free and unfettered access to information that our AC may require.

Our AC has full authority to commission and review findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or violation of any law likely to have a material impact on our operating results. Our AC is also authorised to investigate any matter within its charter with the full co-operation of Management. Our AC reviews and approves the half-yearly and annual financial statements and the appointment and re-appointment of the external auditors before recommending them to our Board for approval, and approves the appointment of the internal auditors.

In FY2023, our AC held five (5) meetings and met with the external and internal auditors without the presence of Management, at least once during the year, to discuss matters it believes should be raised privately.

External auditors

Our Board is responsible for the initial appointment of the external auditors. Shareholders then approve the appointment at the AGM of our Company. The external auditors hold office until its removal or resignation. Our AC assesses the external auditors based on the requirements of the Listing Manual as well as other factors such as the performance and quality of its audit and its independence and objectivity, and recommends its appointment to our Board.

Our AC also reviews the nature and extent of non-audit services, if any, provided by the external auditors during the year to assess the external auditors' independence, adequacy and effectiveness. For details of fees payable to the auditors in respect of audit and non-audit services, please refer to Note 24 of the financial statements on page 175 of this Annual Report. Having noted that no non-audit services were provided by the external auditors in FY2023 that would impair their independence, and that Rules 712 and 715 of the Listing Manual have been complied with, our AC has recommended to our Board that KPMG LLP be nominated for re-appointment as the external auditors at the next AGM. To further maintain the independence of KPMG LLP, our AC ensures that the audit partner in-charge of our Group is rotated every five (5) years. The audit partner in-charge was last rotated for the financial year ended 31 December 2019. None of our Directors (including our AC members) or Senior Management is or has in the past two (2) years been a former partner, director or employee of our Group's external auditors.

Financial Reporting

The AC reviewed the draft financial statements and half-year results before recommending their approval to our Board. As part of this review, our AC considered significant accounting policies, estimates and significant judgements. Our AC also reviewed reports on findings from internal and external audits.

CORPORATE GOVERNANCE

The key audit matters ("**KAM**") in relation to the financial statements considered by our AC and how these were addressed are summarised as follows:

KAM	AC commentary
Valuation of inventories The valuation of inventory and the inventory allowance involves subjective estimates and are influenced by assumptions concerning future demand and sales prices.	The AC reviewed and challenged the basis used by Management in estimating the inventory allowance required for slow moving inventory. The AC considered the nature and extent of the work performed by external auditors in ascertaining the adequacy of inventory allowance. The AC also reviewed reports from the Company's internal auditors on inventory valuation. On the basis of these reviews, the AC agreed with Management that the Group's inventory allowance was adequate for the financial year ended 31 December 2023.
Revenue recognition Significant judgement is required in determining the stage of completion used for long term projects and for bundled contracts, appropriate allocation of contract value to the different performance obligation is crucial for proper revenue recognition.	The AC reviewed the revenue recognition policies of the Group's various revenue streams and considered them to be appropriate. The AC considered the nature and extent of the work performed by external auditors in ascertaining appropriateness of the Group's revenue recognition policies. The AC also reviewed reports from the Company's internal auditors in relation to work performed on revenue recognition. On the basis of these reviews, the AC concluded that the positions and judgements taken by Management reasonably reflected the extent of the work done and the revenue to be recognised. Where applicable the provision for onerous contracts were adequate.

All of the matters considered above were discussed with our Executive Director and President & CEO and our CFO and the external auditors. Our AC was satisfied that each of the matters set out above has been appropriately tested and reviewed by the external auditors and the disclosures relating to each of these matters made in the financial statements were appropriate.

CORPORATE GOVERNANCE

Internal Auditors

The internal audit function of our Group is carried out by the internal auditors, Ernst & Young Advisory Pte. Ltd., an independent firm. The internal auditors are guided by the Standards for Professional Practice of Internal Auditing, prescribed by the Institute of Internal Auditors.

Our AC conducts a review of the adequacy, effectiveness, scope and independence of the internal audit function annually to ensure that the internal auditors have direct and unrestricted access to the Chairman of our Board and our AC and that our Group maintains an effective internal audit function that is adequately staffed and independent of the audited activities. Our AC will work together with our RSC, where necessary, to address any issue identified in the course of the internal audit. Our AC, together with our RSC, is satisfied that the internal audit function is independent, effective and adequately resourced to perform its functions effectively.

The internal auditors report functionally to our AC and administratively to our Executive Director and President & CEO and our CFO. Our AC approves the appointment, termination and remuneration of the internal auditors.

The primary role of the internal audit function is to help to evaluate the adequacy and effectiveness of our Group's controls and compliance processes. Our Group's internal audit approach is aligned with our Group's Risk Management Framework by focusing on key financial and compliance risks. The annual internal audit plan is established in consultation with, but independent of, Management. The annual internal audit plan is then reviewed and approved by our AC. All internal audit findings, recommendations and status of remediation, are circulated to our AC, our Executive Director and President & CEO and relevant Senior Management every quarter.

The internal auditors present the internal audit findings to our AC each quarter. Our AC meets with the internal auditors at least once a year, without the presence of Management. The internal auditors have unfettered access to all our Group's documents, records, properties and personnel, including access to our AC, and has appropriate standing within our Group.

(D) SHAREHOLDERS RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings
Principle 12: Engagement with Shareholders
Principle 13: Engagement with Stakeholders

Our Company respects and upholds shareholders' rights to be treated fairly and equally. We uphold and promote the right of shareholders to be sufficiently informed in a timely manner of corporate developments, undertakings and events that impact our Company or our business and shareholder interests. We also engage shareholders through various communication channels consistently.

Shareholder Rights and Conduct of General Meetings

Our Company is committed to ensuring that material information is disclosed in compliance with the Listing Manual, the Code of Corporate Governance and the Practice Guidance on an adequate, accurate and timely basis to facilitate shareholders' ability to make informed investment decisions.

CORPORATE GOVERNANCE

Our Company also supports the principle under the Code of Corporate Governance to encourage greater shareholders' participation at general meetings. Separate resolutions are proposed on each separate issue at our general meetings. To enhance transparency in the voting process, our Company has implemented poll voting for all resolutions tabled at our general meetings. A registered shareholder who is not a relevant intermediary may appoint not more than two (2) proxies to attend and vote at our general meetings. A registered shareholder who is a relevant intermediary may appoint more than two (2) proxies to attend and vote at our general meetings, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Our Constitution also confers on our Directors the discretion to approve and implement, subject to appropriate security measures, such voting methods to allow members who are unable to vote in person at any general meetings the option to vote in absentia, including by mail, electronic mail or facsimile. Our Company has not implemented voting in absentia by mail, electronic mail or facsimile due to concerns relating to the authentication of shareholder identity and other related security and integrity issues.

Shareholders are given the opportunity at our general meetings to share their view and raise queries to our Directors and Senior Management on matters relating to our Company and our operations. All Directors together with Senior Management attend our general meetings, and the external auditors are also invited to be present at our general meetings to assist in answering questions from our shareholders relating to the conduct of the audit and the preparation and content of the auditors' report. The company secretary prepares minutes of our general meetings, which capture the essence of the comments or queries from meeting attendees and responses from our Board and Senior Management. The results showing the number of votes cast for and against each resolution and the respective percentages are announced via SGXNET on the same day of the general meeting. Minutes of general meetings are made available on SGXNET and on our Company's website, http://www.telechoice.com.sg.

Due to the COVID-19 situation and in accordance with the various legislative measures passed and implemented to allow alternative arrangements for general meetings of companies, we had held our AGM in 2020, 2021 and 2022 by electronic means. In 2023, with the improving COVID-19 situation, we held our FY2022 AGM in physical form for the first time since then. This provided us with the opportunity to meet and interact with, and answer questions from, our shareholders directly. Shareholders were also afforded the opportunity to:

- submit questions in advance; and

- appoint the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM.

All of our Directors as well as our President & CEO attended the AGM.

In 2024, our AGM for FY2023 will be held in a wholly physical format and there will be no option for shareholders to participate virtually. Shareholders may participate in our FY2023 AGM by (a) attending our FY2023 AGM in person; (b) submitting questions to the Chairman of the meeting in advance of, or live at, our FY2023 AGM; and (c) voting at our FY2023 AGM themselves or through duly appointed proxy(ies).

Engagement with Shareholders and Stakeholders

We believe in engaging with shareholders, and analysts and other stakeholders (the "**investment community**") consistently. Our Investor Relations ("**IR**") team is the main intermediary between the Company and our shareholders and the investment community and facilitates effective and regular communication with them. The IR team also keeps our Board and Senior Management apprised of the investment community's views and sentiments.

CORPORATE GOVERNANCE

Our Company communicates to our shareholders our major corporate and financial announcements, including first quarter and third quarter business updates, half-year and full-year financial results as well as share price or trade sensitive information, press releases, presentations, and distribution of notices via SGXNET and our Company's website which is updated on a regular basis. As our Company has been placed on the Watch-List on 5 December 2023, in accordance with Rule 1313(2) of the Listing Manual, we will, while we remain on the Watch-List, provide a quarterly update on our efforts and the progress made in meeting the exit criteria of the Watch-List. Both current information and archives of previously announced information can be found on our Company's website. Shareholders and the investment community may also opt to sign up for our IR email alert service available on our Company's website to be kept informed of the latest updates. Shareholders and the investment community may contact the IR team via email at enquiry@telechoice.com.sg who will respond promptly and effectively.

Our Company also actively engages our shareholders via AGM and Extraordinary General Meetings (if necessary) and holds analyst briefings following the release of our half-year and full-year financial results. Annual reports and/or circulars and notices of general meetings are made available to shareholders via electronic communications and/or printed copies. Notices of general meetings are issued to shareholders (including foreign shareholders) at least 14 days prior to the scheduled meetings, providing ample time for shareholders to review the documents ahead of the meetings and appoint their proxies to attend the meetings if they wish. As part of our commitment towards more environmental-friendly and sustainable practices, our annual reports and circulars are available online at our Company's website.

The Company is cognisant of the importance of generating returns to shareholders. Since FY2004, our Board has set a benchmark to propose and pay annual dividends of at least 30% of our annual net profit after tax, subject to our Group's earnings, cash flow and capital requirements. In determining the dividend, our Board balances the need for a satisfactory return to shareholders against our Company's investment requirement to ensure sustainable growth. Any dividend payouts are clearly communicated to shareholders via the financial results and cash dividend announcements through SGXNET and our Company's website.

ADDITIONAL INFORMATION

Dealing in securities

To help ensure compliance with the applicable securities and insider trading laws, including the best practices set out in the Listing Manual, we have adopted and implemented our Guidelines on Dealing in Securities of TeleChoice ("**Guidelines**"). We send regular compliance notices to all Directors and employees. In accordance with Rule 1207(19) of the Listing Manual, all our Directors and employees are prohibited from dealing in our securities during the period of two (2) weeks before the respective announcement of our first quarter and third quarter business updates, and one (1) month before the announcement of our half-year and full-year financial results. Restrictions are lifted from the date of the announcement of the respective results. Similar dealing restrictions also apply in our Company's acquisition of its securities pursuant to its share purchase mandate. All our Directors and employees, and those of our subsidiaries and associates, are advised not to deal in our securities on short term considerations and are also advised to comply with the Guidelines and observe applicable insider trading laws at all times.

Whistleblowing Policy

In line with our commitment to a high standard of internal controls and our zero tolerance approach to fraud, we have put in place a whistle blower policy ("**Whistleblowing Policy**") providing employees a direct channel to our AC, for reporting misconduct or wrongdoing relating to our Group and its officers, including suspected fraud and possible impropriety in financial reporting, unethical conduct, dishonest practices or other similar matters. Our AC is responsible for overseeing and monitoring whistleblowing pursuant to the Whistleblowing Policy.

CORPORATE GOVERNANCE

We have established a process whereby whistleblowing reports can be sent to our current internal auditor, Ernst & Young Advisory Pte. Ltd. ("**EY**"), which has been designated as an independent function to channel and escalate all whistleblowing reports to our AC. Upon receipt of any reports, our AC will determine the course of action to take, which may include:

- conducting its own investigation or review;
- instruct the relevant members of Management to conduct investigation or review;
- engage EY to investigate whistleblowing reports made in good faith;
- report the matter to the authorities if there is reason to believe that a crime has been committed.

Based on the results of the relevant investigation or review, our AC will determine what remedial or other action would be appropriate to be taken.

The Whistleblowing Policy aims at encouraging the reporting of misconduct or wrongdoing. The Whistleblowing Policy provides for the confidentiality of the identity of the whistleblower, and also prohibits any form of discrimination, detrimental or unfair treatment, retaliation and/or harassment against a whistleblower.

The Whistleblowing Policy is available on our intranet and website for easy access by all employees and the public.

Anti-Corruption Policy

To further emphasise the importance of corporate governance, we have introduced an Anti-Corruption Policy in October 2018 which was subsequently updated in November 2021. All new employees are required to read, understand and be assessed on these policies as part of the onboarding process. There were no incidents of corruption during this period that has a material impact on our Group's operating results or financial position.

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About This Report

This is the 7th annual Sustainability Report of TeleChoice International Limited ("TeleChoice" or "the Group"), which details our performance in the areas of environmental, social, and governance ("ESG") for the financial year spanning from 1 January 2023 to 31 December 2023 ("FY2023").

Scope

This report covers the Group's ESG performance in Singapore, excluding international operations unless specified. In FY2023, 80% of our revenue stemmed from Singapore and 20% from overseas operations. We intend to include information from our overseas entities where material in FY2024 sustainability report.

Reporting Standards

This report has been prepared in accordance with the Global Reporting Standards for Sustainability Reporting ("GRI Standards"). We have used GRI Standards due to their international recognition as a leading standard for sustainability reporting. This report complies with the Listing Rules of the Singapore Exchange Securities Trading Limited (Rules 711A and 711B) and includes the six primary components: Material ESG Disclosures, Climate-related Disclosures, Policies, Practices and Performance, Targets, Sustainability Reporting Framework, and a Board Statement. In this report, we have further aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines. This report also aligns with the relevant United Nations' Sustainable Development Goals (SDGs) to underscore our commitment to sustainable development. We have used grid emission factors published by the Energy Market Authority, Singapore to calculate location-based Scope 2 emissions. We have referred to emission factors from the Department for Environment Food and Rural Affairs, UK (DEFRA) to calculate Scope 1 emissions.

Reporting Principles

We are committed to transparency and accountability in our sustainability reporting. To ensure that our reports are comprehensive, credible, and comparable, we adhere to the GRI Standards' eight reporting principles: sustainability context, accuracy, balance, clarity, comparability, completeness, timeliness, and verifiability.

Restatements

This report includes the following restatements of previously reported data: Scope 2 emissions for 2021 and 2022 have been recalculated due to revision in grid emission factors by the Energy Market Authority, Singapore. Emissions intensity figures have also been adjusted accordingly. The recalculation has resulted in a minor increase in Scope 2 emissions for 2021 and 2022 although the change is very small and hence not material. Additionally, petrol and diesel consumption figures for 2022 have been revised to address a minor error which does not have a material effect.

SUSTAINABILITY REPORT

Assurance

We have relied on our internal checks to ensure that the reported information is accurate and reliable.

In addition, we have completed an internal audit review on identified selected sustainability reporting processes. Seeking external assurance remains under consideration for future reports.

Contact

We welcome stakeholders' views and questions regarding this report. Contact us at sustainability@telechoice.com.sg

SUSTAINABILITY REPORT

ESG Performance Summary

SGX Core ESG Metrics Topics	ESG Topics/ SGX Core Metrics	Unit	FY2023	FY2022	FY2021
ENVIRONMENTAL					
GHG Emissions	CO_2 emissions (tCO_2)[1]	tCO_2	279	251	271
	Scope 1	tCO_2	50	47	51
	Scope 2	tCO_2	229	204	220
	Carbon emission intensity per sq m floor area[2]	$kgCO_2$	65	59	49
Energy Consumption	Total energy consumption	GJ	2,713	2,448	2,679
	Energy intensity per sq m floor area[3]	GJ	0.64	0.57	0.49
[redacted]	Total electricity used	kWh	549,782	489,489	538,593
	Electricity intensity per sq m floor area	kWh	129	115	98
Waste Generation	General waste	t	4.160	1.660	3.310
Water Consumption	Total water consumption	ml	Not material. Not reported		
	Water consumption intensities	ml			
	Notes: 1. CO_2 emissions comprise Scope-1 and Scope-2 emissions. 2. CO_2 emissions intensity is based on combined Scope 1 and Scope 2 emissions. 3. Energy intensity pertains to purchased electricity, petrol and diesel.				

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SGX Core ESG Metrics Topics	ESG Topics/ SGX Core Metrics	Unit	FY2023	FY2022	FY2021
SOCIAL					
[redacted]	**Employees**				
Gender Diversity	Full-time employees	Number	301	333	322
	Male	%	60	60	60
	Female	%	40	40	40
	New hire				
	New hire rate	%	26	40	23
	New hire rate (male)	%	29	42	23
	New hire rate (female)	%	20	37	22
	Employee turnover				
	Employee turnover rate	%	33	33	30
	Employee turnover rate (male)	%	34	35	34
	Employee turnover rate (female)	%	35	31	22
[redacted]	Female managers	%	44	39	40
[redacted]	Female Heads of Department	%	50	32	40
Age-based Diversity	Employee by age group:				
	• Under 30 years	%	7	7	13
	• 30 – 50 years	%	61	62	66
	• Over 50 years	%	32	31	21
	New hire rate by age group:				
	• Under 30 years	%	61	12	29
	• 30 – 50 years	%	24	49	55
	• Over 50 years	%	15	39	16
	Employee turnover rate by age group:				
	• Under 30 years	%	69	52	29
	• 30 – 50 years	%	30	36	34
	• Over 50 years	%	32	22	11
Development & Training	Average training hours per employee	Hours	14	12	13
	Average training hours per employee (male)	Hours	17	13	15
	Average training hours per employee (female)	Hours	11	10	10
Occupational Health & Safety	Fatalities	Number	0	0	0
	High-consequence injuries	Number	0	0	0
	Recordable work-related injuries	Number	0	0	0
	Recordable work-related ill health cases	Number	0	0	0
[redacted]	**Community**				
	Employee volunteering (days)	Days	7.5	7.5	13

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SGX Core ESG Metrics Topics	ESG Topics/ SGX Core Metrics	Unit	FY2023	FY2022	FY2021
GOVERNANCE					
Board Composition	Board independence – Independent board directors	%	50	57	57
	Percentage of female board directors	%	37.5	29	29
Management Diversity	Women in the management team	%	45	33	40
Ethical Behaviour	Confirmed incidents of corruption	Number	0	0	0
[redacted]	Incidents of non-compliance with Personal Data Protection Act (PDPA)	Number	0	0	0
	Incidents of regulatory non-compliance involving fines	Number	0	0	0
	Incidents of regulatory non-compliance incurring non-monetary sanctions	Number	0	0	0
Alignment to Framework	Alignment with frameworks and disclosure practices	GRI/TCFD/ SASB/SDG/ others	GRI/ TCFD/ SDG	GRI/ TCFD/ SDG	GRI/ SDG
Assurance	Assurance of Sustainability Report	Internal/ External/ None	Internal	Internal	-

SUSTAINABILITY REPORT

Awards

Our consistent commitment to customer service, quality, and excellence continues to earn the Group several awards and recognitions. The following are the awards we have received in the past three years:

2023
Huawei - Excellent Delivery Award 2023
Huawei Technology Partner of the Year (Data Storage)
Huawei - Certificate of Appreciation (Excellent Performance Subcontractor, Project Delivery, Quality and EHS, Huawei IRO XL Project 2023)
Ericsson - Certificate of Excellence (Indonesia)
Ericsson - Best Support in MS RAN
Huawei - Most Valuable TL For IOH Project
Nokia: Certificate of Appreciation (Indonesia)
IBM - Top Performing Business Partner 2022 (Power and Storage)
IBM - Top Performing Business Partner 2022 (Storage)

2022
MRO Excellent Delivery Award
Huawei – Best Performance Partner IOH IP RAN Non-Wireless Project
Huawei – Most Valuable Site Supervisor for IOH Project
Nokia - Digital Champion for Indonesia XL Project
Nokia - Project Management Champion for Indonesia IOH Project
Nokia - Acceptance Champion for Indonesia IOH Project
Nokia - Delivery Champion (ATP) For Indonesia XL Project
Nokia - Project Communication Champion for Indonesia IOH Project
Nokia - Delivery Champion (CO) For Indonesia IOH Project
Nokia - CICO Champion For Indonesia XL Project
Ericsson - Certificate of Excellence

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2021
Avaya – Diamond Partner 2021
Avaya – Partner Forum Special Recognitions Award 2021
Avaya – Top Performing Enterprise Value-Added Reseller 2021
ASC – Recording Cloud Gold Partner 2021
Genesys – Bronze Partner 2021
Huawei Indonesia – Best Partner Project Manager Award
Huawei Indonesia – Best Quality Award 2021
Huawei Indonesia – Heroes of the Pandemic Award 2021
Huawei Malaysia – Annual Contribution Award for RF 2021
IBM – Innovation Award (Service) 2021
IBM – Top Performing Business Partner (Storage) 2021
IBM – Top Performing Business Partner (Systems) 2021
NSFocus APAC – Excellent Performance Partner 2021
Singapore Corporate Awards – Corporate Excellence and Resilience Award 2020/2021

For a comprehensive listing of awards, please visit our website at https://www.telechoice.com.sg/awards.html

SUSTAINABILITY REPORT

Governance

TeleChoice is committed to high standards of governance, ethics and integrity in conducting its business and managing its material ESG impacts, risks and opportunities in the short, medium and long term.

Sustainability Governance

At TeleChoice, the Board of Directors (the "Board") oversees sustainability issues and provides strategic direction for addressing material Environmental, Social, and Governance (ESG) impacts, risks, and opportunities. The Board has ultimate responsibility for the Group's sustainability reporting, including its due compliance with the SGX-ST guidelines on corporate governance and sustainability reporting.

In 2023, the Board reviewed and updated the Group's sustainability governance structure. To assist the Board in ESG matters, the Board Risk and Sustainability Committee (RSC) was established, comprising Board members. The RSC's responsibilities include overseeing the Group's sustainability strategy and monitoring its goals and performance. It reviews the sustainability framework, focusing on material ESG issues and considers both global trends and regulatory requirements. The RSC ensures ESG factors are integrated into decision-making processes and assesses sustainability-related risks and opportunities over short, medium and long-term, including climate change, resource management, community relations, and employee well-being. In addition to providing regular updates to the Board on the effectiveness of ESG risk management controls, the RSC also oversees the accuracy, transparency, and regulatory compliance of the Group's sustainability reports and disclosures. Other than Ms Wong, who will be completing sustainability-related training by October 2024, all other Directors have completed the training as stipulated by SGX.

Sustainability Management Committee

The RSC is assisted by the Sustainability Management Committee ("SMC"), which comprises senior executives and led by the President and CEO. The SMC develops and executes sustainability strategies, sets targets, evaluates ESG performance, and guides the creation of the sustainability report. A Sustainability Reporting Coordinator ("SR Coordinator") supports the SMC by gathering, verifying, and assessing ESG performance data for reporting purposes. The SMC provides regular updates to the RSC.

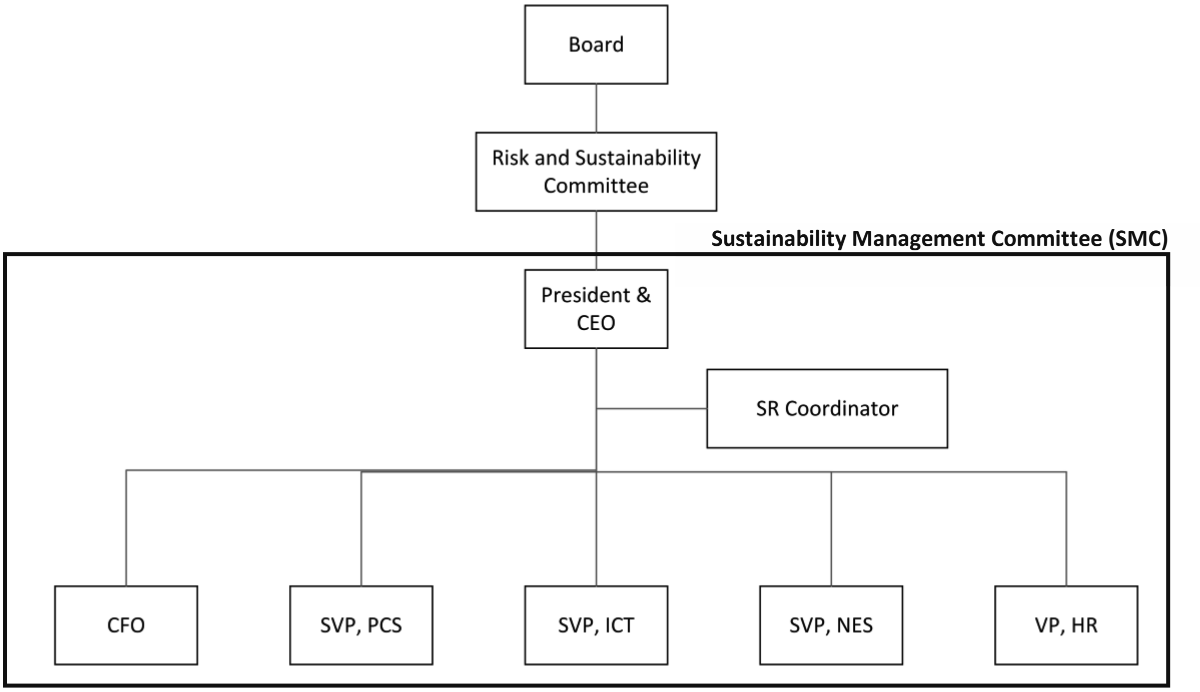
Board Statement

At TeleChoice, the Board collaborates closely with the management to offer strategic guidance and oversight in addressing sustainability risks and opportunities. The Board determines the material ESG factors, integrates sustainability issues into the Group's business and strategy, and oversees their management and monitoring. The Board has reviewed and endorsed this sustainability report including the material ESG factors covered in the report.

Management Responsibility

The executive management team at TeleChoice is responsible for implementing the sustainability strategies approved by the Board. This includes regularly updating the Board through the RSC on progress towards ESG goals and targets, as well as overseeing the preparation of sustainability reports for the Board's review and approval.

Sustainability Governance Structure



Regulatory Compliance

Maintaining regulatory compliance is essential for upholding our legal and ethical obligations, protecting our reputation, and avoiding financial and legal consequences. It is crucial in establishing trust and credibility with our customers and stakeholders, while also preventing reputational damage and negative publicity.

At TeleChoice, we are committed to complying with all applicable laws and regulations where we operate. We have implemented necessary measures to comply with relevant regulations, such as data protection laws, sustainability reporting rules, environmental regulations, tax laws, and employment laws. We monitor our legal compliance performance and report incidents of non-compliance.

There were no incidents of non-compliance with laws and regulations during the current or immediate past reporting periods which involved significant financial penalties or non-monetary sanctions.

REGULATORY COMPLIANCE			
ESG Factor	**Ongoing Target (Short-, Mid- & Long-term)**		**FY2023 Performance**
Regulatory Compliance	Report on the number of significant incidents of legal non-compliance.	0	There were no significant incidents of legal non-compliance in FY2023.

SUSTAINABILITY REPORT

Conflict of Interest

We have a Conflict-of-Interest policy that applies to key employees of TeleChoice International Limited and its subsidiaries, who have access to sensitive information and/or are in a position to influence decisions in sales/marketing and purchasing activities. The policy requires relevant employees to sign an annual Declaration of Interest and Undertaking once a year. Additionally, immediate disclosures must be made if circumstances exist that could prevent the employee from discharging his/her duties in a professional and objective manner.

Anti-Corruption

Corruption undermines stakeholder trust and hampers economic and societal growth. As a principled business, TeleChoice is committed to maintaining the highest standards of ethics and integrity, and maintains zero tolerance for any form of corruption, bribery, fraud or money laundering. We are committed to conducting our business activities in a manner that is fair, ethical, transparent, and accountable. Our anti-corruption policy applies to any act or suspected act of bribery or corruption involving employees, officers, directors, vendors, contractors, business partners of, and any other parties which have a business relationship with any company within the TeleChoice Group.

Our Anti-Corruption Policy outlines the standards and procedures to which our employees, directors, suppliers, business partners and stakeholders must adhere. This policy strictly prohibits the offering, giving, soliciting, or accepting of bribes or corrupt payments, either directly or indirectly, from any individual or organisation, for any purpose. Our policy requires the prompt reporting and investigation of any suspicion of bribery or corruption, ensuring that appropriate measures are taken promptly.

For all new employees, understanding and complying with our anti-corruption policy is a mandatory aspect of the onboarding process. This includes familiarisation with the policy, comprehending its implications, and completing an assessment to ensure thorough understanding.

Anti-corruption Awareness

The Group's anti-corruption policy is communicated to all employees, directors, and suppliers. All TeleChoice Personnel are required to electronically acknowledge or sign a Declaration Form to declare their acknowledgement of, and compliance with, our anti-corruption policy. To emphasise the Group's zero-tolerance approach to corruption and bribery, we send an annual reminder to all employees, reinforcing the policy's expectations.

A Corporate Town Hall was conducted on 8 Jan 2024 where the President and CEO communicated and reiterated policies on Corporate Governance, Code of Conduct and Customer Privacy. The session was attended by employees in Singapore and regionally.

SUSTAINABILITY REPORT

There were no confirmed incidents of corruption during the reporting period.

ANTI-CORRUPTION			
ESG Factor	**Ongoing Target (Short-, Mid- & Long-term)**		**FY2023 Performance**
Anti-Corruption	Report on the number of confirmed incidents of corruption and actions taken, if any.	0	There were no incidents of corruption in FY2023.

Data Protection and Information Security

In today's digital age, information security and personal data protection are critical, as data breaches can gravely undermine trust and cause significant reputational and financial harm. We are committed to safeguarding the personal data entrusted to us, ensuring compliance with relevant data protection and privacy regulations.

Aligned with the Personal Data Protection Act (PDPA) in Singapore, which regulates the collection, use, and disclosure of personal data by private organisation, we have established a Personal Data Protection Policy. This policy is available publicly on our corporate website. In accordance with this policy, we have put in place measures to secure the personal information of our employees, customers, suppliers, business partners and other stakeholders. We have also designated a Data Protection Officer ("DPO") at the Group level and for each of the three business divisions. Stakeholders can contact our DPOs via mail, email, or phone for any queries or concerns regarding their personal data.

We constantly monitor our information security systems and aim to have zero incidents of personal data breaches. In 2023, there were no complaints concerning breaches of customer privacy, theft, leaks, or losses of personal data or critical information.

INFORMATION SECURITY AND PERSONAL DATA PROTECTION			
ESG Factor	**Ongoing Target (Short-, Mid- & Long-term)**		**FY2023 Performance**
Data Privacy	Report on the number of substantiated complaints of personal data breaches.	0	There were no substantiated complaints of personal data breach in FY2023.

Human Rights

At TeleChoice, we are committed to upholding internationally recognised human rights principles and agreements, including the UN Declaration of Human Rights, the International Labour Organization's ("ILO") core labour standards, and relevant national laws.

We have a zero-tolerance policy towards child labour and forced labour in our operations and supply chains. Our policies promote a culture of equality and inclusivity, ensuring fair treatment and equal opportunities for all our employees and stakeholders. We respect the rights to freedom of association and collective bargaining and integrate human rights considerations into relevant policies and business practices.

During the reporting period, there were no incidents of discrimination, forced labour or child labour.

SUSTAINABILITY REPORT

Sustainability Approach

TeleChoice is committed to creating a positive impact on the environment, people, and communities while also delivering value to customers and shareholders.

Our corporate values of Fun@Work, Integrity, Value Creation, Excellence, Commitment, and Socially Responsible underpin our approach to ESG issues.

As a leading regional provider in Singapore and Malaysia, we specialise in distribution, fulfilment, and retail managed services for telecommunication companies and major mobile device manufacturers. Our primary role involves facilitating connections between our clients and their consumers via the retail outlets that we operate. We also provide Information and Communication Technology solutions and Network Engineering services to various industries and regions. The success of our business model hinges on fulfilling the service delivery expectations of our telecom partners and mobile device manufacturers, while maintaining high service standards for their consumers. Our people are crucial in ensuring that these objectives are achieved, thus making them our most valuable asset.

In the context of our business, we acknowledge the significance of sustainability in our operations, value chain, and the broader community. We are committed to maintaining high standards of governance and ethics. This involves serving our customers with integrity, reducing our environmental footprint, fostering a fair and inclusive workplace, and aligning our business practices with our corporate values and sustainability principles. Our goal is to positively impact our environment, people, and communities while delivering value to our customers and shareholders.

Material ESG Topics
Within the context of our business, we identify and prioritise significant ESG impacts, risks, and opportunities. To track and report against our targets, we adhere to international sustainability reporting standards, such as the GRI Standards. Additionally, we align these topics with the United Nations Sustainable Development Goals (“SDGs”), demonstrating our contribution to sustainable development.

Our Sustainability Framework
The TeleChoice sustainability framework is structured around material ESG topics, our commitments, and the methods we employ to fulfill them. We have aligned our framework with the UN SDGs to ensure global relevance and impact. We detail our sustainability commitments and the strategies we implement to achieve these objectives in the table below.

SUSTAINABILITY REPORT

Our Sustainability Commitments

Operating ethically and with integrity	Serving our customers	Developing our people	Minimising our environmental impact	Supporting communities
We are committed to conducting our business ethically, maintaining transparency in our practices, complying with all relevant laws and regulations, and delivering our products and services with integrity.	We are committed to providing excellent customer experience at every touchpoint and building long-lasting relationships.	We are committed to developing our people and providing them with opportunities for growth, learning, and advancement. Our employees are our most valuable asset, and investing in their development is critical for our success.	We are committed to reducing our greenhouse gas emissions, energy consumption, and waste generation and to minimising our environmental footprint.	We are committed to giving back to the communities in which we operate through philanthropic initiatives, volunteerism, and programmes that promote community development.

SUSTAINABILITY REPORT

Our Sustainability Approach

In line with our commitments, we have developed a 7-pillar sustainability approach. Our approach to sustainability issues is rooted in good governance and focuses on addressing material ESG impacts, risks, and opportunities to build long term business resilience and deliver value to our stakeholders and shareholders.

Our sustainability approach is described in the table below.

Strong Governance	Risk Management	Customer Experience	Employee Development	Energy Efficiency	Waste Reduction	Sustainability Reporting
We adhere to recognised standards of corporate governance and business ethics and the Board has direct oversight of governance and sustainability.	ESG risks, including climate-related risks and opportunities, are taken into consideration in our enterprise risk management and overseen by the Board.	We aim to exceed our customers' expectations and provide personalised services that meet their needs and expectations. We train and empower our employees to provide excellent service and support to our customers.	We provide our employees with the resources, support, and opportunities they need to grow, learn, and thrive in their roles.	We adopt energy-efficient practices in various aspects of our business to reduce our carbon footprint.	We strive to reduce waste generation and promote recycling.	We report on our ESG performance in line with international reporting standards and provide transparency on our progress towards achieving our sustainability commitments.

SUSTAINABILITY REPORT

Sustainability Policies

TeleChoice is committed to operating in an environmentally, socially, and economically responsible manner. We recognise the importance of sustainability in today's global business landscape and strive to minimise our environmental impact while contributing positively to society.

We have adopted a sustainability policy that has been approved by the President & CEO of the TeleChoice Group. We are also committed to working with our suppliers to ensure that they adhere to similar sustainability standards and promote responsible sourcing practices.

The following commitments are part of our sustainability policy:

Environmental Commitment

- **Energy Efficiency:** We will continuously seek ways to reduce energy consumption and implement energy-efficient technologies in our operations.
- **Waste Management:** We will strive to minimise waste generation, promote recycling, and responsibly dispose of any waste produced.
- **Carbon Footprint:** We will work to measure and reduce our greenhouse gas emissions.
- **Resource Conservation:** We will promote responsible use of natural resources, including water, paper, and other materials, by implementing conservation measures.

Social Responsibility

- **Employee Commitment:** We are committed to nurturing a safe, inclusive workplace that fosters diversity, equity, and inclusion. Supporting our employees' professional development and well-being is a priority, as their growth, learning, and advancement are crucial to our success.
- **Community Engagement:** We believe in giving back to the communities in which we operate and will engage in philanthropic initiatives, volunteerism, and support programmes that promote community development.
- **Ethical Practices:** We will conduct business with integrity, adhering to recognised ethical principles and in compliance with applicable laws and regulations. We will also ensure that our products and services are delivered with integrity.
- **Human Rights:** We support internationally accepted human rights principles and local regulations. Our policies ban discrimination, forced and child labour. In addition, we respect our employees' right to freedom of association and union, in line with applicable national regulations.
- **Occupational Health and Safety:** We foster a safe and healthy workplace to prevent injuries and ill health in and around the workplace by providing necessary resources to mitigate risks.
- **Customer Commitment:** We are committed to providing excellent customer experience at every touchpoint and building long-lasting relationships.
- **Data Privacy and Protection:** We are also committed to protecting the personal data of our stakeholders and adhere to existing data protection laws.

SUSTAINABILITY REPORT

Stakeholder Engagement

TeleChoice is committed to creating long-term value for all stakeholders.

Engaging meaningfully with key stakeholders is crucial for establishing trust and expanding our business. We focus on building strong, lasting relationships by addressing their needs, expectations, and concerns through our daily business activities. Open and frequent communication, acting with integrity, and fostering personal connections are key as we aim to provide value to our stakeholders.

Our stakeholders include customers, business partners, suppliers, contractors, investors, regulators, government agencies, communities, and employees. These groups are either directly affected by our operations or play a role in our sustainability goals. We prioritise them based on their potential impacts on our business and their involvement in our achieving our business goals. Our commitment is to engage with them in a transparent, inclusive, and meaningful manner, primarily to understand and address their reasonable concerns and expectations.

We employ a variety of methods to engage our stakeholders, including structured engagement, periodic interactions, and ongoing dialogues as part of our regular business activities.

The table below captures an overview of our stakeholder engagement process.

STAKEHOLDERS	ENGAGEMENT METHODS	STAKEHOLDER EXPECTATIONS	OUR RESPONSE
Customers	• Customer feedback and engagement forum. • Customer survey. • Regular meetings. • Sales presentations. • Project management committee meetings.	• Service quality. • Attractive pricing. • Responsiveness. • Good credit terms. • Ethical practices. • Work safety. • Technical expertise.	• Enhancing customer experience. • Implementing Quality Control standards. • Establishing explicit Service Level Agreements (“SLAs”). • Adhering to the ethical code of conduct strictly. • Conducting regular training to build service skills. • Establishing and conforming to workplace safety policy. • Maintaining BizSafe-compliant place.

SUSTAINABILITY REPORT

STAKEHOLDERS	ENGAGEMENT METHODS	STAKEHOLDER EXPECTATIONS	OUR RESPONSE
Business Partners	• Regular communication through meetings and electronic channels. • Annual Sustainability Reports.	• Key Performance Indicators. • Sales growth. • Protection of brand image. • Customer experience. • Trade promotions. • Sustainability performance.	• Ensuring ongoing training and development of employees. • Contributing to trade promotions and marketing campaigns. • Measuring and monitoring energy use in our stores.
Employees	• Orientation session. • Regular meetings. • Feedback channels. • Performance appraisals. • Exit interviews.	• Fair employment policies. • Competitive compensation and benefits. • Reward for performance. • Work-life balance. • Career advancement. • Professional and personal development. • Safe work environment. • Group's corporate reputation.	• Implementing fair Employment policies and practices. • Maintaining employee feedback channels. • Managing talent. • Conducting regular training and development. • Ensuring a BizSafe-compliant workplace.
Suppliers	• Request for proposal process. • Regular meetings. • Annual Sustainability Reports.	• Business continuity.	• Treating suppliers fairly • Abiding by contractual terms. • Making timely payments.
Investors	• Annual General Meetings. • Maintenance of an investor relations site which lists the various financial and related announcements. • Annual reports and sustainability reports. • Financial data through quarterly business updates, results announcements and other material information posted on SGXNET. • Regular analysts' meetings and conference calls to provide information to enable them to produce impartial and insightful reports for investors and the public at large.	• Good governance. • Dividend Policy. • Risk management. • Sustainable business growth. • Present Value Growth Opportunity.	• Hiring the best talent for the management team. • Planning for succession. • Ensuring good corporate governance. • Ensuring robust risk management. • Disclosing material information in a timely manner.

SUSTAINABILITY REPORT

STAKEHOLDERS	ENGAGEMENT METHODS	STAKEHOLDER EXPECTATIONS	OUR RESPONSE
Government agencies and regulators	• Regulatory licensing and filings. • Notices and Circulars. • Meetings and seminars.	• Compliance with applicable regulations. • Social responsibility.	• Taking measures to ensure regulatory compliance.
Community	• Social outreach programmes. • Annual Sustainability Reports.	• Socially responsible policies and practices. • Contribute to local community's development.	• Implementing CSR programmes. • Contributing to Community Chest and other not-for profit/charitable organisations. • Having employee volunteering opportunities

Membership Associations

We actively participate in industry associations relevant to our business interests, such as the Singapore Business Federation. To support the national movement of building a culture of mentoring, TeleChoice has volunteered to be part of Mentoring SG.

SUSTAINABILITY REPORT

Materiality Assessment

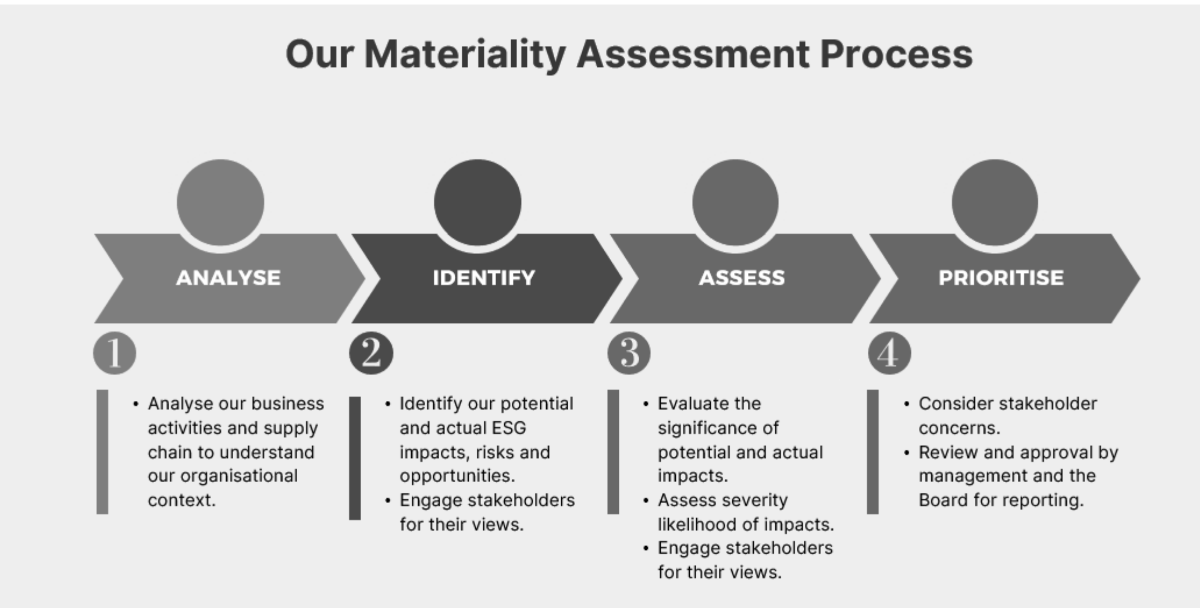
TeleChoice is committed to managing its material impacts, risks and opportunities in the short, medium and long term to deliver sustainable value to its stakeholders and shareholders.

At TeleChoice, we are committed to operating with integrity in a sustainable and responsible way, ensuring value creation for our stakeholders and shareholders. Our strategy involves identifying and addressing key sustainability issues that are significant to our business and stakeholders in the short, medium, and long term. We regularly review and assess our material ESG issues to ensure they stay relevant to our business and stakeholders.

Determining Material ESG Topics

In 2023, we undertook a reassessment of our material ESG impacts, risks, and opportunities. This involved our senior management team participating in a materiality workshop, where they examined both actual and potential negative and positive impacts on the economy, environment, and people, including human rights impacts. This latest assessment builds upon our initial detailed materiality assessment in 2017, which culminated in our first sustainability report. In 2022, we revised our material topics in line with the latest GRI Standards (GRI 3: Material Topics 2021), aligning our reporting with current standards.

Our materiality assessment primarily adhered to the 4-step process outlined in the GRI Standards. Our material topics are also aligned with the UN Sustainable Development Goals (SDGs) to emphasise our commitment to sustainable development.



SUSTAINABILITY REPORT

Review and Approval

The Sustainability Management Committee ("SMC") supports the Risk and Sustainability Committee ("RSC") and the Board in reviewing and approving our material ESG topics. The SMC conducts a detailed review of these factors, using their knowledge of different business areas, the potential impacts of the Group's operations, and insights gained from daily interactions with stakeholders. Their reviews take into account the prevalent challenges in the ICT, network engineering and retail industry, the existing business and regulatory landscape, ensuring alignment with the Group's fundamental values and long-term objectives.

Ultimately, the Board, with assistance from the RSC, finalises the review and approves the material ESG topics.

Stakeholder Engagement

For this report, while external stakeholders were not directly involved, our internal stakeholders, including senior management, leveraged their experience and understanding of stakeholder expectations and concerns to determine the priority material factors for reporting. Both internal and external stakeholders were invited to participate in a materiality survey to share their views on the topics. In addition, an external sustainability expert from a specialised consulting firm verified the relevance and accuracy of the material topics chosen for reporting.

Streamlining Material Topics

Resulting from the latest review, we have included 'Information Security and Personal Data Protection' as a material topic due to the importance of data protection and customer privacy. We have determined that 'Non-discrimination' is a material topic to emphasise our policy of treating all employees fairly and without any form of discrimination. We have removed 'Regulatory Compliance' from the list of material topics to align with the revised GRI Standards (GRI Standards 2021) and reported on it as a general topic. In closely aligning with the GRI Standards, we have moved out 'customer satisfaction' from the material ESG topics list although we continue to report on it as an important topic. Based on the review, we have determined that energy consumption is not a material topic as we use mainly electricity for basic lighting and air-conditioning needs in our offices and stores. However, we continue to track and report energy consumption while focusing on reducing our carbon emissions.

TeleChoice do not report on water usage as water is not a core part of our business and we do not control water as a resource as it is centrally managed by the building management. However, we will actively engage employees to reduce water usage.

SUSTAINABILITY REPORT

Based on the 2023 materiality assessment, the following table presents our material topics included in this report:

Material Topics	Materiality Description	Our Management Approach	
ENVIRONMENT			
GHG Emissions	Operational emissions from electricity consumption, and fuel consumption in vehicles.	• Reduce emissions through improving energy efficiency, and energy-saving measures. • Explore using renewable energy options where available to reduce emissions. • Consider offsetting emissions and strive for carbon neutrality in direct operations.	13 CLIMATE ACTION
Waste	Waste resulting from operations.	• To minimise waste and recycle and reuse where possible.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
SOCIAL			
Attracting and Retaining Talent	It is vital for us to attract, retain and develop an engaged, productive workforce to serve our customers effectively and achieve our business goals.	• Nurture an empowering, fair, and inclusive workplace, practice zero tolerance for any form of discrimination and invest in developing our people.	8 DECENT WORK AND ECONOMIC GROWTH
Non-discrimination			
Diversity, Equality and Inclusion			5 GENDER EQUALITY
Employee Development			4 QUALITY EDUCATION
Occupational Health and Safety	Operations relating to our Info-communications Technology Services, and Network Engineering Services.	• Implement occupational health and safety management system to minimise workplace accidents and injuries.	8 DECENT WORK AND ECONOMIC GROWTH
GOVERNANCE			
Anti-corruption	It's critical act with integrity in our interactions with suppliers, business partners and other stakeholders to protect our reputation and mitigate negative impacts on the local economy and stakeholders.	• Implement anti-corruption policy and measures and maintain a zero-tolerance anti-corruption stance.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Information Security and Personal Data Protection	Our information security management and measures, covering the entire organisation.	• Implement IT security measures and procedures to safeguard personal data.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

SUSTAINABILITY REPORT

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Customers

TeleChoice is committed to ensuring an excellent customer experience by adopting a customer-centric business approach.

At TeleChoice, we are committed to delivering outstanding customer experiences. We understand that exceptional customer service is key to gaining a competitive edge and fostering long-lasting relationships built on trust, transparency, and respect. Our aim is to become a dependable business partner, offering continuous support and added value throughout our customers' journey.

As a leading regional provider of distribution, fulfilment, and retail managed services for major mobile device manufacturers and operators, it is vital that we focus on providing exceptional customer experiences at every touch point that includes our retail stores, call centres, and various other channels. Our capability to serve customers effectively is fundamental to maintaining and expanding our business relationships with brands that depend on us for customer service and engagement.

Beyond our commitment to high-quality service for our retail customers, we also extend the same level of dedication to our enterprise clients. This commitment is particularly vital for those who rely on us for ICT and network engineering services. We adopt a customer-first approach, emphasising the provision of trusted and reliable solutions, along with upholding high service support standards.

Developing Customer Centric Employees

At the heart of our customer-centric approach are our employees, whom we rigorously train and empower to deliver exceptional service and support. They play a pivotal role in our commitment to resolve issues swiftly and efficiently, proactively exceeding customer expectations at every turn. We recognise that our staff are the primary ambassadors of our brand, and their interactions with customers are fundamental in shaping the overall experience. By equipping them with the necessary skills, knowledge, and autonomy, they are able to make informed decisions that not only solve problems but also enhance the customer journey. This dedication to customer-centricity by our employees ensures a consistently high standard of service, fostering a culture of trust and satisfaction.

Seeking Customer Feedback

Collecting and analysing customer feedback is critical in our pursuit of service excellence. Leveraging the latest technology, customers are able to share their experiences and thoughts with us' by either replying to an automated SMS or scanning a QR code that will direct them to a dedicated feedback platform. Customers are able to voice their opinions to us easily and conveniently.

SUSTAINABILITY REPORT

Customer feedback is invaluable to us as it serves as a direct line of communication from our customers, providing insights that are critical in shaping and improving our products, solutions, services, and processes. By actively listening to our customers and incorporating their input into our decision-making, we are able to continuously evolve in order to meet and exceed their expectations.

Measuring Customer Experience

Our retail stores employ the Net Promoter Score (NPS) as a key tool to assess customer experiences. NPS gauges the likelihood of customers recommending our products or services to others, based on their overall satisfaction. This tool offers a comprehensive view of how our customers perceive our service quality.

Customers are classified into three categories based on their scores: Promoters (9-10), Passives (7-8), and Detractors (0-6). The Net Promoter Score is calculated by deducting the percentage of Detractors from that of Promoters. Scores between 9 and 10 suggest a high likelihood of customers recommending our brand to friends and family. Our Planet Platinum stores have consistently achieved scores above 9, reflecting exceptional levels of customer satisfaction.
Our NPS score is as follows:

CUSTOMER SATISFACTION			
Ongoing NPS Score Target	NPS Score (Planet Platinum Stores)		
	2021	2022	2023
9.3	9.30	9.52	9.5

Recognising Employees for Service Quality

We have implemented recognition programs to reward and encourage outstanding customer service among our employees. Our commission structures incorporate the Net Promoter Score (“NPS”) as an extra incentive, motivating our employees to consistently provide excellent customer service.

In addition, in FY2023, our Network Engineering Services division launched the WINNER Awards to recognise employees in the division who exhibit **W**inning attitude, **I**ntegrity, **N**ever give up, **N**urturing, **E**xcellence and **R**espect.

Adhering to International Quality Standards

We are committed to providing exceptional customer service by following stringent industry quality standards. Our quality policy focuses on the continuous improvement of our management processes. Our subsidiaries - NexWave Technologies Pte Ltd, S & I Systems Pte Ltd, and NxGen Communications - are certified under the ISO9001:2015 Quality Management Systems. This certification helps us consistently exceed our customers' expectations with the highest level of performance.

SUSTAINABILITY REPORT

Customer Compliments

21 October 2023
"I would like to compliment Winston Lim from Westgate. He was very clear and thorough in explaining the various plans available. It was a pleasant experience at StarHub Westgate!"

4 June 2023
"My daughter and myself visited the Starhub outlet at Bugis Junction. I wanted to buy a new phone. Andy was very patient in serving me and my answered all my family members enquiries patiently. He explained to me the differences in the two phones which I was looking at and helped me navigate my new phone. I am a senior citizen and not tech savvy. I have come across customer service personnel who lost patience with people like me but not Andy. I would like to applaud him for his excellent service towards the elderly. Kudos to the Starhub team for having such a great team member in Andy. Thank you very much!" -StarHub Shop @Bugis

31 March 2023
Outstanding Customer Service by staff Midori Hii. I had 3 different enquiries as my mobile plan was about to expire, my broadband plan had already expired. She patiently heard all my questions answered patiently, clarified where necessary and never once did she force sell to me items/plans that were beyond my budget. --StarHub Shop @Bugis

21 March 2023
"We were served by Calwin Tan at Westgate, he is very friendly, helpful and efficient, well-done Calvin and Thank you so much." -StarHub Shop @Westgate

Business Partner Awards

Our commitment to business excellence is reflected in the awards and recognition we have received from our key business partners. Some of the recent awards received in FY2023 are listed below.

- IBM Top Performing Business Partner 2022 Power and Storage
- IBM Top Performing Business Partner 2022 Storage
- Huawei Technology Partner of the Year Data Storage (2023)

SUSTAINABILITY REPORT

People

TeleChoice is committed to providing a safe, inclusive, and supportive workplace.

Our employees play a vital role in our success. Therefore, attracting and retaining talent is crucial for us. Recognising them as our most valuable asset, we focus on providing opportunities for growth, learning, and career advancement. Ensuring job satisfaction and personal fulfillment for all our team members is a key aspect of our human resource management.

Our human resource policies promote the well-being of our employees, creating a workplace culture characterised by mutual respect, trust, teamwork, and open communication. We invest continuously in training and coaching, enhancing our employees' skills and productivity. This includes investing in employee development, engaging our team members effectively, and regularly reviewing our practices and policies.

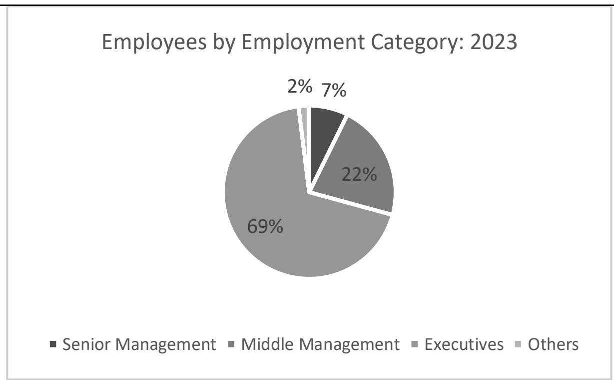
Our Employees

In our Singapore operations, we had a total of 301 employees as of the end of 2023. Of these, 89.7% were permanent staff, 8.6% were on fixed-term contracts, and 1.7% were temporary employees. Full-time employees constituted 98% of our workforce. The average age of our employees at the end of 2023 was 44 years.

During the reported period, we did not have workers who were not our employees.

Employee Type	Male	Female	Total
Full Time Employees	179	117	296
Part Time Employees	3	2	5
Permanent Employees	162	108	270
Temporary Employees	3	2	5
Fixed Term Contract Employees	17	9	26

SUSTAINABILITY REPORT



Promoting Diversity, Equality and Inclusion

Guided by the Non-discrimination, Diversity, and Equal Opportunity Policy, TeleChoice aims cultivate a diverse, inclusive workplace that values and respects people from varied backgrounds, experiences, and viewpoints. We believe a diverse workforce boosts creativity, innovation, and problem-solving abilities.

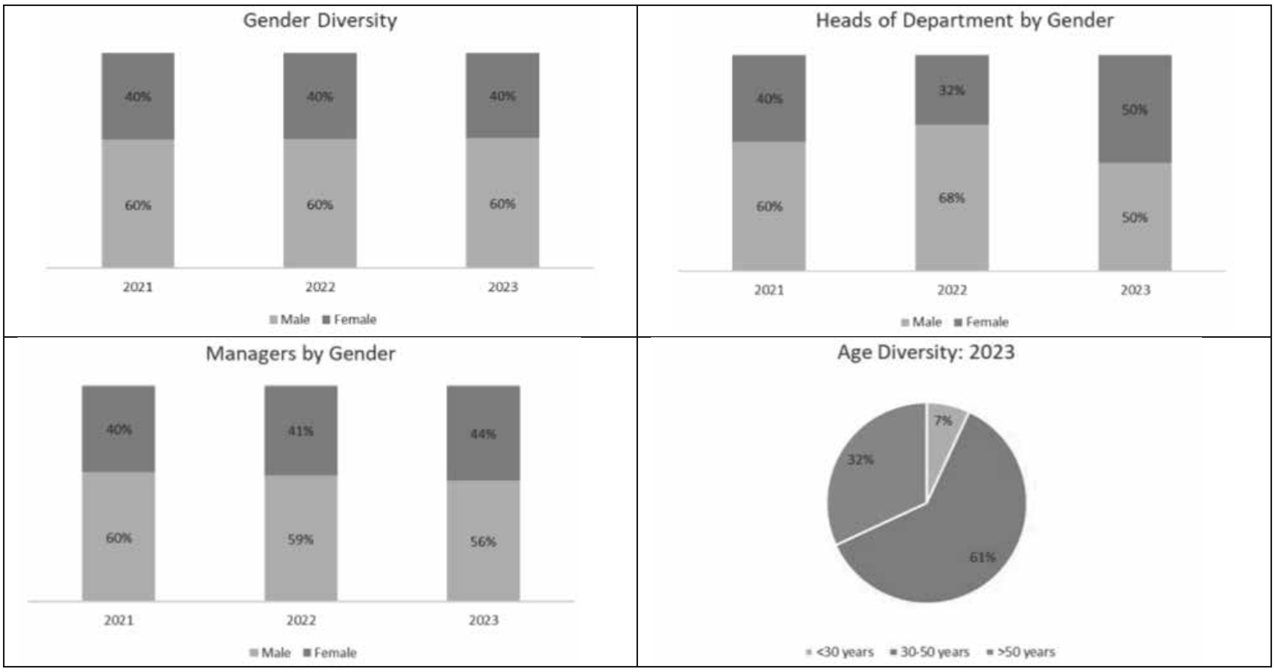
We are committed to providing equal opportunities to all employees throughout their employment at the various stages of the employee lifecycle. Decisions regarding recruitment and selection, employment, selection for training and development, career advancement, rewards, and remuneration are made based on merit, skills, qualifications, experience, individual strengths, and the needs of the organisation.

We strive to create an environment where employees of all genders have equal opportunities for success. We ensure that women are well-represented across all levels of our organisation and that our policies foster gender equality and inclusion. In our workforce, women constitute 40% of full-time employees, hold 44% of managerial/ supervisory roles, and occupy 50% of Head of Department positions. Our current President and CEO is also a woman, underscoring our commitment to gender diversity in leadership roles. Our team is enriched by a mix of 9 nationalities of various age groups, reflecting our commitment to multiculturalism.

DIVERSITY & EQUAL OPPORTUNITY					
ESG Factor	**FY2023 Target**	**FY2023 Performance**	**FY2024 Target**	**FY2025-FY2027 Target**	**FY2028-FY2032 Target**
% of female board members	25%	37.5%	25%	25%	25%
Strive to ensure diversity via non-discrimination, diversity and equal opportunity policy					

TeleChoice is in the process of determining the target to be set for percentage of female head of department.

SUSTAINABILITY REPORT



Aligned with the Singaporean government's initiative to rehire retirees, we support keeping them economically active. In 2023, we rehired 16 retiring employees, including 5 women, as part of this commitment.

Ensuring Fair Treatment

Our human resources policies ensure all employees are treated fairly and prohibit any form of discrimination and harassment in the workplace. We are committed to ensuring every employee is treated with respect, fairness, and dignity.

Our Non-discrimination, Diversity, and Equal Opportunity Policy strictly prohibits all forms of discrimination based on race, nationality, ethnicity, religion, gender, age, marital status, disability, sexual orientation, or any other protected characteristic.

In Singapore, we have signed the Employer’s Pledge, a programme introduced by the Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) to adhere to the Tripartite Guidelines on Fair Employment Practices. We have implemented a Workplace Harassment policy which seeks to provide a harassment-free workplace for employees to carry out their work confidently and productively.

We encourage our employees to report any incidents of discrimination or harassment that they may experience or witness. Multiple channels are available to our employees for reporting, including a whistleblowing procedure and an open-door policy with their supervisors or human resources representatives.

SUSTAINABILITY REPORT

NON-DISCRIMINATION			
ESG Factor	**Ongoing Target (Short-, Mid- & Long-term)**		**FY2023 Performance**
Non-discrimination	Report on the number of substantiated incidents of discrimination.	0	There were no incidents of discrimination in FY2023.

We received one harassment complaint from one employee against another colleague during the reporting period. The complaint was promptly addressed and resolved through counseling with the accused employee.

Managing Talent

Recognising talent management as a vital strategy to build a competitive organisation, we focus on retaining, developing, and managing top performers. Our comprehensive talent management programme encompasses succession planning and a talent review process, overseen by our Talent Management Committee. This committee is headed by the President & CEO, Chief Financial Officer, Vice President of Human Resources, and heads of business divisions.

The Talent Management Framework targets high-potential employees within the Group, offering them developmental opportunities to sharpen both their technical and managerial skills. These opportunities range from acquiring new technical knowledge to leading special projects, managing teams, and undertaking additional responsibilities. This prepares them for larger roles in the future.

Succession planning is a key component of our program. We have launched initiatives to strengthen our succession pipeline, ensuring we have capable individuals ready to step into key positions. In 2023, we engaged an external consultant to assist us with succession planning.

Developing People

We are committed to equipping our employees with the necessary tools, resources, and training for success. Our Human Resource OD & Learning mission, guided by 3 policies, is to enhance employee potential and performance through targeted training, aligning with TeleChoice's business goals. Our employees' learning journey starts with an orientation program for new employees to introduce them to our organisation and corporate values. Thereafter, we offer continuous learning opportunities through various methods such as instructor-led training, online e-learning, on-the-job training, mentoring, and e-newsletters.

Product training, certification, and the acquisition of advanced technical skills are integral to our annual training program, aligning with our business needs.

We support our employees' career advancement within the organisation, offering opportunities for promotion and growth, along with mentorship. Our goal is to foster a culture of continuous learning and improvement, encouraging employees to embrace new challenges, responsibilities, and to continually develop their skills and knowledge.

Education Tuition Assistance

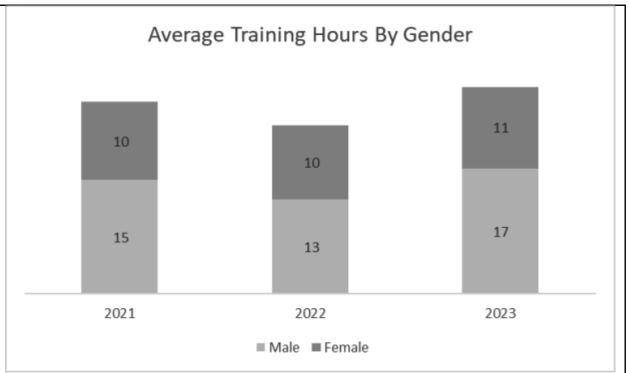
Our Education Tuition Assistance Program enables eligible employees to pursue further education on a voluntary basis to improve their knowledge and skills applicable to their current role or future progression within the Company. The programme sponsors academic courses which are conducted by recognized institutions of higher learning leading to a Certificate, Diploma, Degree or Master's Degree qualification.

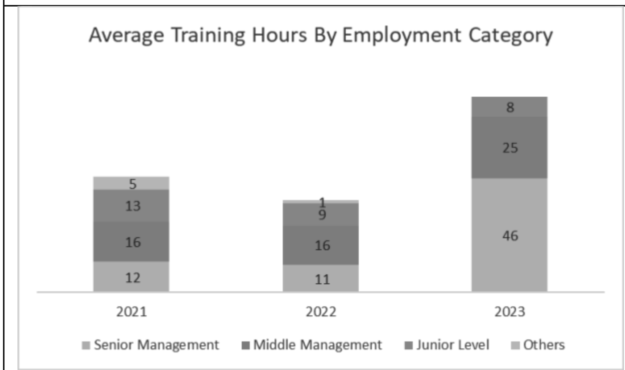
SUSTAINABILITY REPORT

Training Targets

Our employee training targets are summarised in the table below.

EMPLOYEE DEVELOPMENT					
ESG Factor	**FY2023 Target**	**FY2023 Performance**	**FY2024 Target**	**FY2025-FY2027 Target**	**FY2028-FY2032 Target**
Average hours of training per employee	13 hours	14 hours	13 hours	15 hours	18 hours





Managing Performance

Our approach is to regularly assess performance to determine employees' development needs and fair rewards and promotions. Our comprehensive performance management programme is designed to help employees consistently meet their business and personal development goals. It encompasses all our permanent employees, involving managers in setting goals with their staff at the beginning of each year. A formal performance appraisal is conducted at year-end. Managers are also encouraged to maintain ongoing discussions with their employees, offering coaching, guidance, and support to ensure success of their charges.

In 2023, 100% of the employees participated in the annual performance appraisal exercise.

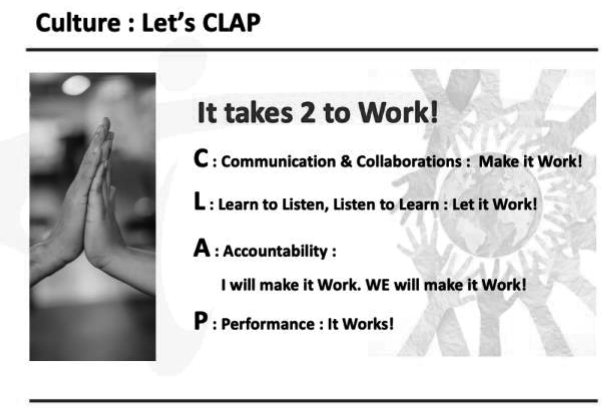
SUSTAINABILITY REPORT

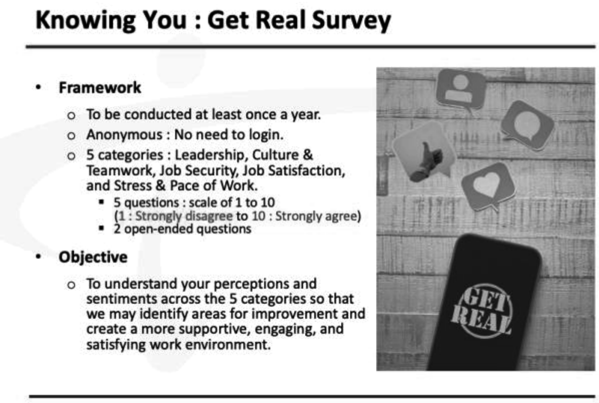
Fostering Employee Engagement

Engaged employees are not only more productive but also contribute significantly to a positive work environment. Our practice is to cultivate a culture that promotes engagement, offering ample opportunities for open communication and feedback, and acknowledging and rewarding employee contributions. To facilitate this, we conduct regular communication sessions across both corporate and business group levels. Employee bonding is also sponsored by the company when criteria, stated in the Bonding Fund Policy, are met.

On her first town hall with the company, Ms Wong also introduced a new culture framework to TeleChoice – CLAP. In addition, the new President and CEO, Ms Pauline Wong, has initiated a monthly conversation with employees, "Coffee with Pauline", since October 2023. The monthly session will take place either on 2nd or 22nd of each month. Employees are free to sign up for any session and are encouraged to raise any concerns or suggestions.

An in-house employee engagement survey, Get Real Survey, was developed and launched on the same day. The survey aims to gain insights on employee sentiments in 5 categories, Leadership, Culture & Teamwork, Job Security, Job Satisfaction, and Stress & Pace of Work. The objective of this survey is to create a more supportive, engaging, and satisfying work environment.





Providing Employee Benefits

We provide our employees with competitive wages and benefits. Full-time staff are eligible for a range of employment benefits, which are not extended to temporary or part-time employees. These benefits include:

- Specialist Consultation and Treatment Claim.
- Flexi-Benefit for General Medical and Dental Care.
- Bonding Funds.
- Marriage/Family Care/Examination Leave(s)/Shared Parental Leave/Paternity Leave.
- Executive Health Screening for employees aged 35 years old and above; and
- Hospitalisation & Surgery/Personal Accident/Term Life Insurance.

SUSTAINABILITY REPORT

Promoting Employee Wellbeing

We are committed to our employees' wellbeing and have implemented various measures to support it. This includes on-site health screenings to detect early signs of health issues such as hypertension, heart ailments, diabetes, and cancer. Annually, we offer a basic mass health screening, funded by the company, where employees can conveniently have their health assessed through laboratory analysis of blood samples. For those seeking more comprehensive tests, optional add-on packages are available at the employees' expense. Employees who are 40 years old and above are also entitled to have an annual comprehensive health screening sponsored by the company.

In addition to health initiatives, we believe in strengthening cultural ties and building a sense of community among our team. During the Chinese New Year, we celebrate by giving "Hongbao" to our team members. We also observe early work releases on the eves of Singapore's four major public holidays, contributing to our employees' work-life balance and cultural engagement.

Supporting Work-life Balance

A healthy work-life balance is essential as it enhances employee well-being, boosts productivity, and fosters a positive workplace culture. Our employees' well-being and happiness are important to us, and we have implemented policies to support work-life balance. Our work-life balance measures include offering flexible work arrangements, such as work-from-home options.

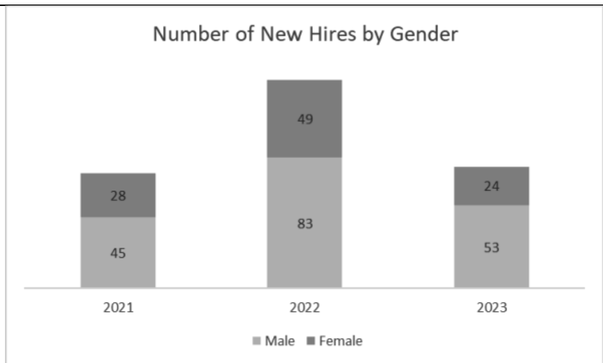
To support work-life balance, we have implemented a feature in Outlook that alerts employees when they send emails outside their standard work hours. This serves as a gentle reminder of their right to disconnect from work and enjoy personal time, reinforcing our dedication to their overall well-being and work-life harmony.

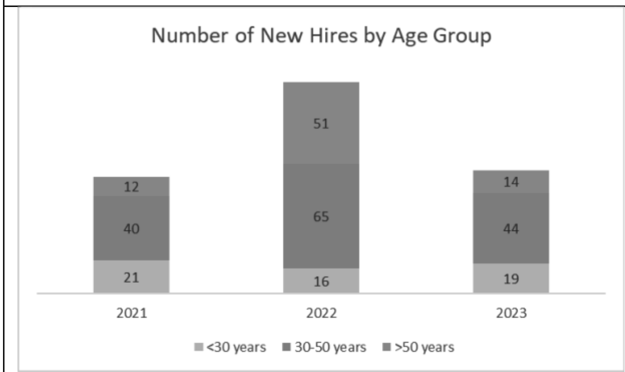
SUSTAINABILITY REPORT

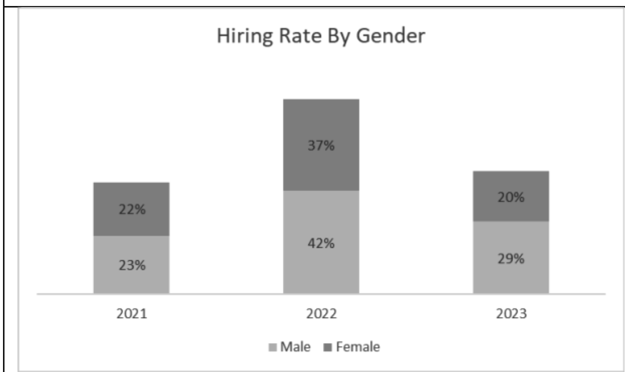
Attracting Talent

We aim to attract and retain top talent in order to efficiently serve our customers. Our hiring policy focuses on selecting individuals for their merit and capabilities.

In 2023, we hired 77 new employees to our team, with 31% of them being women.







SUSTAINABILITY REPORT

Retaining Talent

Employee retention is essential for maintaining cost efficiency, preserving institutional knowledge, fostering a positive work culture, enhancing customer satisfaction, attracting new talent, and ensuring smooth business operations and growth. Therefore, talent retention is a priority for us.

We strive to minimise employee turnover by fostering a positive work culture, offering competitive compensation and benefits, providing growth and development opportunities, maintaining effective communication, recognising, and rewarding good performance, conducting exit interviews, and continually monitoring and evaluating turnover rates.

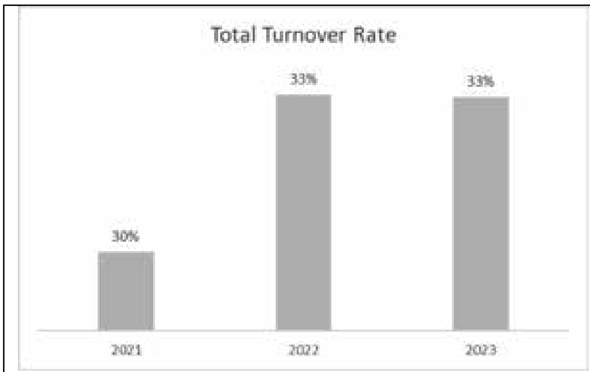
Employee Turnover Target

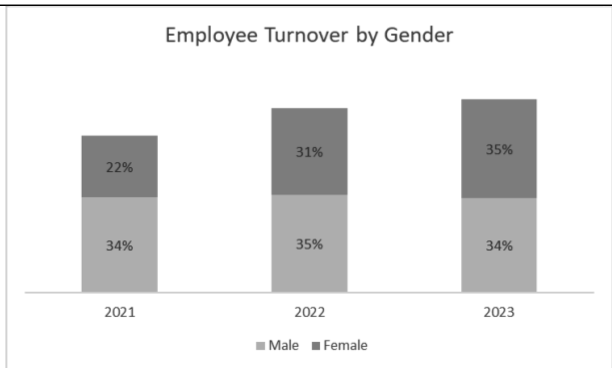
In FY2023, 155 employees left the organisation, comprising 87 male and 68 female employees. Employee turnover rate remained unchanged as compared to FY2022. The 33% turnover rate is primarily due to the higher turnover in the retail outlets which is also a general trend observed in the retail sector in both Singapore and Malaysia. We remain committed to finding ways to improve retention rates across our business.

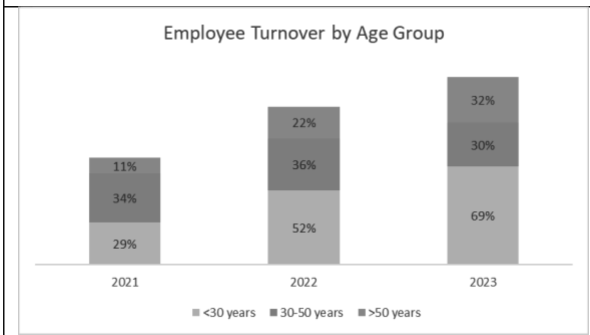
Our employee turnover targets over a period of time are summarised in the table below.

EMPLOYEE RETENTION					
ESG Factor	**FY2023 Target**	**FY2023 Performance**	**FY2024 Target**	**FY2025-FY2027 Target**	**FY2028-FY2032 Target**
Attracting and Retaining Talent	Employee turnover rate ≤25%	33%	Employee turnover rate ≤25%	Employee turnover rate ≤20%	Employee turnover rate ≤15%

Our turnover rate figures are detailed in the charts below.







Respecting Employees' Rights

We are committed to respecting our employees' rights to freedom of association and collective bargaining. We maintain a constructive partnership with the Singapore Industrial & Services Employees Union ("SISEU"), evidenced by a memorandum of understanding to uphold these rights. As of the end of 2023, we had 81 employees actively participating in SISEU.

Occupational Health & Safety

At TeleChoice, the safety and well-being of our employees is our utmost priority. We are committed to maintaining a safe and healthy work environment for our employees and any other stakeholders who might be impacted by our operations.

We have established an Occupational Health and Safety ("OHS") Management System in line with the ISO 45001 standard, an international standard that specifies requirements for an OHS management system, with guidance for its use to enable organisations to provide safe and healthy workplaces. Our OHS system enables us to identify potential hazards, evaluate the risks, and implement effective measures to control and manage these risks. The OHS management system covers all employees and workers, if any.

As part of our health and safety program, we offer a company-funded annual health screening for our employees. We are committed to protecting employees' personal health-related information and ensuring that their participation in occupational health screenings is not used to influence their treatment in the workplace, whether favorably or unfavorably.

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Contractors engaged by us are required to adhere to applicable health and safety regulations and are responsible for hazard identification and mitigation while working within our premises or on our projects.

NexWave Technologies Pte Ltd has attained certification in both the ISO 9001:2015 Quality Management System and the ISO 45001:2018 Occupational Health and Safety Management System. Additionally, in Singapore, our subsidiary NxGen Communications has received the BizSAFE Level 3 certification, demonstrating our steadfast commitment to workplace safety and health.

Health & Safety Management System

Our steps to implement our health and safety management system are as follows:

- ***Health and Safety Policy:*** We have established a Health and Safety policy that outlines our commitment to maintaining a safe work environment.
- ***Safety Objectives and Processes**:* We have established clear safety goals and the methods to achieve them, ensuring alignment with the overall health and safety policy.
- ***Health and Safety Committee:*** A project-based Health and Safety Committee, consisting of representatives from both management and the employee workforce, regularly reviews and monitors the company's health and safety performance.
- ***Hazards and Assess Risks:*** We have implemented processes for hazard identification, risk assessment, and incident investigation. We conduct regular workplace inspections and gather employee feedback to identify hazards. These are assessed using a risk matrix to prioritise and mitigate high-risk areas. In case of incidents, a prompt investigation is carried out to identify root causes and systemic issues. Key findings are reviewed by the management and transparently communicated, ensuring continuous improvement in our safety management practices.
- ***Controls to Mitigate Risks:*** We have developed and applied measures to reduce or eliminate identified health and safety risks.
- ***Monitoring and Measuring Procedures:*** We have implemented processes to regularly monitor and measure the effectiveness of health and safety practices. These procedures include conducting regular workplace safety audits, analysing incident and accident reports for trends, and utilising employee feedback surveys to assess the effectiveness of current safety measures and training programs.
- ***Training and Awareness Programs:*** We educate employees about safety practices and promote awareness to ensure a well-informed workforce. We have established a training program for relevant employees, which includes health and safety awareness and procedures, emergency response, and personal protective equipment (PPE) usage.
- ***Employee Participation:*** Our employees will be part of the safety management system to foster a safety-conscious culture via quarterly meetings.
- ***Incident Reporting and Investigation Processes:*** We have established a system for reporting, examining, and addressing workplace incidents and accidents.

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- ***Monitoring and Evaluating System Effectiveness:*** We continuously assess the health and safety management system to ensure its effectiveness and identify areas for improvement.
- ***Legal Compliance:*** We ensure that all health and safety practices adhere to relevant laws and regulations. We regularly review and update our safety protocols in line with the latest legislative changes. We also conduct periodic compliance audits and provide ongoing training to our employees.
- ***Continuous Improvement:*** We regularly refine and enhance the safety management system to adapt to changing conditions and new insights.

Safety Targets

Our ongoing health and safety targets are as follows:

OCCUPATIONAL HEALTH AND SAFETY	
ESG Factor	**Ongoing Target (Short-, Mid-, Long-term)**
Fatalities due to work-related injuries	Zero
High-consequence (non-fatal) work-related injuries	Zero
Recordable work-related injuries	Zero

Safety Performance

There were no recordable incidents of fatalities, injuries, or occupational diseases in our Singapore operations in the reported period. Our safety performance covering our employees is presented below. There were no recordable cases of work-related ill health in the reported period.

Health and Safety Performance (Employees)				
Performance Indicators		**2021**	**2022**	**2023**
Fatalities due to work-related injuries	Number	0	0	0
High-consequence (non-fatal) work-related injuries	Number	0	0	0
Recordable work-related injuries	Number	0	0	0
Average No of hours worked per employee	Hours	2184	2080	2080

Health and Safety Performance (Workers)				
Performance Indicators		**2021**	**2022**	**2023**
Fatalities due to work-related injuries	Number	0	0	0
High-consequence (non-fatal) work-related injuries	Number	0	0	0
Recordable work-related injuries	Number	0	0	0
Average No of hours worked per employee	Hours	2184	2080	2080

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Environment

TeleChoice is committed to minimising the environmental impact of our business through resource efficiency and conservation.

We are committed to minimising our environmental footprint in our operations. Our main environmental impacts arise from the use of electricity, fuel consumption, and operational waste. The retail outlets we manage utilise electricity for lighting and air conditioning, while our engineering and maintenance vehicles rely on fuel. The majority of our waste originates from packaging in both our stores and warehouses. Our environmental strategies focus on improving energy efficiency, reducing waste, and enhancing recycling efforts.

We have also started assessing climate-related risks and opportunities and their potential financial impact on our business using the TCFD Recommendations as required by SGX Sustainability Reporting rules.

Energy

We track and assess our energy consumption and strive to improve energy efficiency in our operations. In 2023, we used 548,700 of grid electricity translating into an electricity intensity of 128 kWh/m^2 floor area. The electricity consumption in 2023 was slightly higher from the figure of 489,489 in 2022 due to increased operational activities taking place in office premises.

Climate Action

As a services provider, our operational GHG footprint is relatively small. However, we are committed to doing our part in efforts to mitigate climate change. Our GHG footprint is mainly from the electricity used in retail stores we manage for our clients and in our offices and the warehouse. In addition, GHG emissions arise from fuel consumption in the maintenance vehicles used by our Personal Communication Solutions and Network Engineering Services Divisions.

Our climate policy commitment includes reducing our greenhouse gas emissions, promoting sustainable business practices, educating, and engaging our employees.

TCFD Report

As an information and communications services provider, our operational carbon emissions are relatively small. However, we are committed to playing our part in efforts to mitigate climate change. Our climate policy commitment includes reducing our greenhouse gas emissions, promoting sustainable business practices, engaging with our business partners, and educating our employees.

We use the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to report on how we assess and manage climate-related risks and opportunities and their potential financial impact on our business. The report follows the TCFD's four-pillar structure of governance, strategy, risk management, and metrics and targets, as presented below.

Governance

We have implemented a governance framework in which the Board oversees climate-related issues, while Management is tasked with the implementation and monitoring of climate strategies. The specific roles of the Board and Management are detailed below.

Board Responsibility

The Board is responsible for ensuring the effective management of climate-related risks and opportunities within the Group, as an integral part of its overall risk management strategy.

To oversee the assessment and management of climate-related risks and opportunities, the Board has established a Risk and Sustainability Committee (**"RSC"**). This Committee is tasked with reviewing the Group's risk management framework, policies, and processes. It identifies and evaluates key risks and provides guidance and recommendations to enhance the Group's sustainability practices. With the support of the RSC, the Board considers climate-related risks and opportunities when reviewing strategy, action plans, and annual budgets.

The RSC works with management to exchange insights on risk and sustainability-related issues, ensuring clear communication among the Committee, the Board, and stakeholders.

Meetings are held where necessary by the RSC to examine the Group's risk management and sustainability issues, including climate-related risks and opportunities. It provides updates to the Board on matters of risk management and sustainability, emphasising key risks, emerging trends, and strategies for mitigation.

Annually, the RSC conducts a review to evaluate its performance, effectiveness, and compliance with its terms of reference.

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Management Responsibility

The management team is charged with the implementation, management, and monitoring of the climate-related strategy, risk management, and the establishment of metrics and targets. The Sustainability Management Committee (**"SMC"**), chaired by the President, oversees, and tracks the management of ESG impacts, including climate-related risks and opportunities. The SMC consists of Business Unit heads, Chief Financial Officer, Vice President of HR, SR Coordinator and a secretary.

The SMC's responsibilities include evaluating and managing climate-related physical risks and transition risks and their financial impact on business in the short, medium, and long term. The SMC reports to the Board's Risk and Sustainability Committee and provides regular updates on the sustainability performance. SMC meets at least four times in a year to review the Group's sustainability performance.

The SMC undertakes an annual review of its effectiveness, including its role and responsibilities.

Strategy

TeleChoice is a provider of info communications services. We operate in three business segments that consist of managed retail, fulfilment and supply chain services, consultancy and system integration services for enterprise IT infrastructure, and network engineering services to design, build and manage telecommunications networks for fixed and mobile operators.

It is acknowledged that the ICT sector can play a significant role in fighting climate change. According to the Global e-Sustainability Initiative (GeSI), the ICT industry could contribute to a 20% reduction in global greenhouse gas (GHG) emissions by 2030. This can be achieved by advocating energy-efficient practices among companies and consumers and reducing its own emissions at the same time. This presents a potential opportunity for TeleChoice to explore new ICT services to expand our business into low emission products, services and solutions.

In our business model, GHG emissions mainly emanate from the electricity consumption in our offices and the retail stores we manage for our telecom customers, and in our offices and the warehouse. In addition, GHG emissions arise from fuel consumption in the vehicles used by our various business divisions. Overall, our GHG footprint is relatively small.

Our climate strategy aims to reduce our operational environmental footprint and harness our technological expertise to reduce our impact. Key focus areas include enhancing energy efficiency in our offices, stores, and warehouses, and refining our logistics and supply chain to lower transport emissions. In addition, we are committed to minimising the environmental impact of electronic waste through recycling.

For planning purposes, we consider 0-1 years to be short-term, 2-5 years as mid-term and more than 5 years to be a long-term horizon. Our high-level strategy over these time horizons is described below. The RSC and SMC will continue to review the targets on an on-going basis.

Short Term

We anticipate enhanced regulatory requirements and stakeholder expectations for a comprehensive reporting of GHG emissions. Our near-term strategic approach is to map out, and publicly report, a complete inventory of our GHG emissions covering scope 1, scope 2 and scope 3 emissions across our business divisions, using the Greenhouse Gas (GHG) Protocol. Currently, we disclose scope 1 and scope 2 emissions in our sustainability report. We have developed emission reduction targets for the short-, mid- and long-term and the next course of action for the Group is to analyse business processes to determine areas of opportunities to reduce our emissions and achieve the set short-term target.

Medium Term

We will explore options for the decarbonisation of our operations. Scope 2 emissions, arising from purchased electricity, account for about 80% of our combined Scope 1 and Scope 2 emissions. We would explore options for switching to renewable electricity to reduce our Scope 2 emissions to zero.

Scope 1 emissions, about 20% of the total, originate from the use of fuel in our service vehicles. We would examine the feasibility of transitioning to electric or hybrid vehicles to minimise the scope 1 emissions.

We will also continue to enhance our capabilities and partnerships to provide low-carbon, energy-efficient network engineering solutions to our telecom clients, including aiding the retirement of outdated network infrastructure to reduce their emissions. We will explore the opportunity to expand our expertise to offer green IT infrastructure solutions to our enterprise customers, assisting them in minimizing their emissions for a more sustainable operation.

Long Term

Our long-term strategy would be to attempt to achieve net-zero emissions for our direct operations and work with like-minded.

Scenario Analysis

We have considered Shared Socioeconomic Pathways (“SSP”) based climate scenarios from the Intergovernmental Panel on Climate Change’s (**“IPCC”**) Sixth Assessment Report (**“AR6”**) and the corresponding Representative Concentration Pathways (“RCP”) scenarios from the IPCC’s fifth Assessment Report (**“AR5”**) for a qualitative analysis to develop our understanding about the potential impact of climate change over the short term, medium and long term on our business.

SSPs depict shifts in factors such as population, economic growth, education, urbanization, and technological advancement that could influence future greenhouse gas emissions, offering narratives of potential pathways to various levels of warming. These are closely linked with RCPs, the scenarios utilised in AR5, which focus solely on atmospheric greenhouse gas concentrations. Together, SSPs and RCPs offer a more comprehensive understanding of possible future scenarios.

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SSP Scenario Narratives

The SSPs provide a storyline of how the world could reach certain levels of warming, and outline how shifts in population, economy, education, urbanization, and technology could impact greenhouse gas emissions and influence global warming levels, with corresponding RCPs detailed below.

SSP	RCP(s) Associated with SSP	SSP Narratives
SSP1	RCP 2.6	**Sustainability - Taking the Green Road:** The world is gradually, but pervasively, shifting toward a more sustainable path, emphasising more inclusive development that respects perceived environmental boundaries. The management of the global commons is slowly improving, educational and health investments are accelerating the demographic transition, and the emphasis on economic growth is shifting toward a broader focus on human well-being. Driven by an increasing commitment to achieving development goals, inequality is being reduced both across and within countries. Consumption is oriented towards low material growth and lower resource and energy intensity.
SSP2	RCP 4.5	**Middle of the Road:** The world follows a path in which social, economic, and technological trends do not shift markedly from historical patterns. Development and income growth proceed unevenly, with some countries making relatively good progress while others fall short of expectations. Global and national institutions work towards but make slow progress in achieving sustainable development goals. Environmental systems experience degradation, although there are some improvements, and overall the intensity of resource and energy use declines. Global population growth is moderate and levels off in the second half of the century. Income inequality persists or improves only slowly, and challenges to reducing vulnerability to societal and environmental changes remain.
SSP3	RCP 7.0	**Regional Rivalry:** A resurgent nationalism, concerns about competitiveness and security, and regional conflicts push countries to increasingly focus on domestic or, at most, regional issues. Policies shift over time to become increasingly oriented toward national and regional security issues. Countries focus on achieving energy and food security goals within their own regions at the expense of broader-based development. Investments in education and technological development decline. Economic development is slow, consumption is material-intensive, and inequalities persist or worsen over time. Population growth is low in industrialized and high in developing countries. A low international priority for addressing environmental concerns leads to strong environmental degradation in some regions.

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SSP	RCP(s) Associated with SSP	SSP Narratives
SSP5	RCP 8.5	**Fossil-fueled Development:** This world places increasing faith in competitive markets, innovation and participatory societies to produce rapid technological progress and development of human capital as the path to sustainable development. Global markets are increasingly integrated. There are also strong investments in health, education, and institutions to enhance human and social capital. At the same time, the push for economic and social development is coupled with the exploitation of abundant fossil fuel resources and the adoption of resource and energy intensive lifestyles around the world. All these factors lead to rapid growth of the global economy, while global population peaks and declines in the 21st century. Local environmental problems like air pollution are successfully managed. There is faith in the ability to effectively manage social and ecological systems, including by geo-engineering if necessary.
Source of narratives: The Shared Socioeconomic Pathways and their energy, land use, and greenhouse gas emissions implications: An overview (Riahi et al 2017)		

We have referenced the following five SSP climate scenarios from the IPCC AR6 for our qualitative analysis:

SSPs	SSP Description	Corresponding RCPs	RCP Description	Best Estimate (^{o}C)		
				Near Term (2021-2040)	Mid term (2041-2060)	Long Term (2081-2100)
SSP1-1.9	Sustainability	RCP 1.9	Global warming slowing down	1.5	1.6	1.4
SSP1-2.6		RCP 2.6		1.5	1.7	1.8
SSP2-4.5	Middle of the road	RCP 4.5	Global warming increasing	1.5	2.0	2.7
SSP3-7.0	Regional rivalry	RCP 7.0		1.5	2.1	3.6
SSP5-8.5	Fossil-fueled development	RCP 8.5		1.6	2.4	4.4
Source: IPCC AR6 (Climate Change 2021, The Physical Science Basis)						

SUSTAINABILITY REPORT

Climate-related Risks and Opportunities

Based on the initial qualitative scenario analysis, an overview of our potential financial impacts of climate-related risks and opportunities is presented below.

Climate-Related Risks			
Risk Type	**Potential Financial Impacts**	**Financial Impact Category**	**Time Horizon**
Physical Risk			
Acute *Increased severity of extreme weather events such as cyclones and floods*	• A higher risk of severe weather events such as floods and cyclones can disrupt the supply chains of our telco, mobile device and network engineering services partners, affecting our retail management services and resulting in loss of revenue and customer dissatisfaction. • Our operations may be affected by disruptions in deliveries caused by extreme weather events that interrupt materials supply and manufacturing operations for device manufacturers. • Extreme weather events such as floods and cyclones can impact our warehousing locations and disrupt our warehousing and supply chain management services as well as impact the well-being of employees who need to work outdoor.	Revenue	Medium to Long Term
Chronic *Changes in precipitation patterns and extreme variability in weather patterns* *Rising mean temperatures*	A warming climate can increase thermal stress and a health risk for our employees working outdoors such as in network engineering services and logistics services, lowering productivity and higher healthcare costs.	Expenditure	Medium to Long Term
Transition Risk			
Policy and Legal	• Increasing regulations around climate reporting, higher energy efficiency requirements, and carbon tax could increase compliance costs and the cost of operations. • Stricter regulations to curb or recycle electronic waste can increase compliance requirements for us, enhancing legal risk and compliance costs. • Cost of regulatory non-compliance.	Expenditure	Short to Medium Term
Technology	Rapid advancement in ICT technologies can make legacy investments stranded resulting in a financial loss for our business partners and also for us.	Assets: Tangibles	Medium to Long Term
Market	The inability to meet changing customer preferences such as demand for low energy and low carbon, recyclable devices and sustainable services can affect revenues and growth.	Revenue	Long Term
Reputation	Carbon-intensive operations, inadequate disclosure about our climate strategy and lower ESG ratings can affect our corporate reputation.	Assets: Intangibles	Short to Medium Term

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Climate-Related Opportunities			
Resource Efficiency	Enhancing energy efficiency in our operations can reduce costs. The saving could be substantial in a high energy price environment.	Expenditure	Short to Medium Term
Energy Sources	Adopting renewable energy such as solar power could enhance our energy resilience and reduce our energy cost and carbon footprint.	Expenditure	Short to Medium Term
Products and Services	• A range of opportunities exists across our businesses as companies adopt ICT solutions to decarbonise their operations and societies increase the use of ICT solutions that support green lifestyles. • In a low-carbon environment, there is likely to be a higher demand for our services in big data, the Internet of Things (IoT), e-learning, e-commerce, wireless technologies, and infrastructure segments. For example, IoT sensors can help track, monitor, and manage the energy consumption of lighting and equipment. • Extreme weather may cause more frequent damage to the network infrastructure of our clients resulting in higher demand for repair and maintenance services. • Increased revenue from new orders as more customers decide to replace their old network equipment with energy-efficient equipment.	Revenue	Medium to Long Term

Risk Management

Our Board holds responsibility for risk management, determining the nature and extent of significant risks our Company is prepared to take in pursuit of its strategic objectives and value creation. ESG risks, including climate-related risks and opportunities, are taken into consideration in our enterprise risk management and overseen by the Board.

Identifying Risks

Established by the Board in 2023, the Board Risk and Sustainability Committee ("RSC") is responsible for assisting the Board in overseeing risk management and sustainability. The RSC is tasked with evaluating the Company's risk management framework, policies, and processes, identifies key risks, and offers guidance and recommendations to improve the Company's sustainability practices. Previously, the Audit Committee ("AC") assisted the Board in overseeing the Group's risk management and internal controls.

Our Group maintains a Board Assurance Framework, the Group's enterprise risk management framework, guiding the identification, prioritisation, assessment, management, and monitoring of key financial, operational, compliance, IT, and any other material risks. These key risks are deliberated by Management and reported to the RSC. Central to the ERM is a Group-wide internal control system. With the introduction of the RSC, we aim to broaden the ERM's scope to encompass climate-related and other ESG risks. This will include updating our risk register to include climate-related risks.

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We have embarked on conducting climate scenario analysis to inform our risk identification and develop appropriate strategies. We also conduct materiality assessments annually, facilitated by an external consultant. This assessment determines the key ESG issues, including environmental risks and opportunities. In 2023, we undertook a reassessment of our material ESG impacts and risks. This involved our senior management team participating in a materiality workshop, where they examined a range of ESG impacts including energy and GHG emissions. This latest assessment builds upon our initial detailed materiality assessment in 2017, which culminated in our first sustainability report, and aligning our material ESG topics with the latest GRI Standards (GRI 3: Material Topics 2021) in 2022.

Managing Risks

The Board, advised by the RSC, sets our Group's risk tolerance and policies, while the RSC oversees the design, implementation, and monitoring of risk management and internal control systems. The Board and RSC are supported by the Management and independent professional service providers, such as external and internal auditors, to ensure the adequacy and effectiveness of the Group's risk management and internal controls.

As part of this process, the Management identifies key risk factors in our business and operations, categorizes them according to financial, operational, compliance, IT, and climate-related risks, and ranks them by importance, likelihood, and potential impact. It then implements internal controls and other mitigating practices. The risk management framework is reviewed, considered, and approved by the RSC at least twice a year and as needed.

Under the RSC's supervision, the Management is responsible for effectively implementing risk management strategies, policies, and processes based on the framework to support the achievement of business plans and goals. Key risks, mitigating measures, and management actions are continually identified, reviewed, and monitored by the Management.

We understand that climate-related risks may pose significant challenges to our business and that of our business partners and customers. These risks are among the main global concerns that could affect our revenue, operations, supply chain, engagement with stakeholders, and communication with investors. Besides physical risks, we might face stricter emission standards, more comprehensive emissions reporting, and higher carbon taxes due to regulatory changes. Considering these risks, reducing our carbon footprint, preparing for the impact on our business partners and customers, and taking advantage of new opportunities arising from the shift towards a low-carbon economy are crucial for our medium to long-term business strategy. Therefore, we are committed to enhancing our focus on ESG communication and climate reporting to effectively manage the expectations of our stakeholders.

Read more about our Risk Management process in the Corporate Governance section. Please refer to Principle 9.

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Metrics and Targets

We currently report the scope 1 and location-based scope 2 GHG emissions associated with our operations. We plan to start measuring and reporting our scope 3 emissions next year. We also plan to establish a base year for emissions in 2024 which we will be used to measure and report our progress. Our plans include exploring additional metrics and targets related to our climate-related risks and opportunities to assess our progress towards a low-carbon economy and disclose how they are integrated into our overall business strategy.

Our Carbon Emissions

Type of Emissions	2021	2022	2023
Scope 1 Emissions (tCO_2)	51	47	50
Scope 2 Emissions (tCO_2)	220	204	229
Total Emissions (tCO2)	**271**	**251**	**279**

Total emissions increased is due to increased scale of operations and lifting of Safe Management Measures.

Emission Reduction Targets

Our emissions reduction targets over the short, medium and long term are summarized in the table below.

CARBON EMMISSION REDUCTION					
ESG Factor	FY2023 Target	FY2023 Performance	FY2024 Target	FY2025-FY2027 Target	FY2028-FY2032 Target
Scope 1 Emissions (tCO_2)	47	50	47	45	43
Scope 2 Emissions (tCO_2)	193	229	193	189	179

TeleChoice intends to analyse its business operations and identifies areas where emissions could be minimised or avoided.

Next Steps

We are committed to continuing to build our knowledge and understanding of climate-related risks and opportunities and their potential financial impacts on TeleChoice. Our next steps are summarised below:

- Conduct further scenario analysis by selecting two scenarios, one of which is consistent with a future well below 2°C, for a more detailed assessment of the potential physical risks and transition opportunities for our business.
- Continue to enhance climate understanding at the Board and Management levels by implementing ESG and climate-related training.
- Integrate climate risk assessment and management into the Group Enterprise Risk Management Framework.
- Develop a roadmap to net-zero.
- Engage business partners and customers on climate-related risks and opportunities.

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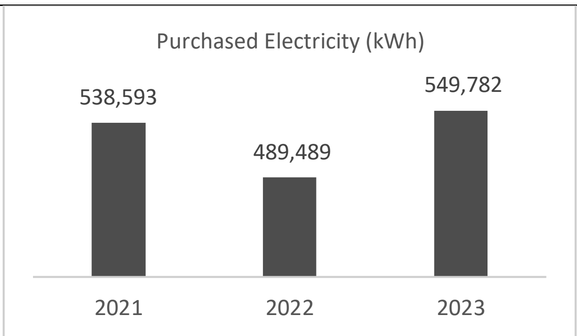
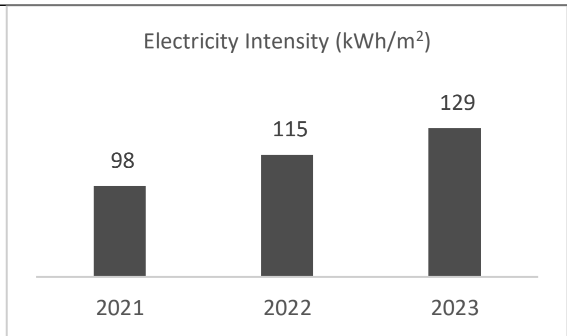
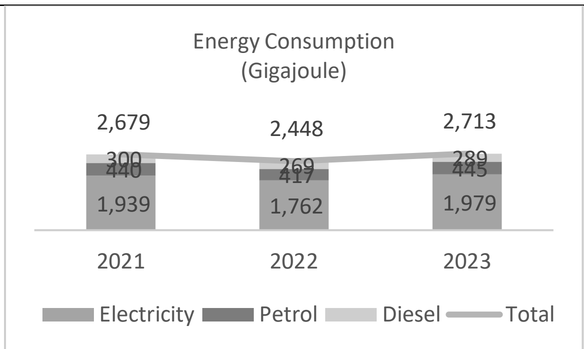
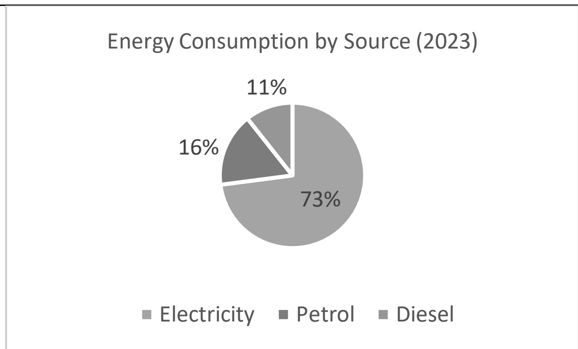
Greenhouse Gas ("GHG") Emissions

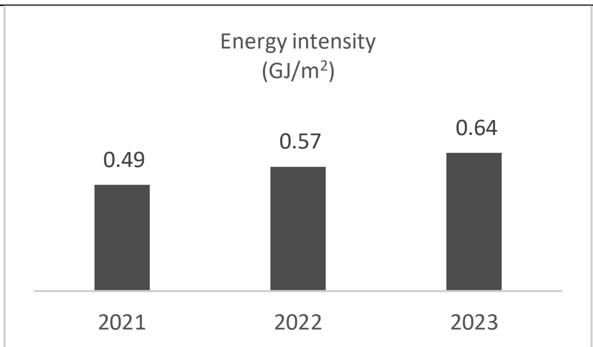
Our operational greenhouse gas (GHG) emissions stem from electricity usage in our stores and offices, as well as fuel used in our vehicles. We keep track of and report these emissions, covering both Scope 1 and Scope 2 categories. The charts below display our energy usage and carbon emissions data.

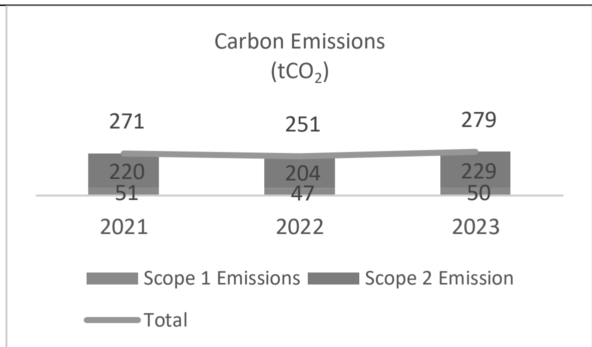


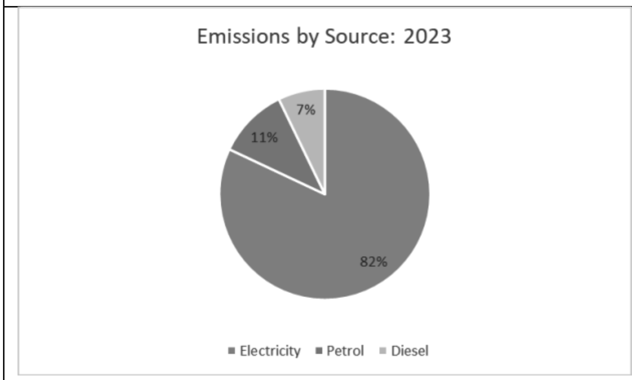


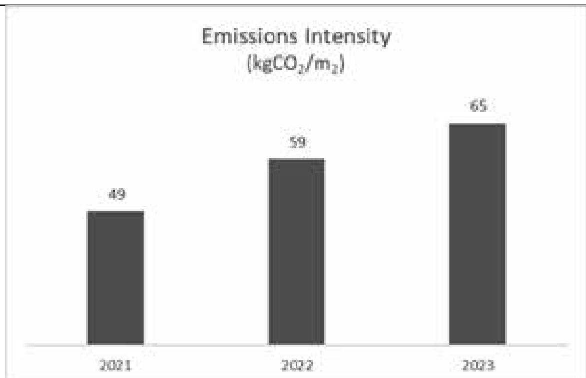












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Waste Management

We strive to reduce, reuse, and recycle waste to minimise our impact on the environment. The main waste from our retail operations includes paper, plastic, and wooden pallets. Additionally, our electronic waste consists of decommissioned office equipment like PCs, notebooks, monitors, and servers.

To further minimise our environmental impact, we have stopped using plastic and paper bags. We now offer reusable non-woven shopping bags and encourage customers to opt for electronic receipts to save paper. In our offices, we promote double-sided printing to reduce paper consumption.

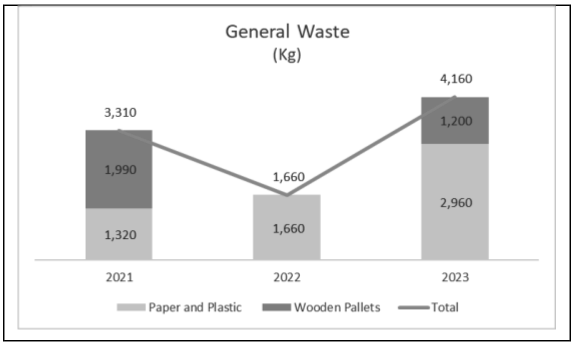
Working with our waste contractor, we have ensured that packaging pallets are recycled and reused instead of being incinerated. In 2023, the total waste was higher compared with the previous year due to wooden pallets waste and increased scale of operations.

We have implemented a process to collect, monitor and review our waste regularly to identify opportunities for reduction. Our waste is disposed of by licensed waste management contractors. Furthermore, in one of our offices, we have increased recycling and waste reduction effort. A recycling and waste reduction initiative was piloted. We will further examine its scalability to the other premises.

Waste Reduction Targets

Total waste in FY2023 was higher as the figure includes 1,200kg of wooden pallets and also due to increased business activity. Our waste reduction targets over the short, medium and long term are summarized below.

WASTE					
ESG Factor	FY2023 Target	FY2023 Performance	FY2024 Target	FY2025-FY2027 Target	FY2028-FY2032 Target
Waste	2,620 kg	4,160 kg	2,620 kg	2,565 kg	2,430 kg



E-Waste

We are committed to managing our e-waste responsibly to reduce the negative impact on the environment. For e-waste disposal, we will direct customers to StarHub shops which offer in-store e-waste collection. The e-waste will be handled by licensed waste management companies.

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Community

We strive to support local communities to play our part as a responsible corporate citizen.

We focus on community development by aiding groups like the elderly and underprivileged hawkers. We have partnered with organisations including Dignity Kitchen, Dorcas, Lions Befrienders, MINDS Towner Gardens School, and Metta School, working with Community Chest's FUDAI and HeartStrings Walk programs.

In 2023, for six consecutive years, TeleChoice continued its support for Community Chest and its partners by participating in the annual FUDAI event. This collaborative effort between the private and public sectors aimed to spread the festive joy of the Lunar New Year to the less fortunate by donating and distributing FUDAI or fortune goodie bags. Our staff volunteers packed and delivered the goodie bags or FUDAI containing essential food items to beneficiaries residing in the Bedok and Chai Chee estates.

SUSTAINABILITY REPORT

GRI Content Index

Statement of Use	TeleChoice International Limited has reported with reference to the GRI Standards for the period 1st January 2023 to 31st December 2023.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable as a GRI sector standard is not available for our industry

GRI Standard	Disclosures	Page No./Location
GRI 2: General Disclosures 2021		
ORGANISATIONAL DETAILS AND REPORTING PRACTICES		
GRI 2-1	Organisational details	1, 12-20
GRI 2-2	Entities included in the organisation's sustainability reporting	18, 53
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TCFD Disclosures

This report is aligned with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations. The following table indicates our TCDF disclosures.

Code	TCFD Recommendations	Page No.
	GOVERNANCE	
TCDF 1(a)	Describe the board's oversight of climate-related risks and opportunities.	91, 60
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	92, 60
	STRATEGY	
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	92-97
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
TCFD 2(c)	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
	RISK MANAGEMENT	
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	97-98
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
	METRICS AND TARGETS	
TCFD 4(a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	55, 99-100
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	55, 99-100
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	99-100

FINANCIAL CONTENTS

GROUP FINANCIAL REVIEW

1.0 Operating Results of the Group

In $ million	FY2023	FY2022	Change
Revenue	**238.1**	**232.6**	**2.4%**
Gross profit	17.0	18.6	-8.6%
Other income	0.7	0.8	-12.5%
Total expenses	(248.0)	(238.7)	3.9%
Operating PBT	(9.2)	(5.3)	-73.6%
Share of profit of associate (net of tax)	0.09	0.03	200.0%
Impairment of goodwill	–	(6.4)	nm
Impairment of investment in associate	(1.7)	–	nm
PBT	**(10.8)**	**(11.7)**	**7.7%**
PAT	(11.5)	(12.3)	6.5%
PATMI	**(11.5)**	**(12.3)**	**6.5%**

nm – not meaningful

1.1 Revenue

Group revenue increased by 2.4% or $5.5 million to $238.1 in FY2023.

Personal Communications Solutions Services (“**PCS**”) Division contributed to 47.0% of Group revenue in FY2023 (FY2022: 45.6%). Revenue increased by 5.3% to $111.8 million in FY2023. Against FY2022, both the Singapore and Malaysian operations recorded an increase in revenue in FY2023.

Info-Communications Technology Services (“**ICT**”) Division contributed to 32.2% of Group revenue in FY2023 (FY2022: 32.1%). Revenue increased by 2.9% to $76.7 million in FY2023. The higher revenue in FY2023 was mainly from its Communications business.

Network Engineering Services (“**Engineering**”) Division contributed to 20.8% of Group revenue in FY2023 (FY2022: 22.3%). Revenue decreased by 4.3% to $49.6 million in FY2023. The higher revenue contribution from the Indonesian operation was offset by the lower revenue contribution from all other operations.

GROUP
FINANCIAL REVIEW

1.2 Gross profit

In $ million	FY2023	FY2022	Change
Gross profit	17.0	18.6	-8.6%
Gross margin	7.1%	8.0%	-0.9 ppt

ppt – percentage point

Gross profit decreased to $17.0 million in FY2023. The decrease in gross profit was from both the PCS and ICT divisions.

Gross margin decreased from 8.0% in FY2022 to 7.1% in FY2023. The decrease was attributed to both the PCS and ICT divisions.

1.3 Other income

Other income in FY2023 was lower due to lower receipts from the Job Growth incentive.

1.4 Total expenses

In $ million	FY2023	FY2022	Change
Cost of sales	221.1	214.0	3.3%
Selling and marketing expenses	7.7	8.3	-7.2%
Administrative expenses	18.1	15.3	18.3%
Other expenses	0.5	0.6	-16.7%
Net finance costs	0.6	0.5	20.0%
Total expenses	**248.0**	**238.7**	**3.9%**
Included in total expenses:			
Staff costs	41.0	42.4	-3.3%
Depreciation and amortisation	4.7	5.1	-7.8%

Total expenses, including cost of sales, amounted to $248.0 million in FY2023, an increase of 3.9% or $9.3 million compared to FY2022. Increase in total expenses by 3.9% mainly from cost of sales was in line with the increase in revenue of 2.4%.

Cost of sales comprises cost of equipment sold, commissions, costs of cabling and installation, network expenses, depreciation and amortisation, and attributable direct overheads. Cost of sales increased by 3.3% or $7.1 million against FY2022 mainly due to increase in revenue in FY2023.

Selling and marketing expenses decreased by 7.2% or $0.6 million against FY2022 mainly due to lower staff costs.

Administrative expenses increased by 18.3% or $2.8 million against FY2022 mainly due to write off of contract assets, higher professional and IT fees incurred. This was partially mitigated by lower staff cost.

GROUP
FINANCIAL REVIEW

Other expenses decreased by 16.7% or $0.1 million against FY2022. In FY2022, there were higher translation loss arising from the revaluation of the short-term Singapore dollar loan to a subsidiary in the Philippines and higher withholding tax from the dividend received from a subsidiary in Indonesia.

Net finance costs increased by 20.0% or $0.1 million against FY2022 due to higher borrowings and interest rates during the year.

Staff costs decreased by 3.3% or $1.4 million against FY2022 was attributed to both the PCS and Engineering divisions.

Depreciation and amortisation costs decreased by 7.8% or $0.4 million to $4.7 million in FY2023. The decrease was due to lower depreciation of right-of-use assets due to closure of several retail outlets during the year.

1.5 Share of profit of an associate (net of tax)

Share of profit of $0.090 million in FY2023 (FY2022: share of profit of $0.029 million) was from MVI Systems Limited (“MVI”). The improvement in FY2023 was due to higher revenue and gross profit recognised during the year.

1.6 Impairment of investment in associate

In FY2023, there was a partial impairment of $1.7 million on the cost of the investment in associate due to the recoverable amount being below its carrying value. The cost of investment in associate was written down to the Group share of MVI’s net book value as at 31 December 2023.

1.7 Operating (loss)/profit before tax

Operating (loss)/profit before tax margin	FY2023	FY2022	Change
PCS	0.3%	0.5%	-0.2 ppt
ICT*	(8.3%)	(5.0%)	-3.3 ppt
Engineering	(6.6%)	(4.1%)	-2.5 ppt
Group*	**(3.9%)**	**(2.3%)**	**-1.6 ppt**

** FY2023: exclude impairment of investment in associate of $1.7 million and share of profit from an associate of $0.090 million (FY2022: exclude impairment of goodwill of $6.4 million in FY2022 and share of profit from an associate of $0.029 million)*

ppt – percentage point

In FY2023, the Group recorded a higher operating loss before tax of $9.2 million against FY2022 loss before tax of $5.3 million mainly due to higher losses recorded from both the ICT and Engineering divisions. The loss was also partially attributed to higher consultancy and restructuring costs recorded during the year.

All three business divisions recorded lower operating margins in FY2023. This resulted in the Group operating loss margin to decrease from -2.3% in FY2022 to -3.9% in FY2023.

GROUP FINANCIAL REVIEW

Personal Communications Solutions Services ("**PCS**") Division registered a lower profit in FY2023 due to lower service revenue recorded. The Malaysian operations continue to be the main profit contributor and have recorded higher profits against FY2022 due to higher revenue recognition. The division lower profit in FY2023 was attributed to the lower commission revenue received for its retail operations in Singapore. These non-performing retail shops have been closed during the year. There was however additional profit contribution from the managed service contract secured with Honor since June 2023.

Info-Communications Technology Services ("**ICT**") Division recorded higher losses in FY2023 contributed by both its IT and Communications business. The Division's loss was primarily due to additional costs incurred to complete several IT projects. There were also higher staff cost in FY2023 as Radiance Communications Pte Ltd was acquired in June 2022. In addition, expenses were incurred to develop expertise in Hybrid Cloud Managed Services and Data Analytics.

Network Engineering Services ("**Engineering**") Division recorded a higher gross profit and gross margins in FY2023. The Indonesian operation continues to be the main profit contributor and recorded profit improvement against FY2022. The Division's losses in FY2023 were mainly attributed to the Philippines operations due to write off of contract assets resulting from cancellation of purchase orders. These purchase orders were cancelled due to the customer's decision to stop the projects. The Singapore operations had however recorded lower losses due to improvement of gross margins.

1.8 Loss after tax and non-controlling interests

In $ million	FY2023	FY2022	Change
Income tax expenses	0.7	0.6	16.7%
Loss after tax and non-controlling interests	**(11.5)**	**(12.3)**	**-6.5%**
Loss after tax margin	(4.8%)	(5.3%)	0.5 ppt

ppt – percentage point

Group **LATMI** was lower at $11.5 million in FY2023 against loss after tax of $12.3 million in FY2022. This was mainly due to a $6.4 million impairment of goodwill in FY2022 on the Group investment in NxGen.

Income tax expenses in FY2023 was 16.7% higher than FY2022 due to higher taxable income from a subsidiary in Indonesia.

2. Liquidity and Capital Resources

Cash flow (In $ million)	FY2023	FY2022	Change
Cash flow from:			
Operating activities	11.9	(0.8)	nm
Investing activities	(0.4)	(1.9)	-78.9%
Financing activities	3.3	(13.3)	nm
Net change in cash and cash equivalents	14.8	(16.0)	nm
Cash and cash equivalents at end of year	**32.8**	**18.4**	**78.3%**

nm – not meaningful

GROUP FINANCIAL REVIEW

Group's cash and cash equivalents increased by 78.3% from $18.4 million as at 31 December 2022 to $32.8 million as at 31 December 2023.

The Group's bank borrowings increased from $2.6 million as at 31 December 2022 to $16.1 million as at 31 December 2023.

Net cash increased from $15.8 million as at 31 December 2022 to $16.7 million as at 31 December 2023. Net cash per share increase from 3.5 cents per share as at 31 December 2022 to 3.7 cents per share as at 31 December 2023.

Operating Activities

Net cash inflow in FY2023 was mainly due to positive changes in working capital attributable to lower contract assets, lower trade receivables balances and higher trade payables balances. This was offset by higher inventories balances.

Investing Activities

Net cash outflow in FY2023 was mainly in capital expenditure. In FY2023, there was a net cash outflow from the disposal of NexWave Telecoms Pte Ltd on 31 May 2023.

Financing Activities

Net cash inflow in FY2023 was mainly from net borrowings of bank loans.

3. Shareholders Returns

	FY2023	FY2022	Change
Net dividends per share (cents) – ordinary	–	–	nm
Dividends declared ($ million)	–	–	nm
Dividend payout ratio (%)	–	–	nm
Dividend yield (%)	–	–	nm
Basic earnings per share (cents)(1)	(2.54)	(2.70)	5.9%
Return on equity (%)	(36.7%)	(28.3%)	-8.4 ppt
Return on capital employed (%)	(22.2%)	(23.5%)	1.3 ppt
Return on total assets (%)	(9.1%)	(11.0%)	1.9 ppt

ppt – percentage point
nm – not meaningful
Note:
(1) The number of shares used for the purpose of calculating the EPS for FY2023 and FY2022 were 452,491,000 and 453,085,000 respectively.

For FY2023, there was no dividend declared or recommended.

Year-on-year loss per share decreased from -2.70 cents in FY2022 to -2.54 cents in FY2023.

Return on equity decreased from -28.3% in FY2022 to -36.7% in FY2023. Return on capital employed and return on total assets were -22.2% (FY2022: -23.5%) and -9.1% (FY2022: -11.0%) respectively.

DIRECTORS' STATEMENTS

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2023.

In our opinion:

(a) the financial statements set out on pages 125 to 191 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and the financial performance, changes in equity and cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967 and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Directors

The directors in office at the date of this statement are as follows:

Ronald Seah Lim Siang	
Stephen Geoffrey Miller	
Pauline Wong Mae Sum	(Appointed on 14 October 2023)
Cheah Sui Ling	
Yeo Siew Chye Stephen	
Shailesh Anand Ganu	(Appointed on 7 July 2023)
Ho Koon Lian Irene	
Lim Yong	(Appointed on 7 July 2023)

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 (the "Act"), particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/ the date of appointment	Holdings at end of the year
The Company		
Ordinary shares		
Ronald Seah Lim Siang	584,000	872,000
Stephen Geoffrey Miller	351,000	494,000
Pauline Wong Mae Sum (appointed on 14 October 2023)	3,728,778	3,728,778
Nicholas Tan Kok Peng (Resigned on 31 December 2023)	–	–
Cheah Sui Ling	61,000	211,000
Yeo Siew Chye Stephen	51,000	176,000
Shailesh Anand Ganu (Appointed on 7 July 2023)	–	–
Ho Koon Lian Irene	487,000	637,000
Lim Yong (Appointed on 7 July 2023)	–	–

DIRECTORS' STATEMENTS

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/ the date of appointment	Holdings at end of the year
Related Corporations		
Ascendas Fund Management (S) Limited		
Unitholdings in Ascendas Real Estate Investment Trust		
Yeo Siew Chye Stephen	16,000	16,000
Ascott Residence Trust Management Limited and Ascott Business Trust Management Pte. Ltd.		
Unitholdings in Ascott Residence Trust		
Yeo Siew Chye Stephen	42,500	42,500
CapitaLand Investment Limited		
Ordinary Shares		
Yeo Siew Chye Stephen	65,043	65,043
CapitaLand Integrated Commercial Trust Management Limited		
Unitholdings in CapitaLand Integrated Commercial Trust		
Yeo Siew Chye Stephen	33,715	33,715
CapitaLand Retail China Trust Management Limited		
Unitholdings in CapitaLand Retail China Trust		
Yeo Siew Chye Stephen	64,000	64,000
Datameer, Inc.		
Stock option to purchase shares of common stock, exercisable by 15.11.2027 at US$1.56 each		
Stephen Geoffrey Miller		
- Held in the name of STT inTech Pte. Ltd.	1,146,953	1,146,953
Mapletree Commercial Trust Management Ltd.		
Unitholdings in Mapletree Commercial Trust		
Yeo Siew Chye Stephen	3,000	3,000
Mapletree Industrial Trust Management Ltd.		
Unitholdings in Mapletree Industrial Trust		
Ho Koon Lian Irene	40,000	40,000
Mapletree North Asia Commercial Trust Management Ltd.		
Unitholdings in Mapletree North Asia Commercial Trust		
Yeo Siew Chye Stephen	3,000	3,000
SembCorp Marine Limited		
Ordinary shares		
Yeo Siew Chye Stephen	1,522,000	1,522,000
Ho Koon Lian Irene	–	133,595
Singapore Airlines Limited		
Ordinary shares		
Yeo Siew Chye Stephen	1,000	1,000

DIRECTORS' STATEMENTS

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year/ the date of appointment	Holdings at end of the year
Related Corporations (cont'd)		
Singapore Technologies Engineering Ltd		
Ordinary shares		
Yeo Siew Chye Stephen	5,000	5,000
Ho Koon Lian Irene	6,000	6,000
Singapore Technologies Telemedia Pte Ltd ("ST Telemedia")		
5.0% Subordinated Perpetual Securities issued under ST Telemedia's S$2,000,000,000 Multicurrency Debt Issuance Programme		
Stephen Geoffrey Miller	S$250,000	S$250,000
4.2% Subordinated Perpetual Securities issued under ST Telemedia's S$2,000,000,000 Multicurrency Debt Issuance Programme		
Ho Koon Lian Irene	S$250,000	S$250,000
Singapore Telecommunications Limited		
Ordinary shares		
Yeo Siew Chye Stephen	68,360	68,360
Ho Koon Lian Irene	190	190
StarHub Ltd		
Ordinary shares		
Stephen Geoffrey Miller	168,100	214,000
Yeo Siew Chye Stephen	11,000	11,000
Ho Koon Lian Irene	15,000	15,000
STT GDC Pte. Ltd. ("STT GDC")		
3.59% Notes issued under STT GDC's S$1,500,000,000 Multicurrency Debt Issuance Programme		
Ho Koon Lian Irene	S$250,000	S$250,000
5.7% Sustainability-Linked Perpetual Securities issued under STT GDC's S$1,500,000,000 Multicurrency Debt Issuance Programme		
Ho Koon Lian Irene	–	S$250,000

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company, or of related corporations, either at the beginning of the financial year or at the end of the financial year.

There were no changes in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2024.

Except as disclosed under the "Equity Compensation Benefits" section of this statement, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENTS

Equity Compensation Benefits

Long Term Incentive Plans

The TeleChoice Restricted Share Plan (the "TeleChoice RSP") (as amended) and TeleChoice Performance Share Plan (the "TeleChoice PSP") (as amended) (collectively referred to as the "Plans"), were approved and adopted by the members at an Extraordinary General Meeting of the Company held on 27 April 2007 and certain amendments to the TeleChoice RSP and TeleChoice PSP were approved and adopted by the members at the Annual General Meeting of the Company held on 26 April 2018.

Information regarding the Plans is set out below:

(i) The Plans were established with the objective of motivating senior executives to strive for superior performance and sustaining long-term growth for the Company.

(ii) The Plans are administered by the Company's Remuneration Committee comprising three directors, namely Ronald Seah Lim Siang, Yeo Siew Chye Stephen and Stephen Geoffrey Miller (the "Committee").

(iii) The following persons (collectively referred to as the "Eligible Persons") shall be eligible to participate in the Plans at the absolute discretion of the Committee:

a. employees and non-executive directors of the Company and/or any of its subsidiaries;

b. employees and non-executive directors of STT Communications Ltd and its subsidiaries, who may be seconded to render services and contribute to the success of the Group; and

c. employees of associated companies.

(iv) Controlling shareholders and associates of controlling shareholders of the Company will not be eligible to participate in the Plans.

(v) Under the TeleChoice PSP (as amended), conditional awards of shares are granted. Awards represent the right of a participant to receive fully paid shares upon the participant achieving certain pre-determined performance targets which are set based on corporate objectives aimed at sustaining longer-term growth. The vesting period of the awards granted under the Plans is between one to three years. After the awards vest, the shares comprised in the awards are issued at the end of the performance and/or service period once the Committee is, at its sole discretion, satisfied that the prescribed performance targets have been achieved.

The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period, currently prescribed to be a three-year period. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretched performance targets are met or exceeded.

(vi) Under the TeleChoice RSP (as amended), conditional awards vest over a three-year period, once the Committee is, at its sole discretion, satisfied that the performance and extended service conditions are attained. For the RSP grants for 2017 onwards, the total number of shares to be awarded depends on the level of attainment of the individual performance targets.

(vii) Since the commencement of the Plans to the financial year ended 31 December 2023, conditional awards aggregating 62,875,305 (2022: 56,506,810) shares have been granted under the aforesaid Plans, representing the number of shares to be delivered based on the achievement against the pre-determined target performance levels. 4,043,405 shares under the Plans were released during the financial year ended 31 December 2023 (2022: 643,000 shares), 3,004,405 shares were paid in the form of cash.

(viii) During the financial year ended 31 December 2023, conditional awards aggregating 4,652,495 (2022: 3,086,000) shares have been granted under the Plans, representing the number of shares to be delivered based on the achievement against the pre-determined target performance levels. An aggregate 15,690,160 shares under the Plans were outstanding as at 31 December 2023 (2022: 14,850,450 shares).

(ix) During the financial year ended 31 December 2023, restricted share awards aggregating 1,716,000 (2022: 1,039,000) shares were also granted under the TeleChoice RSP. These share awards formed 30% (2022: 30%) of the payment of Directors' remuneration for the financial year ended 31 December 2022 (2022: 31 December 2021) to all of the Directors (other than Mr Lim Chai Hock Clive) and were granted without any performance or vesting conditions attached, but subject to a selling moratorium and other terms and conditions.

(x) Since commencement of the Plans, no share awards were granted under the Plans at a discount.

DIRECTORS' STATEMENTS

The details of the Plans granted to the Directors of the Company are as follows:

Name of Directors	Granted during the financial year Share Awards	Aggregate granted since the commencement of the Plans to 31 December 2023 Share Awards	Aggregate exercised/released since the commencement of the Plans to 31 December 2023 Share Awards	Aggregate outstanding as at 31 December 2023 Share Awards
Ronald Seah Lim Siang	476,000	1,348,000	872,000	476,000
Stephen Geoffrey Miller	236,000	730,000	494,000	236,000
Cheah Sui Ling	248,000	459,000	211,000	248,000
Yeo Siew Chye Stephen	206,000	382,000	176,000	206,000
Ho Koon Lian Irene	248,000	880,000	632,000	248,000
Lim Chai Hock Clive	–	183,000	183,000	–
Tang Yew Kay Jackson [1]	302,000	1,096,000	794,000	302,000

Name of Directors	Granted during the financial year Share Awards	Aggregate granted since the commencement of the Plans to 31 December 2022 Share Awards	Aggregate exercised/released since the commencement of the Plans to 31 December 2022 Share Awards	Aggregate outstanding as at 31 December 2022 Share Awards
Ronald Seah Lim Siang	288,000	872,000	584,000	288,000
Stephen Geoffrey Miller	143,000	494,000	351,000	143,000
Cheah Sui Ling	150,000	211,000	61,000	150,000
Yeo Siew Chye Stephen	125,000	176,000	51,000	125,000
Ho Koon Lian Irene	150,000	632,000	482,000	150,000
Lim Chai Hock Clive	–	183,000	183,000	–
Tang Yew Kay Jackson [1]	183,000	794,000	611,000	183,000

[1] Tang Yew Kay Jackson retired as a Director of the Company with effect from 31 December 2022. The grant for the financial year was related to FY2022 director's fees in shares.

Since the commencement of the Plans, no share awards have been granted to any participant who is a controlling shareholder of the Company or an associate of such controlling shareholder (save for Mr Lim Chai Hock Clive, who was a controlling shareholder of the Company until 26 December 2013, when he then became an associate of a controlling shareholder). Mr Lim Chai Hock Clive had informed the Company and the Company had in turn on 4 March 2019, announced that he had acquired all the shares of Leap International Pte Ltd ("Leap") from his daughter, Ms Lim Shi, and is deemed to be interested in all the shares of the Company that are held by Leap. The grant of the share awards to Mr Lim Chai Hock Clive as part of his director's remuneration for the financial years ended 31 December 2013, 2014, 2015 and 2016 were approved and ratified by the independent members at the Annual General Meeting of the Company held on 26 April 2018.

DIRECTORS' STATEMENTS

Set out below are the details of the participants who have received share awards granted under the Plans which represent 5% or more of the total number of share awards granted to date under the Plans. The terms of these share awards are set out above.

Participants	Granted during the financial year Share Awards	Aggregate granted since the commencement of the Plans to 31 December 2023 Share Awards	Aggregate exercised/released since the commencement of the Plans to 31 December 2023 Share Awards	Aggregate outstanding as at 31 December 2023 Share Awards
Loh Sur Jin Andrew	–	4,807,000	2,974,300	–
Lim Shuh Moh Vincent	1,705,000	12,957,220	3,379,368	5,493,245
Lee Yoong Kin	–	7,839,690	3,635,508	987,740
Pauline Wong Mae Sum	725,000	8,694,690	3,779,248	2,320,240
Wong Loke Mei	400,000	3,658,800	1,595,379	1,268,325
Goh Song Puay	345,000	3,239,050	1,459,964	1,093,910

Participants	Granted during the financial year Share Awards	Aggregate granted since the commencement of the Plans to 31 December 2022 Share Awards	Aggregate exercised/released since the commencement of the Plans to 31 December 2022 Share Awards	Aggregate outstanding as at 31 December 2022 Share Awards
Loh Sur Jin Andrew	–	4,807,000	2,974,300	–
Lim Shuh Moh Vincent	1,278,750	11,252,220	2,862,033	5,494,980
Lee Yoong Kin	543,750	7,839,690	3,249,838	2,274,310
Pauline Wong Mae Sum	543,750	7,969,690	3,393,578	2,274,310
Wong Loke Mei	300,000	3,258,800	1,270,709	1,192,995
Goh Song Puay	258,750	2,894,050	1,167,629	1,041,245

The details of the participants who have received share awards granted under the Plans which represent 5% or more of the total number of share awards available to all directors and employees of the Company and its subsidiaries during the financial year ended 31 December 2023 are as follows:

Participants	Number of share awards granted under the Plans during the financial year ended 31 December 2023	Number of share awards granted under the Plans during the financial year ended 31 December 2022
Lim Shuh Moh Vincent	1,705,000	1,278,750
Lee Yoong Kin	–	543,750
Pauline Wong Mae Sum	725,000	543,750
Wong Loke Mei	400,000	300,000
Goh Song Puay	345,000	258,750

Audit Committee

The members of the Audit Committee during the year were:

- Nicholas Tan Kok Peng (Chairman), Non-Executive and Independent Director
- Cheah Sui Ling, Non-Executive and Independent Director
- Ho Koon Lian Irene, Non-Executive and Non-Independent Director

DIRECTORS' STATEMENTS

Nicolas Tan Kok Peng resigned as a Director on 31 December 2023 and concurrently ceased to be Chairman of the Audit Committee. The members of the Audit Committee as at the date of this statement are:

- Cheah Sui Ling (Chairman), Non-Executive and Independent Director
- Ho Koon Lian Irene, Non-Executive and Non-Independent Director
- Yeo Siew Chye Stephen, Non-Executive and Independent Director

The Audit Committee performs the functions specified in Section 201B of the Act, the SGX-ST Listing Manual and the best practices as set out in the SGX-ST Listing Manual and the Code of Corporate Governance 2018.

The Audit Committee has held five meetings since the last directors' statement. In performing its functions, the Audit Committee met with the Company's external and internal auditors to discuss the scope of their work, the results of their examination and evaluation of the Company's internal accounting control system.

The Audit Committee also reviewed the following:

- assistance provided by the Company's officers to the internal and external auditors;
- half-yearly financial information and annual financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption; and
- interested person transactions (as defined in Chapter 9 of the SGX-ST Listing Manual).

The Audit Committee is also responsible for overseeing the Group's risk management framework and policies, in which respect it shall:

- review, at least annually, the adequacy and effectiveness of the Group's financial risk management and internal control systems, including the financial, compliance and risks, and relevant information technology risks, and where required, provide an opinion as to the adequacy and effectiveness of such risk management and internal control systems;
- review and comment on the assurance provided or to be provided to the Board by such members of the Company's senior management team as may be required under applicable laws, regulations and/or guidelines on the integrity of the financial records/statements, as well as the effectiveness of the Group's risk management and internal control systems.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and the discretion to invite any director or executive officer to attend its meetings. The Audit Committee also recommends the appointment of the external auditors and reviews the level of audit and non-audit fees.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company, subsidiaries, and the associated company, we have complied with Rules 712 and 715 of the SGX-ST Listing Manual.

DIRECTORS' STATEMENTS

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Ronald Seah Lim Siang
Director

Cheah Sui Ling
Director

27 March 2024

INDEPENDENT AUDITORS' REPORT

Members of the Company
TeleChoice International Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of TeleChoice International Limited ("the Company") and its subsidiaries ("the Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 125 to 191.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 ("the Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *'Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of inventories ($33,507,000) **(Refer to Note 2.4, Note 3.5 and Note 9 to the financial statements)**	
The key audit matter We focused on this area because determination of inventory allowance involves subjective estimates and are influenced by assumptions concerning future demand and sales prices.	*How the matter was addressed in our audit* We assessed the principles and appropriateness of the Group's policy for inventory allowance based on our understanding of the Group's business and the accuracy of provisioning estimates by calculating the loss-rate of inventory based on past actual inventory sales records. For a sample of inventory items, we compared the unit carrying value to the selling price subsequent to year end where available, or the most recent sale transaction. We also compared the quantity sold subsequent to year end against the amount of inventory on hand at year end. *Our findings* We found that the assumptions and estimates applied in determining inventory allowance were balanced.

INDEPENDENT AUDITORS' REPORT

Revenue recognition for long term contracts ($76,249,000)
(Refer to Note 2.4, Note 3.12 and Note 23 to the financial statements)

The key audit matter	*How the matter was addressed in our audit*
We focused on long term contracts as the recognition of revenue largely depends on the Group's estimate of percentage of completion for these contracts. We also focused on bundled contracts as allocation of contract value for bundled contracts to different performance obligations require judgement.	We assessed whether the Group's revenue recognition policies for long term contracts complied with SFRS(I) 15 *Revenue from Contracts with Customers* and tested the implementation of those policies. We evaluated and tested the operating effectiveness of the internal controls implemented over the recording of revenue. For a sample of long-term contracts, we evaluated the reasonableness of the projects' percentage of completion used to measure revenue by reference to the contract cost incurred to date to the total expected contract cost of the projects. For a sample of bundled contracts, we read extracts of the relevant customer contracts and assessed the reasonableness of the allocation of revenue to different contractual performance obligations under the contracts. For the provision for onerous contract assessment, we compared the total budgeted costs against respective contracted revenue and assessed if the provision for onerous contracts were adequate. *Our findings* We found that the percentage of completion used by the Group reasonably reflects the contract cost incurred to date to the total expected contract cost of the projects. We found that the revenue had been appropriately allocated to different performance obligations where applicable. We also found that the provision for onerous contracts were adequate.

Other information

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITORS' REPORT

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditors' report is Jeya Poh Wan S/O K. Suppiah.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
27 March 2024

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Non-current assets					
Plant and equipment	4	756	1,037	23	38
Intangible assets	5	124	514	6	29
Right-of-use assets	20	1,930	4,426	709	1,765
Subsidiaries	6	–	–	6,547	19,561
Associate	7	258	1,844	–	–
Deferred tax assets	8	840	612	341	28
Trade and other receivables	10	426	1,065	–	–
Total non-current assets		4,334	9,498	7,626	21,421
Current assets					
Inventories	9	33,507	12,353	19,056	7,291
Contract assets	23	15,161	25,047	–	–
Trade and other receivables	10	40,895	46,380	17,059	11,786
Cash and cash equivalents	14	32,820	18,372	6,013	2,024
Total current assets		122,383	102,152	42,128	21,101
Total assets		126,717	111,650	49,754	42,522
Equity					
Share capital	15	21,987	21,987	21,987	21,987
Reserves	16	5,892	6,355	14,381	14,375
Accumulated profits/(losses)		3,485	14,901	(15,214)	(2,226)
Total equity attributable to equity holders of the Company		31,364	43,243	21,154	34,136
Non-controlling interests		–	–	–	–
Total equity		31,364	43,243	21,154	34,136
Non-current liabilities					
Contract liabilities	23	493	82	–	–
Other payables	17	460	407	–	–
Lease liabilities	20	314	983	19	490
Provisions	21	365	432	339	294
Total non-current liabilities		1,632	1,904	358	784
Current liabilities					
Contract liabilities	23	9,587	7,194	–	–
Current tax payable		29	32	–	–
Trade and other payables	17	65,248	52,809	23,513	6,322
Loans and borrowings	19	16,137	2,578	4,000	–
Lease liabilities	20	1,229	3,405	515	1,280
Provisions	21	1,491	485	214	–
Total current liabilities		93,721	66,503	28,242	7,602
Total liabilities		95,353	68,407	28,600	8,386
Total equity and liabilities		126,717	111,650	49,754	42,522

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 $'000	Group 2022 $'000
Revenue	23	238,089	232,603
Cost of sales		(221,100)	(214,023)
Gross profit		16,989	18,580
Other income		685	783
Sales and marketing expenses		(7,700)	(8,320)
Administrative expenses		(18,086)	(15,254)
Impairment loss on investment in associate		(1,673)	–
Impairment loss on goodwill		–	(6,407)
Other expenses		(516)	(600)
Results from operating activities		(10,301)	(11,218)
Finance income	24	138	106
Finance costs	24	(748)	(600)
Net finance costs		(610)	(494)
Share of profit of associate (net of tax)	7	90	29
Loss before tax	24	(10,821)	(11,683)
Tax expense	25	(682)	(567)
Loss for the year		(11,503)	(12,250)
Loss attributable to:			
Owners of the Company		(11,503)	(12,250)
Non-controlling interests		–	–
Loss for the year		(11,503)	(12,250)
Earnings per share			
Basic earnings per share (cents)	26	(2.54)	(2.70)
Diluted earnings per share (cents)	26	(2.46)	(2.62)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 $'000	Group 2022 $'000
Loss for the year		(11,503)	(12,250)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit plan remeasurements		9	42
Tax on items that will not be reclassified to profit or loss		(2)	(9)
		7	33
Items that are or may be reclassified subsequently to profit or loss:			
Translation differences relating to financial statements of foreign subsidiaries		(204)	(1,288)
Share of foreign currency translation differences of associate	7	(3)	(3)
Realisation of reserve upon liquidation of a subsidiary		(1)	–
Exchange differences on monetary items forming part of net investment in foreign operations		(52)	(282)
		(260)	(1,573)
Other comprehensive income for the year, net of tax		(253)	(1,540)
Total comprehensive income for the year		(11,756)	(13,790)
Total comprehensive income attributable to:			
Owners of the Company		(11,756)	(13,790)
Non-controlling interests		–	–
Total comprehensive income for the year		(11,756)	(13,790)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

		Attributable to owners of the Company										
Group	Note	Share capital $'000	Accumulated profits $'000	General reserve $'000	Capital reserves $'000	Goodwill written off $'000	Share option reserve $'000	Reserve for own shares $'000	Exchange translation reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2022		21,987	27,685	27	16,605	(1,538)	1,466	(199)	(8,724)	57,309	–	57,309
Total comprehensive income for the year												
Loss for the year		–	(12,250)	–	–	–	–	–	–	(12,250)	–	(12,250)
Other comprehensive income												
Translation differences relating to financial statements of foreign subsidiaries		–	–	–	–	–	–	–	(1,288)	(1,288)	–	(1,288)
Share of foreign currency translation differences of associate	7	–	–	–	–	–	–	–	(3)	(3)	–	(3)
Exchange differences on monetary items forming part of net investment in a foreign operation		–	–	–	–	–	–	–	(282)	(282)	–	(282)
Defined benefit plan remeasurements		–	42	–	–	–	–	–	–	42	–	42
Tax on items that will not be reclassified to profit or loss		–	(9)	–	–	–	–	–	–	(9)	–	(9)
Total other comprehensive income		–	33	–	–	–	–	–	(1,573)	(1,540)	–	(1,540)
Total comprehensive income for the year		–	(12,217)	–	–	–	–	–	(1,573)	(13,790)	–	(13,790)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

Group	Note	Attributable to owners of the Company										
		Share capital $'000	Accumulated profits $'000	General reserve $'000	Capital reserves $'000	Goodwill written off $'000	Share option reserve $'000	Reserve for own shares $'000	Exchange translation reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners of the Company												
Share-based payments expenses	22	–	–	–	(2)	–	408	–	–	406	–	406
Purchase of treasury shares	15	–	–	–	–	–	–	(169)	–	(169)	–	(169)
Share options exercised		–	–	–	–	–	(62)	116	–	54	–	54
Final dividend of 0.125 cents per share (one-tier tax exempt)	16	–	(567)	–	–	–	–	–	–	(567)	–	(567)
Total contributions by and distributions to owners of the Company		–	(567)	–	(2)	–	346	(53)	–	(276)	–	(276)
Total transactions with owners of the Company		–	(567)	–	(2)	–	346	(53)	–	(276)	–	(276)
At 31 December 2022		21,987	14,901	27	16,603	(1,538)	1,812	(252)	(10,297)	43,243	–	43,243

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER 2023

		Attributable to owners of the Company										
Group	**Note**	**Share capital $'000**	**Accumulated profits $'000**	**General reserve $'000**	**Capital reserves $'000**	**Goodwill written off $'000**	**Share option reserve $'000**	**Reserve for own shares $'000**	**Exchange translation reserve $'000**	**Total $'000**	**Non-controlling interests $'000**	**Total equity $'000**
At 1 January 2023		21,987	14,901	27	16,603	(1,538)	1,812	(252)	(10,297)	43,243	–	43,243
Total comprehensive income for the year												
Loss for the year		–	(11,503)	–	–	–	–	–	–	(11,503)	–	(11,503)
Other comprehensive income												
Translation differences relating to financial statements of foreign subsidiaries		–	–	–	–	–	–	–	(204)	(204)	–	(204)
Share of foreign currency translation differences of associate	7	–	–	–	–	–	–	–	(3)	(3)	–	(3)
Realisation of reserve upon disposal of a subsidiary		–	–	–	–	–	–	–	(1)	(1)	–	(1)
Exchange differences on monetary items forming part of net investment in a foreign operation		–	–	–	–	–	–	–	(52)	(52)	–	(52)
Defined benefit plan remeasurements		–	9	–	–	–	–	–	–	9	–	9
Tax on items that will not be reclassified to profit or loss		–	(2)	–	–	–	–	–	–	(2)	–	(2)
Total other comprehensive income		–	7	–	–	–	–	–	(260)	(253)	–	(253)
Total comprehensive income for the year		–	(11,496)	–	–	–	–	–	(260)	(11,756)	–	(11,756)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2023

Group	Note	Attributable to owners of the Company										
		Share capital $'000	Accumulated profits $'000	General reserve $'000	Capital reserves $'000	Goodwill written off $'000	Share option reserve $'000	Reserve for own shares $'000	Exchange translation reserve $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners of the Company												
Share-based payments expenses	22	–	–	–	–	–	391	–	–	391	–	391
Payment of share options		–	80	–	–	–	(598)	–	–	(518)	–	(518)
Purchase of treasury shares	15	–	–	–	–	–	–	(124)	–	(124)	–	(124)
Share options exercised		–	–	–	–	–	–	–	–		–	
Issue of treasury share	15	–	–	–	(22)	–	–	150	–	128	–	128
Total contributions by and distributions to owners of the Company		–	80	–	(22)	–	(207)	26	–	(123)	–	(123)
Total transactions with owners of the Company		–	80	–	(22)	–	(207)	26	–	(123)	–	(123)
At 31 December 2023		21,987	3,485	27	16,581	(1,538)	1,605	(226)	(10,557)	31,364	–	31,364

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

	Note	Group 2023 $'000	Group 2022 $'000
Cash flows from operating activities			
Loss before tax		(10,821)	(11,683)
Adjustments for:			
Amortisation of intangible assets	5	370	442
Depreciation of plant and equipment	4	677	786
Depreciation of right-of-use assets	20	3,695	3,894
Finance expense	24	748	600
Finance income	24	(138)	(106)
Impairment loss on goodwill	5	–	6,407
Impairment loss on investment in associate	7	1,673	–
Loss/(Gain) on disposal of plant and equipment and intangible assets	24	73	(56)
Gain on liquidation of a subsidiary	24	(77)	–
Negative goodwill on acquisition of interest in subsidiaries	24	–	(16)
Gain on derecognition of right-of-use assets	24	–	(17)
Write-back of provision for warranties	21	(6)	(29)
Write-back of reinstatement costs	21	–	(49)
Write-back of onerous contracts	21	(130)	–
Reversal of impairment loss on trade receivables	24	(308)	(10)
Impairment loss on trade receivables	24	111	–
Write-off of contract assets		1,132	–
Share-based payments expenses	22	391	406
Share of profit of associate	7	(90)	(29)
		(2,700)	540
Changes in:			
Inventories		(21,206)	(729)
Contract assets		8,691	(1,622)
Trade and other receivables		5,205	(12,830)
Trade and other payables		18,452	12,966
Contract liabilities		2,777	1,006
Provisions and employee benefit obligations		1,128	416
Cash generated from operations		12,347	(253)
Tax paid		(450)	(577)
Net cash from/(used in) operating activities		11,897	(830)
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		6	61
Acquisition of subsidiaries, net of cash acquired	30	–	(1,316)
Disposal of a subsidiary, net of cash disposed of		(60)	–
Purchase of plant and equipment	4	(406)	(481)
Purchase of intangible assets	5	(56)	(271)
Interest received		108	60
Net cash used in investing activities		(408)	(1,947)
Cash flows from financing activities			
Dividends paid		–	(567)
Interest paid	19	(724)	(561)
Payment of share options		(518)	–
Proceeds from bank loans	19	13,028	10,840
Repayment of short-term loans	19	(4,336)	(19,117)
Purchase of treasury shares	15	(124)	(169)
Payment of lease liabilities	19	(4,056)	(3,733)
Net cash from/(used in) financing activities		3,270	(13,307)
Net increase/(decrease) in cash and cash equivalents		14,759	(16,084)
Cash and cash equivalents at 1 January		18,372	34,811
Effect of exchange rate changes on cash held in foreign currencies		(311)	(355)
Cash and cash equivalents at 31 December	15	32,820	18,372

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2023

Significant non-cash transactions

During the year, the Group obtained bank loans amounting to $4,927,000 (2022: $7,611,000) for operational purposes. The loans were transferred directly from the bank to the Company's suppliers.

NOTES TO THE FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 27 March 2024.

1 Domicile and activities

TeleChoice International Limited ("the Company" or "TeleChoice") is a company incorporated in the Republic of Singapore. The Company has its registered office 25 North Bridge Road, Level 7, Singapore 179104 and its place of business at 5A Toh Guan Road East #06-02A, Singapore 608830.

The financial statements of the Group as at and for the year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in an associate.

The principal activities of the Company during the financial year are investment holding and those of wholesalers, retailers, suppliers, importers, exporters, distributors, agents and dealers of mobile phones, prepaid cards, radio and telecommunication equipment and accessories and the provision of related services. The principal activities of the subsidiaries are set out in Note 6 to the financial statements.

The immediate and ultimate holding companies are STT Communications Ltd ("STTC") and Temasek Holdings (Private) Limited, respectively. These companies are incorporated in the Republic of Singapore. Temasek Holdings (Private) Limited is wholly-owned by the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act 1959.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)"). The changes to material accounting policies are described in Note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information presented in Singapore dollars have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in Note 23 –Revenue: determination of whether the Group acts as an agent in the transaction rather than as a principal for sales to related parties.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included in the following notes:

- Note 6 – Valuation of investment in subsidiaries
- Note 9 – Valuation of inventories
- Note 18 – Measurement of defined benefit obligations: key actuarial assumptions
- Note 23 – Estimate of total contract costs to complete and corresponding contract revenue
- Note 31 – Valuation of trade receivables and contract assets

NOTES TO THE FINANCIAL STATEMENTS

2.5 Changes in material accounting policies

New accounting standards and amendments

The Company has applied the following SFRS(I)s, amendments to and interpretations of SFRS(I) for the first time for the annual period beginning on 1 January 2023:

- SFRS(I) 17: *Insurance Contracts*
- Amendments to SFRS(I) 1-12: *Deferred tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to SFRS(I) 1-12: *International Tax Reform – Pillar Two Model Rules*
- Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements.

The Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) in certain instances in line with the amendments.

2.6 Going concern basis of accounting

Management continues to have reasonable expectation that the Group has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting remains appropriate.

For the year ended 31 December 2023, the Group recognised a net loss after tax of $11,503,000. The Group's net current assets as at 31 December 2023 were $28,662,000 and has a net assets position as at 31 December 2023 of $31,364,000. The Group has $122,383,000 of resources comprising cash and cash equivalents and other highly liquid assets, and unused credit lines of $102,800,000 available at the reporting date.

Based on these factors, management has a reasonable expectation that the Group has and will have adequate resources to continue in operational existence for the foreseeable future.

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 2.5, which addresses changes in material accounting policies.

In addition, the Group adopted Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

NOTES TO THE FINANCIAL STATEMENTS

The Group measures goodwill at the date of acquisition as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interest in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally measured at fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the date of acquisition. The measurement basis taken is elected on a transaction-by-transaction basis. All other non-controlling interests are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Costs related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in subsidiaries are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group, the assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any gain/loss arising is recognised directly in equity.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the income statement. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Investment in associate

Associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist when the Group holds 20% or more of the voting power of another entity.

NOTES TO THE FINANCIAL STATEMENTS

Investment in associate is accounted for using the equity method. It is recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associate, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the associate's operations or has made payments on behalf of the associate.

Transaction eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associate are eliminated against the investment to the extent of the Group's interest in the associate. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries and associate in the separate financial statements

Investments in subsidiaries and associate are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the respective functional currencies of Group entities at rates of exchange closely approximated to those ruling at the reporting date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currencies at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currencies translated at the exchange rate at the end of the year. The functional currencies of the Group entities comprise Singapore Dollar, Indonesian Rupiah, Ringgit Malaysia, Vietnamese Dong, Philippine Peso and Renminbi.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in the income statement.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Singapore dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Singapore dollars at the average exchange rates for the year. Equity items are translated at historical transaction rates, with pre-acquisition equity items at the closing exchange rates at acquisition date.

Foreign currency differences are recognised in other comprehensive income and presented in the exchange translation reserve in equity. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the income statement as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in associate that includes a foreign operation while retaining significant influence, the relevant portion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the exchange translation reserve in equity.

NOTES TO THE FINANCIAL STATEMENTS

3.3 Plant and equipment

Recognition and measurement

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

Any gain or loss on disposal of an item of plant and equipment is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Leasehold improvements	2-10 years
• Plant and equipment	2-5 years
• Office furniture, fittings and equipment	2-10 years
• Computers	2-5 years
• Motor vehicles	5-10 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Intangible assets

Customer relationships

Customer relationships acquired in a business combination represent the network of customers where the acquired business has established relationships with the customers particularly in the financial services industry. Amortisation for customer relationships is recognised in the income statement on a straight-line basis over 5 to 7 years, commencing from the date of acquisitions.

Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill at initial recognition, see Note 3.1.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of associate, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the associate.

Other intangible assets

Other intangible assets comprise computer software, retail business infrastructure and order backlogs, which is stated at cost less accumulated amortisation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets.

Amortisation is calculated based on the cost of the asset, less its residual value. Amortisation is recognised in profit or loss on a straight-line basis over their estimated useful lives from the date the asset is available for use. The estimated useful lives of computer software are 2 to 5 years.

Amortisation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in-first-out principle or specified identification method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any allowance for write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any allowance for write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.6 Contract assets and contract liabilities

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.7 Financial instruments

Recognition and measurement

Non-derivative financial assets and financial liabilities

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (“FVTPL”), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or require prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised loans and borrowings, and trade and other payables.

Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
  - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
  - the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised.

A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term bank deposits with maturities of three months or less from date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

NOTES TO THE FINANCIAL STATEMENTS

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity. Income tax relating to transactions costs of an equity transaction is accounted for in accordance with SFRS(I) 1-12.

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effect, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own share account. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in non-distributable capital reserve.

3.8 Impairment

Non-derivative financial assets and contract assets

The Group recognises loss allowances for expected credit losses ("ECLs") on:

- financial assets measured at amortised cost; and
- contract assets.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- there is significant delay in payments.

The Group considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

NOTES TO THE FINANCIAL STATEMENTS

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or significant delay in payment; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, contract assets and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amounts are estimated. Goodwill and intangible assets with indefinite useful lives or not yet available for use are tested for impairment at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in the income statement. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

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Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

3.9 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee’s incremental borrowing rate. Generally, the Group uses the lessee’s incremental borrowing rate as the discount rate.

The Group determines the lessee’s incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease (see Note 3.7 and Note 3.8).

3.10 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Employee leave entitlements

Employees' entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for the annual leave as a result of services rendered by the employees up to the reporting date.

Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Share-based payments

Performance Share Plan and Restricted Share Plan

The Performance Share Plan and the Restricted Share Plan are accounted as equity-settled share-based payments. Equity-settled share-based payments are measured at fair value at the date of grant. The share-based expense is amortised and recognised in profit or loss on a straight-line basis over the vesting period. At each reporting date, the Company revises its estimates of the number of shares that the participating employees and directors are expected to receive based on non-market vesting conditions. The difference is charged or credited to the income statement, with a corresponding adjustment to equity over the remaining vesting period.

The fair value of the options granted to employees of its subsidiaries is recognised as an increase in the cost of the Company's investment in subsidiaries, with a corresponding increase recorded in equity over the vesting period.

There are group share-based payment arrangements in which employees of the Company's subsidiaries receive remuneration in the form of share-based payments and the Company settles these transactions for its subsidiary. These are regarded as capital contribution and added to cost of investment in subsidiaries in the Company's statement of financial position.

Defined benefit plan

The Group provides post-employment benefits as required under Indonesian Government Regulation No. 35/2021. The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in income statement in the period of a plan amendment, or curtailment occurs. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

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- service cost (including current service cost), past service cost, as well as gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss.

Termination

A liability for a termination benefit is recognised at earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

3.11 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Warranties

A provision for warranties is recognised when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Reinstatement

Operating lease improvement reinstatement costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the reinstatement liability. The unwinding of the discount is expensed as incurred and recognised in profit or loss as a finance cost. The estimated future costs of reinstatement are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Restructuring

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly.

Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected the net cost of continuing with the contract, which is determined based on incremental costs necessary to fulfil the obligation under the contract.

3.12 Revenue recognition

Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the POs if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

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3.13 Government grants

Government grants that compensate the Group for expenses incurred are recognised in profit or loss as ‘other income’ on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

3.14 Finance income and finance costs

The Group’s finance income and finance costs include:

- interest income from banks and financial institutions;
- interest expense on lease liabilities; and
- interest expense on borrowings.

Interest income or expense is recognised using the effective interest method, except where collection is contingent upon certain conditions being met, then such income is recognised when received.

The “effective interest rate” is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the income statement using the effective interest method.

3.15 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, measured using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also included any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and associate to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

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Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.16 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders.

3.17 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

3.18 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's President & Chief Executive Officer ("President & CEO") (chief operating decision-maker) to make discussions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment pricing is determined based on terms agreed between the segments concerned.

Segment capital expenditure comprises additions to plant and equipment and intangible assets.

3.19 New standards and interpretations not adopted

A number of new accounting standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier application is permitted. However, the Group has not early adopted the new or amended accounting standards in preparing these financial statements.

(i) Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current* and *Non-current Liabilities with Covenants*

The amendments as issued in 2020 and 2022, aim to clarify the requirements on determining whether a liability is current or non-current, and require new disclosures for non-current liabilities that are subject to future covenants. The amendments apply for annual reporting periods beginning on or after 1 January 2024.

(ii) Other accounting standards

The following amendments to SFRS(I)s are not expected to have a significant impact on the Group's statement of financial position.

- Amendments to SFRS(I) 1-7 and SFRS(I) 7: Supplier Finance Arrangements
- Amendments to SFRS(I) 16: *Lease Liability in a Sale and Leaseback*
- Amendments to SFRS(I) 1-21: *Lack of Exchangeability*

NOTES TO THE FINANCIAL STATEMENTS

4 Plant and equipment

	Leasehold improvements $'000	Plant and equipment $'000	Office furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Group						
Cost						
At 1 January 2022	2,447	4,546	1,030	2,353	1,096	11,472
Acquisition through business combination	–	–	19	31	116	166
Additions	167	45	89	180	–	481
Disposals/Write-off	(341)	(201)	(766)	(840)	(30)	(2,178)
Translation differences on consolidation	(13)	(206)	(9)	(65)	(78)	(371)
At 31 December 2022	2,260	4,184	363	1,659	1,104	9,570
At 1 January 2023	2,260	4,184	363	1,659	1,104	9,570
Additions	108	161	20	117	–	406
Disposals/Write-off	(67)	(291)	(79)	(166)	–	(603)
Translation differences on consolidation	5	(51)	(11)	(22)	(12)	(91)
At 31 December 2023	2,306	4,003	293	1,588	1,092	9,282
Accumulated depreciation						
At 1 January 2022	2,336	4,337	964	1,800	827	10,264
Depreciation for the year	142	157	51	324	112	786
Disposals/Write-off	(341)	(197)	(766)	(839)	(30)	(2,173)
Translation differences on consolidation	(13)	(194)	(11)	(64)	(62)	(344)
At 31 December 2022	2,124	4,103	238	1,221	847	8,533
At 1 January 2023	2,124	4,103	238	1,221	847	8,533
Depreciation for the year	127	90	46	315	99	677
Disposals/Write-off	(51)	(302)	(78)	(169)	–	(600)
Translation differences on consolidation	6	(47)	(10)	(21)	(12)	(84)
At 31 December 2023	2,206	3,844	196	1,346	934	8,526
Carrying amounts						
At 1 January 2022	111	209	66	553	269	1,208
At 31 December 2022	136	81	125	438	257	1,037
At 31 December 2023	100	159	97	242	158	756

NOTES TO THE FINANCIAL STATEMENTS

	Leasehold improvements $'000	Office furniture, fittings and equipment $'000	Computers $'000	Motor vehicles $'000	Total $'000
Company					
Cost					
At 1 January 2022	647	266	537	155	1,605
Additions	2	1	39	–	42
Disposal/Write-off	–	–	(3)	–	(3)
At 31 December 2022	649	267	573	155	1,644
Additions	–	–	19	–	19
Disposal/Write-off	–	–	(19)	–	(19)
At 31 December 2023	649	267	573	155	1,644
Accumulated depreciation					
At 1 January 2022	641	263	512	138	1,554
Depreciation for the year	4	1	33	17	55
Disposal/Write-off	–	–	(3)	–	(3)
At 31 December 2022	645	264	542	155	1,606
Depreciation for the year	4	2	28	–	34
Disposal/Write-off	–	–	(19)	–	(19)
At 31 December 2023	649	266	551	155	1,621
Carrying amounts					
At 1 January 2022	6	3	25	17	51
At 31 December 2022	4	3	31	–	38
At 31 December 2023	–	1	22	–	23

NOTES TO THE FINANCIAL STATEMENTS

5 Intangible assets

	Computer software $'000	Retail business infrastructure $'000	Customer relationships $'000	Order backlogs $'000	Goodwill $'000	Total $'000
Group						
Cost						
At 1 January 2022	3,447	1,304	6,688	727	11,853	24,019
Acquisition through business combination	155	–	–	–	–	155
Additions	271	–	–	–	–	271
Disposals/Write-off	(1,214)	(1,304)	(6,688)	(727)	–	(9,933)
Translation differences on consolidation	(17)	–	–	–	–	(17)
At 31 December 2022	2,642	–	–	–	11,853	14,495
Additions	56	–	–	–	–	56
Disposals/Write-off	(122)	–	–	–	–	(122)
Translation differences on consolidation	(3)	–	–	–	–	(3)
At 31 December 2023	2,573	–	–	–	11,853	14,426
Accumulated amortisation and impairment losses						
At 1 January 2022	2,916	1,304	6,688	727	5,446	17,081
Amortisation charge for the year	442	–	–	–	–	442
Disposals/Write-off	(1,214)	(1,304)	(6,688)	(727)	–	(9,933)
Impairment loss	–	–	–	–	6,407	6,407
Translation differences on consolidation	(16)	–	–	–	–	(16)
At 31 December 2022	2,128	–	–	–	11,853	13,981
Amortisation charge for the year	370	–	–	–	–	370
Disposals/Write-off	(46)	–	–	–	–	(46)
Translation differences on consolidation	(3)	–	–	–	–	(3)
At 31 December 2023	2,449	–	–	–	11,853	14,302
Carrying amounts						
At 1 January 2022	531	–	–	–	6,407	6,938
At 31 December 2022	514	–	–	–	–	514
At 31 December 2023	124	–	–	–	–	124

NOTES TO THE FINANCIAL STATEMENTS

The amortisation charge is recognised in the following line items of the consolidated income statement:

	Group	
	2023 $'000	2022 $'000
Cost of sales	155	133
Administrative expenses	215	309
	370	442

	Computer software $'000
Company	
Cost	
At 1 January 2022	1,372
Additions	–
At 31 December 2022	1,372
Additions	–
At 31 December 2023	1,372
Accumulated amortisation	
At 1 January 2022	1,292
Amortisation charge for the year	51
At 31 December 2022	1,343
Amortisation charge for the year	23
At 31 December 2023	1,366
Carrying amounts	
At 1 January 2022	80
At 31 December 2022	29
At 31 December 2023	6

6 Subsidiaries

	Company	
	2023 $'000	2022 $'000
Unquoted equity investments, at cost	33,695	33,197
Capital contribution for share option	1,420	2,058
	35,115	35,255
Less: Impairment losses	(28,568)	(15,694)
	6,547	19,561

The movements in the allowance for impairment in respect of investments in subsidiaries during the year were as follows:

	2023 $'000	2022 $'000
Balance at 1 January	(15,694)	(10,752)
Impairment loss recognised	(13,563)	(4,942)
Amount utilised due to disposal of subsidiary	689	–
Balance at 31 December	(28,568)	(15,694)

NOTES TO THE FINANCIAL STATEMENTS

Details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group 2023 %	2022 %
NexWave Technologies Pte Ltd	Provision of network engineering services	Singapore	100	100
NexWave Telecoms Pte. Ltd.[1]	Provision of telecommunication services	Singapore	–	100
N-Wave Technologies (Malaysia) Sdn Bhd	Provision of network engineering services and consultancy services	Malaysia	100	100
Planet Telecoms Managed Services Sdn. Bhd.	Provision of consultancy services and distribution of mobile phones, prepaid cards and the provision of related services	Malaysia	100	100
Planet Telecoms (S) Pte Ltd	Sale of telecommunication equipment and provision of related services	Singapore	100	100
S & I Systems Pte Ltd	Integrated information technology solutions provider	Singapore	100	100
NxGen Communications Pte Ltd	Provision of system integration services	Singapore	100	100
Planet Managed Services Pte. Ltd.	Sale of telecommunication equipment and provision of related services	Singapore	100	100
Planet Smart Services Pte. Ltd.	Wholesale trade of a variety of goods without a dominant product and provision of training courses for healthcare, education, community and social services	Singapore	100	100
Held by NexWave Technologies Pte Ltd:				
PT NexWave	Provision of network engineering services	Indonesia	100	100
N-Wave Technologies Philippines, Inc.	Provision of network engineering services	Philippines	100	100
NexWave Technologies Vietnam Company Limited	Provision of network engineering services	Vietnam	100	100
Held by S & I Systems Pte Ltd:				
Sunway S&I Systems (Thailand) Ltd	Provision of IT consultancy and solutions services	Thailand	–	49.6
TeleChoice Technologies (Shanghai) Co. Ltd.	Provision of info-communications technology consultancy and services	China	100	–

NOTES TO THE FINANCIAL STATEMENTS

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group 2023 %	2022 %
Held by NxGen Communications Pte Ltd:				
NxGen Inc.	Provision of information and communication related services	Philippines	100	100
Radiance Communications Pte Ltd [2]	Sales, distribution and maintenance of telecommunication systems, equipment and accessories.	Singapore	100	100
NxGen Malaysia Sdn. Bhd. (formerly known as Radiance Converged Communications Sdn Bhd) [3]	Sale, distribution and maintenance of telecommunication systems, equipment and accessories	Malaysia	100	–
NxGen Communications (M) Sdn. Bhd. [4]	Provision of system integration services	Malaysia	100	100
Held by Radiance Communications Pte Ltd:				
NxGen Malaysia Sdn. Bhd. (formerly known as Radiance Converged Communications Sdn Bhd) [3]	Sale, distribution and maintenance of telecommunication systems, equipment and accessories	Malaysia	–	100

[1] On 31 May 2023, the Group disposed 100% interest in NexWave Telecoms Pte Ltd for a total consideration of S$30,000. The disposal was completed on 1 June 2023. There were no contingent liabilities as at 31 December 2023 and 2022.

[2] On 30 November 2023, Radiance Communications Pte Ltd appointed a liquidator to assist on the member's voluntary liquidation.

[3] NxGen Malaysia Sdn. Bhd was 100% owned by Radiance Communications Pte Ltd. On 10 November 2023, 100% of the shares in NxGen Malaysia Sdn Bhd was transferred to NxGen Communications Pte Ltd.

[4] On 19 January 2023, NxGen Communications (M) Sdn. Bhd. filed for member's voluntary liquidation.

KPMG Singapore is the auditor of all significant Singapore-incorporated subsidiaries. Imelda & Rekan, a member of Deloitte Touche Tohmatsu Limited, is the auditor for PT NexWave, a significant subsidiary incorporated in Indonesia. RSM Malaysia, a member of RSM International, is the auditor for Planet Telecoms Managed Services Sdn. Bhd., a significant subsidiary incorporated in Malaysia.

For this purpose, a subsidiary is considered significant as defined under SGX-ST Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits accounts for 20% or more of the Group's consolidated pre-tax profits.

Capital contribution for share option

Capital contribution for share option represents the share-based payments expenses arising from grants of share options to Eligible Persons of subsidiaries in exchange for their services provided to the subsidiaries, which were deemed to be investment made by the Company into these subsidiaries. As at the reporting date, the Company capitalised $1,420,000 (2022: $2,058,000) in investments in subsidiaries based on the fair value of the PSP and RSP at the grant date. Refer to Note 22 for the measurement of the equity compensation benefits.

Impairment assessment for investments in subsidiaries

The Company assesses at the end of each financial year whether there is any indication of impairment for its subsidiaries. This assessment takes into account changes in the technological, market, economic or legal environment in which the subsidiaries operate in and changes to the market interest rates. The amount and timing of recorded expenses for any period would differ if the Company made different judgment or utilised different estimates. An increase in the Company's impairment losses would increase the Company's recorded other expenses and decrease the carrying value of the investments in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

As at the reporting date, due to continued losses incurred by the subsidiaries, the Company carried out a review on the recoverable amount of its investments in subsidiaries. Where impairment indicators exist, the recoverable amount of the relevant investments in subsidiaries are estimated using net assets value at the reporting date (i.e. fair value less cost to sell). The net assets of these subsidiaries comprised mainly monetary assets and liabilities whose carrying amounts approximate their fair values.

During the financial year, the Company recognised an impairment charge of $8,567,000, $2,382,000 and $2,614,000 for investments in NxGen Communications Pte Ltd, S & I Systems Pte Ltd and Nexwave Technologies Pte Ltd respectively (2022: $2,500,000, $2,442,000 and $0 for investments in NxGen Communications Pte Ltd, S & I Systems Pte Ltd and Nexwave Technologies Pte Ltd respectively), totalling $13,563,000 (2022: $4,942,000).

Non-controlling interests

None of the subsidiaries have non-controlling interests ("NCI") that are material to the Group.

7 Associate

	Group	
	2023 $'000	**2022 $'000**
Interest in associate	258	1,844

Details of associate as follows:

Name of associate	**Principal activities**	**Principal place of business/ Country of incorporation**	**Ownership interest held by the Group 2023 %**	**2022 %**
MVI Systems Limited	Provision of Internet Protocol Television ("IPTV") systems, related consulting services and content provision within the IPTV systems	Hong Kong	29.41	29.41
MVI Holdings Ltd	Investment holdings	Hong Kong	29.41	–

The following summarises the financial information of the associate based on its financial statements prepared in accordance with SFRS(I)s, modified for fair value adjustments on acquisition:

	Group	
	2023 $'000	**2022 $'000**
Revenue	6,576	5,378
Profit from continuing operations	308	99
Other comprehensive income	(5)	(10)
Total comprehensive income	303	89
Non-current assets	340	5,974
Current assets	5,654	4,430
Current liabilities	(5,119)	(4,134)
Non-current liabilities	–	–
Net assets	875	6,270

NOTES TO THE FINANCIAL STATEMENTS

	Group 2023 $'000	Group 2022 $'000
Group's interest in net assets of associate at beginning of the year	1,844	1,818
Group's share of:		
- Profit from continuing operations	90	29
- Other comprehensive income	(3)	(3)
- Total comprehensive income	87	26
Impairment loss on investment in associate	(1,673)	–
Carrying amount of interest in associate at end of year	258	1,844

The movements in the allowance for impairment of associate during the year are as follows:

	2023 $'000	2022 $'000
Balance at 1 January	–	–
Impairment losses recognised	(1,673)	–
Balance at 31 December	(1,673)	–

Impairment assessment for investment in associate

The Group assesses at the end of each financial year whether there is any indication of impairment for its associate. This assessment takes into account the financial performance of the associate, changes in the technological, market, economic or legal environment in which the associate operates in and changes to the market interest rates. The amount and timing of recorded expenses for any period would differ if the Group made different judgment or utilised different estimates. An increase in the Group's impairment losses would increase the Group's "impairment loss on investment in associate" in the profit and loss and decrease the carrying value of the investments in associate.

As at the reporting date, the Group carried out an impairment review of its investment in associate. Where impairment indicators exist, the recoverable amount of the investment in associate is estimated using net assets value at the reporting date (i.e. fair value less cost to sell). The net assets of the associate comprised mainly monetary assets and liabilities whose carrying amounts approximate its fair value. An impairment loss of $1,673,000 was recognised by the Group to write down the cost of investment to its estimated recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

8 Deferred tax assets and liabilities

Movements in deferred tax assets and liabilities (prior to offsetting of balances) during the year are as follows:

	At 1 January 2022 $'000	Recognised in profit or loss (Note 25) $'000	Recognised in other comprehensive income $'000	Exchange differences $'000	At 31 December 2022 $'000	Recognised in profit or loss (Note 25) $'000	Recognised in other comprehensive income $'000	Exchange differences $'000	At 31 December 2023 $'000
Group									
Deferred tax assets									
Plant and equipment	274	1	–	(5)	270	(14)	–	–	256
Inventories	83	(17)	–	–	66	(10)	–	–	56
Accruals	366	(12)	(9)	(26)	319	51	(2)	(5)	363
Receivables	3	(34)	–	–	(31)	–	–	–	(31)
Right-of-use assets	24	6	–	–	30	(20)	–	–	10
Unutilised capital allowances and tax losses	296	(40)	–	–	256	178	–	–	434
	1,046	(96)	(9)	(31)	910	185	(2)	(5)	1,088
Deferred tax liabilities									
Plant and equipment	(308)	10	–	–	(298)	50	–	–	(248)

NOTES TO THE FINANCIAL STATEMENTS

	At 1 January 2022 $'000	Recognised in profit or loss $'000	At 31 December 2022 $'000	Recognised in profit or loss $'000	At 31 December 2023 $'000
Company					
Deferred tax assets					
Inventories	22	–	22	(16)	6
Unutilised tax losses	–	–	–	278	278
Accruals	27	–	27	(6)	21
Right-of-use assets	17	–	17	(11)	6
	66	–	66	245	311
Deferred tax liability					
Plant and equipment	(38)	–	(38)	68	30

The amounts determined after appropriate offsetting are included in the statement of financial position as follows:

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deferred tax assets	840	612	341	28

Unrecognised deferred tax assets

The following deductible temporary differences have not been recognised:

	Group	
	2023 $'000	2022 $'000
Deductible temporary differences	13,642	1,104
Unutilised capital allowances	–	1
Unutilised tax losses	11,146	12,600
	24,788	13,705

The tax losses are subject to agreement by the tax authorities and compliance with tax regulations in the respective countries in which certain subsidiaries operate. The deductible temporary differences do not expire under current tax legislation.

Deferred tax assets have not been recognised as it is not probable that future taxable profit will be available against which the Group could utilise the benefits therefrom.

Unrecognised deferred tax liabilities

At the reporting date, deferred tax liabilities of $1,229,000 (2022: $1,331,000) for temporary differences of $12,289,000 (2022: $13,120,000) relating to investments in subsidiaries were not recognised as the Group can control the timing of reversal of the taxable temporary differences for all subsidiaries and the temporary differences are not expected to reverse in the foreseeable future.

9 Inventories

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Raw materials	9,242	3,455	–	–
Inventories held for resale	24,265	8,898	19,056	7,291
	33,507	12,353	19,056	7,291

In 2023, inventories of $116,906,000 (2022: $119,371,000) were recognised as an expense during the year and included in "cost of sales".

In addition, the write down and write back of inventories recognised in the consolidated income statement amounted to $840,000 and $206,000 respectively (2022: $93,000 and $141,000 respectively), and are included in "cost of sales".

NOTES TO THE FINANCIAL STATEMENTS

Source of estimation uncertainty

The Group carries out periodic reviews on inventory obsolescence and any decline in the net realisable value below cost will be recorded against inventory balance. Such reviews require management to consider future demand and sales prices for the inventories. The net realisable value represents management's best estimate of the recoverable amount and is based on the evidence available at the end of the reporting date. Management considers ageing analysis and technical assessment of the inventories as part of its inventory obsolescence assessment process. Such evaluation process requires significant judgement and may affect the carrying amount of inventories at the reporting date.

10 Trade and other receivables

	Note	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Trade receivables		25,143	30,158	2,459	5,025
Allowance for doubtful receivables		(269)	(42)	–	–
		24,874	30,116	2,459	5,025
Unbilled receivables		1,101	1,347	57	49
Other receivables and deposits	11	4,508	3,757	1,248	2,874
Amounts due from:					
- related parties	12	5,376	4,821	220	629
- subsidiaries	13	–	–	12,961	3,065
		35,859	40,041	16,945	11,642
Prepayments		2,330	2,980	114	144
Deferred expenses		3,132	4,424	–	–
		41,321	47,445	17,059	11,786
Non-current		426	1,065	–	–
Current		40,895	46,380	17,059	11,786
		41,321	47,445	17,059	11,786

Unbilled receivables, other receivables and deposits do not carry any credit terms.

Unbilled receivables relate to amounts recognised as revenue that have not been invoiced as at the reporting date.

Deferred expenses relate to amounts that have been paid in relation to the provision of voice services, and maintenance support services. The amounts are recognised as costs of sales on a systematic basis over the period of contract.

The movements in the allowance for impairment in respect of trade receivables during the year was as follows:

	Group 2023 $'000	Group 2022 $'000
Balance at 1 January	42	12
Acquisition through business combination	–	40
Reversal of impairment loss recognised during the year	(308)	(10)
Impairment loss recognised during the year	111	–
Reclassification due to disposal of subsidiary	424	–
Balance at 31 December	269	42

The Group and the Company's exposure to credit and currency risks, and impairment losses for trade and other receivables, are disclosed in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

11 Other receivables and deposits

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Deposits	989	942	19	25
Dividend receivable from subsidiaries	–	–	–	2,710
Other receivables	3,519	2,815	1,229	139
	4,508	3,757	1,248	2,874
Non-current	426	757	–	–
Current	4,082	3,000	1,248	2,874
	4,508	3,757	1,248	2,874

Other receivables relate mainly to tax recoverable and marketing incentives receivable from suppliers. Other receivables and deposits do not carry any credit terms.

12 Amounts due from/(to) related parties

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Amounts due from related parties:				
- immediate holding company (trade)	41	–	–	–
- subsidiaries of holding companies (trade)				
- billed portion	4,047	3,876	220	629
- unbilled portion	1,277	945	–	–
- subsidiaries of holding companies (non-trade)	11	–	–	–
	5,376	4,821	220	629
Amounts due to related parties:				
- subsidiaries of holding companies (trade)	(403)	(246)	(388)	–
- subsidiaries of holding companies (non-trade)	(210)	(19)	(192)	(6)
- immediate holding company (non-trade)	(113)	–	(113)	–
- associate of holding companies (trade)	(181)	–	–	–
	(907)	(265)	(693)	(6)

Unbilled receivables relate to amounts recognised as revenue that have not been invoiced as at the reporting date.

The non-trade amounts due from related parties are unsecured, interest-free and have no fixed terms of repayment. The amounts are classified as current as the Group expects to receive payment within the next 12 months. There is no allowance for doubtful debts arising from these outstanding balances as the ECL is not material.

The non-trade amounts due to related parties are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

13 Amounts due from/(to) subsidiaries

	Company	
	2023	2022
	$'000	$'000
Amounts due from subsidiaries:		
- trade	4,528	587
- non-trade	8,433	2,478
	12,961	3,065
Amounts due to subsidiaries (non-trade)	(1,049)	(26)

The non-trade amounts due from subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The amounts are classified as current as the Company expects to receive payment within the next 12 months. There is no allowance for doubtful debts arising from these outstanding balances as the ECL is not material.

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

14 Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash at banks and in hand	32,820	18,372	6,013	2,024

As at 31 December 2023, the Group has cash and cash equivalents totalling $9,742,000 (2022: $3,982,000) which are held in countries with foreign exchange controls.

15 Share capital

	Group and Company			
	2023		2022	
	No. of shares ('000)	$'000	No. of shares ('000)	$'000
Fully paid ordinary shares with no par value:				
At 1 January and 31 December	454,423	21,987	454,423	21,987

During the year, the Company completed the buy-back of 1,523,000 (2022: 1,477,900) ordinary shares under the terms of the Share Purchase Mandate approved by its shareholders on 27 April 2023. The total consideration for these shares bought back from the market is $124,000 (2022: $169,000), being the market price, including incidental cost. This amount was classified as a deduction from equity under "reserve for own shares".

During the year, 1,039,000 (2022: 643,000) ordinary shares were awarded to eligible directors and employees under the TeleChoice Restricted Share Plan (as amended) and TeleChoice Performance Share Plan (as amended) (see Note 22). As at 31 December 2023, the Company held 2,422,065 (2022: 1,938,065) of its own uncancelled shares.

The holders of ordinary shares (excluding treasury shares) are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares (excluding treasury shares) rank equally with regard to the Company's residual assets.

Capital management

The Board's policy when managing capital is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure to maximise shareholder value. The Board of Directors monitors the return on capital employed, which the Group defines as earnings before interest divided by capital employed. The Board also monitors the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The Group's target is to achieve a return on capital employed of between 5% to 10% (2022: 6% to 10%). In 2023, the return was -22.2% (2022: -23.5%). In comparison, the interest expense on interest-bearing borrowings (excluding liabilities with imputed interest and lease liabilities) was 4.32% to 10.15% (2022: 3.93% to 8.25%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

From time to time, the Group purchases its own shares from the market and the timing of the purchases depends on market prices. Primarily, the shares purchased are intended to be used for issuing shares under the Group's long-term incentive plans. Buy and sell decisions are made based on the requirements under the plans.

The Board defines "capital" to include funds raised through the issuance of ordinary share capital, accumulated profits and proceeds raised from debt facilities.

There were no changes in the Group's approach to capital management during the year.

Neither the Company nor any of its subsidiaries is subject to externally imposed capital requirements.

16 Reserves

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Capital reserves	16,581	16,603	12,858	12,878
General reserve	27	27	–	–
Reserve for own shares	(226)	(252)	(226)	(252)
Share option reserve	1,605	1,812	1,749	1,749
Goodwill written off	(1,538)	(1,538)	–	–
Exchange translation reserve	(10,557)	(10,297)	–	–
	5,892	6,355	14,381	14,375

In accordance with the merger relief provisions of Section 69(B) of the Companies Act 1967, the capital reserve of the Company mainly comprises reserve arising from the excess of the fair value of the Company's share issued as consideration for the acquisition of subsidiaries over their par value.

Capital reserves of the Group comprise merger reserve of $17,024,000 (2022: $17,024,000) and losses on the reissuance of treasury shares of $443,000 (2022: $421,000), totalling $16,581,000 (2022: $16,603,000).

Merger reserve comprises the following:

	2023 $'000	2022 $'000
Aggregate of share capital of subsidiaries acquired	23,403	23,403
Aggregate of losses of subsidiaries prior to acquisition by STTC	(6,372)	(6,372)
Acquisition of additional 7% equity interest in NexWave Solutions Pte. Ltd. by STTC	1,455	1,455
Goodwill on acquisition of subsidiaries by STTC	1,538	1,538
Cost of investment paid by STTC	20,024	20,024
Par value of shares issued for acquisition of subsidiaries	(3,000)	(3,000)
	17,024	17,024

The Group is required to transfer 20% of the registered share capital of its Indonesian subsidiary's net profit in each year to general reserve if there are available retained earnings, until the general reserve reaches 20% of its registered share capital. The Indonesian subsidiary's general reserve reached 20% of its registered share capital in 2009.

Reserve for own shares comprises the cost of the Company's shares held by the Group. As at 31 December 2023, the Group held 2,422,065 of the Company's shares (2022: 1,938,065 shares).

The share option reserve comprises the cumulative value of the employee services received for the outstanding share options.

The goodwill written off represents the excess of consideration paid on the acquisition of subsidiaries prior to 1 January 2001 over the share of the fair value of net assets acquired. In 2013, the Group transferred the goodwill written off of $570,000 to capital reserve upon liquidation of a subsidiary, NexWave Solutions Pte. Ltd.

The exchange translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations and from the monetary items which form part of the Group's net investment in foreign subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

Dividends

The following exempt (one-tier) dividends were declared and paid by the Group and Company:

For the year ended 31 December

	Group and Company	
	2023	**2022**
	$'000	**$'000**
Paid by the Company to owners of the Company		
Nil cents per qualifying ordinary share (2022: 0.125 cents)	–	567

17 Trade and other payables

		Group		Company	
	Note	**2023**	**2022**	**2023**	**2022**
		$'000	**$'000**	**$'000**	**$'000**
Trade payables		42,441	38,332	19,586	4,232
Accruals for payroll and staff related costs		5,710	4,059	854	1,198
Accrued expenses		10,454	8,773	1,327	856
Amounts due to:					
- related parties	12	907	265	693	6
- subsidiaries	13	–	–	1,049	26
Financial liabilities at amortised cost		59,512	51,429	23,509	6,318
Employee benefits obligation	18	460	407	–	–
Advances from customers		5,736	1,380	4	4
		65,708	53,216	23,513	6,322
Non-current		460	407	–	–
Current		65,248	52,809	23,513	6,322
		65,708	53,216	23,513	6,322

The Group and the Company's exposures to currency risk and to liquidity risk related to trade and other payables are disclosed in Note 31.

18 Employee benefits obligation

	Group	
	2023	**2022**
	$'000	**$'000**
Post-employment benefits	455	400
Other long-term employee benefits	5	7
	460	407

Post-employment benefits ("PEB")

The Group provides defined PEB for its qualifying employees in accordance with Indonesian Government Regulation No. 35/2021 and Indonesian Regulation. The number of employees and directors entitled to the benefits is 22 and 24 employees in 2023 and 2022, respectively.

Interest rate risk

A decrease in the bond interest rate will increase the plan liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

NOTES TO THE FINANCIAL STATEMENTS

Other long-term employee benefits ("OLB")

The Group provides OLB for its employees in the form of long leaves awarded to employees based of completed years of service in the form day leave and compensation leave.

Employee benefit expense recognised in the consolidated income statement and consolidated statement of comprehensive income are as follows:

	Group		
	PEB $'000	OLB $'000	Total $'000
2023			
Service cots:			
- current service cost	41	1	42
- interest cost	29	–	29
- remeasurement of OLB	–	(3)	(3)
Components of defined benefits costs recognised in consolidated income statement	70	(2)	68
Remeasurement on the net defined benefit liability:			
- actuarial gains arising from changes in financial assumptions	19	–	19
- actuarial gains due to changes in estimates of future employee turnover, mortality or increases in salaries	(28)	–	(28)
Components of defined benefits costs recognised in consolidated statement of comprehensive income	(9)	–	(9)

	Group		
	PEB $'000	OLB $'000	Total $'000
2022			
Service cots:			
- current service cost	48	1	49
- current service cost due to change in accounting policy	(47)	–	(47)
- interest cost	30	1	31
- remeasurement of OLB	–	(4)	(4)
Components of defined benefits costs recognised in consolidated income statement	31	(2)	29
Remeasurement on the net defined benefit liability:			
- actuarial gains arising from changes in financial assumptions	(8)	–	(8)
- actuarial gains due to changes in estimates of future employee turnover, mortality or increases in salaries	(34)	–	(34)
Components of defined benefits costs recognised in consolidated statement of comprehensive income	(42)	–	(42)

Movements in the present value of the defined benefit obligation are as follows:

	Group		
	PEB $'000	OLB $'000	Total $'000
2023			
Opening defined benefit obligation	400	7	407
- current service cost	41	1	42
- current service cost due to change in accounting policy			
- benefits paid			
- interest cost	29	–	29
- remeasurement of OLB	–	(3)	(3)
Components of defined benefits costs recognised in consolidated income statement	470	5	475

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	PEB $'000	Group OLB $'000	Total $'000
2023			
Remeasurement on the net defined benefit liability:			
- actuarial gains arising from changes in financial assumptions	19	–	19
- actuarial gains due to changes in estimates of future employee turnover, mortality or increases in salaries	(28)	–	(28)
Components of defined benefits costs recognised in consolidated statement of comprehensive income	(9)	–	(9)
Translation differences on consolidation	(6)	–	(6)
Closing defined benefit obligation	455	5	460
2022			
Opening defined benefit obligation	448	11	459
- current service cost	48	1	49
- current service cost due to change in accounting policy	(47)	–	(47)
- benefits paid	–	(2)	(2)
- interest cost	30	1	31
- remeasurement of OLB	–	(4)	(4)
Components of defined benefits costs recognised in consolidated income statement	479	7	486
Remeasurement on the net defined benefit liability:			
- actuarial gains arising from changes in financial assumptions	(8)	–	(8)
- actuarial gains due to changes in estimates of future employee turnover, mortality or increases in salaries	(34)	–	(34)
Components of defined benefits costs recognised in consolidated statement of comprehensive income	(42)	–	(42)
Translation differences on consolidation	(37)	–	(37)
Closing defined benefit obligation	400	7	407

The cost of providing employment benefits and other long-term employee benefit is calculated by independent actuary, KKA Hery Al Hariry. The actuarial valuation was carried out using the following key assumptions:

	Group 2023	Group 2022
Discount rate	6.25% - 7.10%	5.18% - 7.55%
Salary increment rate	4%	4%
Disability rate	10%	10%
Resignation rate	#	#
Normal retirement age	62	62

10% (2022: 10%) for employee before the age of 30 and will linearly decrease to 0% at the age of 60 (2022: 0% at the age of 57).

19 Loans and borrowings

	Group 2023 $'000	Group 2022 $'000	Company 2023 $'000	Company 2022 $'000
Current liability				
Unsecured bank loans	16,137	2,578	4,000	–

NOTES TO THE FINANCIAL STATEMENTS

Terms and debts repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate (%)	Year of maturity	Face value $'000	Carrying amount $'000
Group				
31 December 2023				
Floating rate loans	4.32 – 10.15	2024	16,137	16,137
31 December 2022				
Floating rate loans	3.93 – 8.25	2023	2,578	2,578
Company				
31 December 2023				
Floating rate loans	4.47 – 5.22	2024	4,000	4,000

The following are the remaining contractual maturities of financial liabilities. The amounts are gross and undiscounted, and include contractual interest payments.

	Note	Carrying amount $'000	Contractual cash flows $'000	Within 1 year $'000	1 to 5 years $'000
Group					
2023					
Unsecured bank loans		16,137	(16,242)	(16,242)	–
Lease liabilities	20	1,543	(1,568)	(1,249)	(319)
Trade and other payables*	17	59,512	(59,512)	(59,512)	–
		77,192	(77,322)	(77,003)	(319)
2022					
Unsecured bank loans		2,578	(2,611)	(2,611)	–
Lease liabilities	20	4,388	(4,465)	(3,473)	(992)
Trade and other payables*	17	51,429	(51,429)	(51,429)	–
		58,395	(58,505)	(57,513)	(992)
Company					
2023					
Unsecured bank loans		4,000	(4,008)	(4,008)	–
Lease liabilities	20	534	(537)	(517)	(20)
Trade and other payables*	17	23,509	(23,509)	(23,509)	–
		28,043	(28,054)	(28,034)	(20)
2022					
Lease liabilities	20	1,770	(1,795)	(1,302)	(493)
Trade and other payables*	17	6,318	(6,318)	(6,318)	–
		8,088	(8,113)	(7,620)	(493)

* *Exclude employee benefits obligation and advances from customers*

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities $'000	Loans and borrowings $'000	Total $'000
Balance at 1 January 2022	6,722	2,502	9,224
Changes from financing cash flows			
Interest paid	(154)	(407)	(561)
Proceeds from borrowings	–	10,840	10,840
Repayment of borrowings	–	(19,117)	(19,117)
Payment of lease liabilities	(3,733)	–	(3,733)
Total changes from financing cash flows	(3,887)	(8,684)	(12,571)
The effect of changes in foreign exchange rates	–	(258)	(258)
Other changes			
Acquisition through business combination	–	1,000	1,000
Proceeds from borrowings (non-cash transactions)	–	7,611	7,611
Interest expense	154	407	561
Derecognition of leases	(25)	–	(25)
New leases	1,424	–	1,424
Total other changes	1,553	9,018	10,571
Balance at 31 December 2022	4,388	2,578	6,966
Balance at 1 January 2023	4,388	2,578	6,966
Changes from financing cash flows			
Interest paid	(79)	(645)	(724)
Proceeds from borrowings	–	13,028	13,028
Repayment of borrowings	–	(4,336)	(4,336)
Payment of lease liabilities	(4,056)	–	(4,056)
Total changes from financing cash flows	(4,135)	8,047	3,912
The effect of changes in foreign exchange rates	–	(60)	(60)
Other changes			
Proceeds from borrowings (non-cash transactions)	–	4,927	4,927
Interest expense	79	645	724
Derecognition of leases	(8)	–	(8)
New leases	1,219	–	1,219
Total other changes	1,290	5,572	6,862
Balance at 31 December 2023	1,543	16,137	17,680

NOTES TO THE FINANCIAL STATEMENTS

20 Leases

Leases as lessee

The Group leases offices, warehouses, a number of retail outlets, copier machines and motor vehicles under operating leases. The leases typically run for an initial period of two to five years, with an option to renew the lease after that date. Lease payments are usually increased annually to reflect market rentals.

Information about leases for which the Group is a lessee is presented below.

Right-of-use assets

	Leasehold improvements $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Group				
2023				
Balance at 1 January	4,329	97	–	4,426
Additions to right-of-use assets	1,151	37	31	1,219
Depreciation charge for the year	(3,634)	(46)	(15)	(3,695)
Derecognition of right-of-use assets	–	(8)	–	(8)
Translation difference on consolidation	(12)	–	–	(12)
Balance at 31 December	1,834	80	16	1,930
2022				
Balance at 1 January	6,833	84	13	6,930
Additions to right-of-use assets	1,365	59	–	1,424
Depreciation charge for the year	(3,835)	(46)	(13)	(3,894)
Derecognition of right-of-use assets	(8)	–	–	(8)
Translation difference on consolidation	(26)	–	–	(26)
Balance at 31 December	4,329	97	–	4,426
Company				
2023				
Balance at 1 January	1,738	27	–	1,765
Additions to right-of-use assets	260	37	31	328
Depreciation charge for the year	(1,333)	(29)	(15)	(1,377)
Derecognition of right-of-use assets	–	(7)	–	(7)
Balance at 31 December	665	28	16	709
2022				
Balance at 1 January	2,995	56	13	3,064
Depreciation charge for the year	(1,257)	(29)	(13)	(1,299)
Balance at 31 December	1,738	27	–	1,765

Lease liabilities

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Non-current	314	983	19	490
Current	1,229	3,405	515	1,280
	1,543	4,388	534	1,770

Amounts recognised in the income statement

	Note	2023 $'000	2022 $'000
Interest on lease liabilities	24	79	154
Expenses relating to short-term leases		1,737	1,949
Variable lease payments not included in the measurement of lease liabilities		166	250

NOTES TO THE FINANCIAL STATEMENTS

Amounts recognised in statement of cash flows

	2023 $'000	2022 $'000
Total cash outflow for leases	4,135	3,887

Extension option

Some property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

21 Provisions

	Warranties $'000	Reinstatement costs $'000	Restructuring $'000	Onerous contracts $'000	Total $'000
Group					
At 1 January 2022	69	460	–	–	529
Provision made during the year	–	21	223	224	468
Provision written back during the year	(29)	(49)	–	–	(78)
Translation difference	(2)	–	–	–	(2)
At 31 December 2022	38	432	223	224	917
Provision made during the year	2	260	618	418	1,298
Utilisation of provision	–	–	(223)	–	(223)
Provision written back during the year	(6)	–	–	(130)	(136)
At 31 December 2023	34	692	618	512	1,856
31 December 2023					
Non-current	–	365	–	–	365
Current	34	327	618	512	1,491
	34	692	618	512	1,856
31 December 2022					
Non-current	–	432	–	–	432
Current	38	–	223	224	485
	38	432	223	224	917

	Reinstatement costs $'000
Company	
At 1 January 2022	294
Provision made during the year	–
At 31 December 2022	294
Provision made during the year	259
At 31 December 2023	553

Warranties

The provision made for warranties relates mainly to mobile phones, network engineering services and radio and telecommunication equipment sold during the year. The provision is based on estimates made from historical warranty data.

NOTES TO THE FINANCIAL STATEMENTS

Reinstatement costs

In accordance with terms of the lease agreements, the Group is required to restore the retail outlets and offices to their original condition by the end of the lease terms.

Restructuring

During 2024, the Group committed to a plan to restructure the business structure in NxGen Communications Pte Ltd and Planet Managed Services Pte Ltd. The Group recognised a provision of $618,000 (2022: $223,000) for expected restructuring costs, including employee termination benefits. Estimated restructuring costs mainly include employee termination benefits and are based on a detailed plan agreed between management and employee. The restructuring is expected to be completed by December 2024.

Onerous contracts

During 2023, a provision of $418,000 (2022: $224,000) was recognised for certain sales contracts as the estimated unavoidable incremental costs of meeting the obligations exceeded the economic benefits expected to be received.

22 Equity compensation benefits

TeleChoice Restricted Share Plan and Performance Share Plan

The TeleChoice Restricted Share Plan (the "TeleChoice RSP") (as amended) and TeleChoice Performance Share Plan (the "TeleChoice PSP") (as amended) (collectively referred to as the "Plans"), were approved and adopted by the members at an Extraordinary General Meeting of the Company held on 27 April 2007 and certain amendments to the TeleChoice RSP and TeleChoice PSP were approved and adopted by the members at the Annual General Meeting of the Company held on 26 April 2018.

Information regarding the Plans are set out below:

(i) The Plans were established with the objective of motivating senior executives to strive for superior performance and sustaining long-term growth for the Company.

(ii) The Plans are administered by the Company's Remuneration Committee (the "Committee").

(iii) The following persons (collectively referred to as the "Eligible Persons") shall be eligible to participate in the Plans at the absolute discretion of the Committee:

- employees and non-executive directors of the Company and/or any of its subsidiaries;
- employees and non-executive directors of STTC and its subsidiaries, who may be seconded to render services and contribute to the success of the Group; and
- employees of associated companies.

(iv) Controlling shareholders and associates of controlling shareholders of the Company will not be eligible to participate in the Plans.

(v) Under the TeleChoice PSP (as amended), conditional awards of shares are granted. Awards represent the right of a participant to receive fully paid shares upon the participant achieving certain pre-determined performance targets set based on corporate objectives aimed at sustaining longer-term growth. After the awards vest, the shares comprised in the awards are issued at the end of the performance and/or service period once the Committee is, at its sole discretion, satisfied that the prescribed performance targets have been achieved.

(vi) The actual number of shares given will depend on the level of achievement of the prescribed performance targets over the performance period, currently prescribed to be a three-year period. No shares will be delivered if the threshold performance targets are not achieved, while up to 1.5 times the number of shares that are the subject of the award will be delivered if the stretched performance targets are met or exceeded.

(vii) Under the TeleChoice RSP (as amended), conditional awards vest over a three-year period, once the Committee is, at its sole discretion, satisfied that the performance and extended service conditions are attained. For the RSP grants for 2017 onwards, the total number of shares to be awarded depends on the level of attainment of the individual performance targets.

(viii) The vesting period of the shares granted under the Plans is between one to three years.

(ix) As at 31 December 2023, the initial awards of 17,919,640 (2022: 16,554,640) shares under the TeleChoice PSP and the initial awards of 44,955,665 (2022: 39,952,170) shares under the TeleChoice RSP were made to Eligible Persons. As at 31 December 2023, awards of 4,436,250 (2022: 3,678,750) shares under the TeleChoice PSP and 11,253,910 (2022: 11,171,700) shares under the TeleChoice RSP were outstanding.

NOTES TO THE FINANCIAL STATEMENTS

The key assumptions applied in estimating the fair values under the TeleChoice PSP are as follows:

Date of grant of shares	1 June 2023	1 June 2022	1 June 2021	3 June 2020	3 June 2019
Fair value at grant date	$0.077	$0.078	$0.121	$0.133	$0.138
Assumptions under Monte-Carlo Model					
Expected Volatility					
TeleChoice International Limited	22.02%	18.47%	16.77%	15.10%	10.44%
Straits Times Index	12.75%	17.83%	N/A	N/A	N/A
Risk-free interest rates	3.16%	2.38%	0.49%	0.43%	1.89%

The key assumptions applied in estimating the fair values under the TeleChoice RSP are as follows:

Date of grant of shares	1 June 2023	1 June 2022	1 June 2021	3 June 2020	3 June 2019
Fair value at grant date:					
For RSP vested 12 months from grant date	$0.082	$0.113	$0.167	$0.188	$0.212
For RSP vested 24 months from grant date	$0.082	$0.111	$0.162	$0.180	$0.203
For RSP vested 36 months from grant date	$0.082	$0.110	$0.158	$0.171	$0.194
For RSP vested 48 months from grant date	N/A	N/A	N/A	N/A	N/A
Assumptions under Monte-Carlo Model					
Expected Volatility					
TeleChoice International Limited	22.02%	18.47%	16.77%	15.10%	10.44%
Risk-free interest rates					
Singapore 1-year Government Bond yield	3.73%	1.94%	0.30%	0.29%	1.84%
Singapore 2-year Government Bond yield	3.36%	2.26%	0.36%	0.35%	1.87%
Singapore 3-year Government Bond yield	3.16%	2.38%	0.49%	0.43%	1.89%

The fair value of the shares is estimated using the Monte-Carlo simulation methodology at the measurement dates, which are grant dates of these share awards. The accrual for the share expenses under the Plans has been estimated on the basis that the Group will be on target in respect of the performance conditions. During the financial year, the Group expensed off $391,000 (2022: $406,000) to the income statement based on the fair value of the PSP and RSP at the grant date.

23 Revenue

	Group 2023 $'000	Group 2022 $'000
Equipment and cards sales	138,094	138,266
Voice services, mobile data and location tracking services	1,707	2,099
Logistic and consultancy services	7,587	7,876
Maintenance support services	23,582	22,340
Network engineering projects	44,491	47,519
Info-communication technology projects	22,628	14,503
Revenue from contracts with customers	238,089	232,603

The following tables provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

NOTES TO THE FINANCIAL STATEMENTS

Personal Communications Solutions Services ("PCS") segment

Nature of goods or services	The PCS segment generates revenue from the supply of equipment and prepaid cards, provision of fulfilment and managed services relating to mobile communication devices, wearables and accessories. It also provides retail management services.
When revenue is recognised	Revenue from sale of equipment and prepaid cards is recognised at a point in time, when significant risks and rewards are transferred to the customers. Revenue from retail management and other services is recognised on a monthly basis when services are rendered.
Significant payment terms	Invoices are issued when goods are delivered, services are rendered or upon receipt of purchase orders for services rendered and payable by cash on delivery or based on respective customers' credit terms.
Obligations for warranties	Mobile devices sold are under the manufacturers' product warranties.

Equipment and cards sales revenue, in which certain sales of mobile communication devices and accessories are made to related parties. Management has considered the following factors in distinguishing between an agent and a principal and concluded that the Group acts as a principal in the transaction rather than as an agent:

- The Group has the primary responsibility for fulfilling the order and providing the equipment to related parties; and
- The Group is required to bear inventory risk of loss and damage upon delivery of equipment by manufacturers. The related parties have the rights or entitlement to cancel the purchase order issued to the Group prior to the receipt of such equipment ordered.

Info-Communications Technology Services ("ICT") segment

Nature of goods or services	The ICT segment generates revenue from the provision of integrated info-communication technology solutions services and telecommunication services. Hardware, software, and installation and professional services may be sold separately or in bundled contracts. For bundled contracts, each of these components are accounted for as a separate performance obligation if they are distinct. If the bundled contract required significant customisation features before customer can benefit from it, it will be accounted as single performance obligation.
When revenue is recognised	Revenue from sale of equipment and software is recognised at point of sales. Revenue from voice services, mobile data and location tracking services is recognised upon usage by customers. Revenue from the provision of maintenance support service is recognised on a straight-line basis over the contractual periods. For info-communication technology projects, the Group has assessed that these contracts qualify for over time revenue recognition as the customised system is made to customers' specifications and has no alternative use for the Group due to contractual restrictions, and the Group generally has enforceable rights to payment for performance completed till date. The stage of completion is assessed by reference to the contract costs incurred till date in proportion to management's estimate of the total contract costs of each contract.

NOTES TO THE FINANCIAL STATEMENTS

Significant payment terms	Invoices are issued when goods are delivered or services are rendered and are payable based on the invoice credit terms. Progress billings to the customers are based on payment schedules in the contracts that are dependent on the achievement of specified milestones. If the value of the services rendered exceeds payments received from the customers, a contract asset is recognised.
Obligations for warranties	Products and performance warranty periods are generally in line with the maintenance contracts periods signed by the customers. The obligations for warranties are borne back-to-back by the suppliers, and are generally in the range of one to three years.

Network Engineering Services ("Engineering") segment

Nature of goods or services	The Engineering segment generates revenue from the provision of network engineering services and supply of specialised telecommunications products.
When revenue is recognised	Revenue from sale of goods is recognised at point of sales. Revenue from the provision of maintenance support service is recognised on a straight-line basis over the contractual periods. For network engineering projects, the Group has assessed that these contracts qualify for over time revenue recognition as the customised equipment is made to customers' specifications and has no alternative use for the Group due to contractual restrictions, and the Group generally has enforceable rights to payment for performance completed till date. The stage of completion is assessed by reference to the contract costs incurred till date in proportion to management's estimate of the total contract costs of each contract.
Significant payment terms	Invoices are issued when goods are delivered or services are rendered and are payable based on the invoice credit terms. Progress billings to the customers are based on payment schedules in the contracts that are dependent on the achievement of specified milestones. If the value of the services rendered exceeds payments received from the customers, a contract asset is recognised.
Obligations for warranties	Certain network engineering services have a standard warranty period of one to three years from final acceptance date. The obligations for warranties on telecommunication equipment sold are generally borne by the equipment suppliers.

Source of estimation uncertainty

Significant judgements are used to estimate total contract costs to complete. In making these estimates, management has relied on the contract costs incurred till date in proportion to estimated total contract costs of each contract to determine the progress of projects, and also on past experience of completed projects. The estimated total contract costs are reviewed every reporting period and adjusted where necessary, with the corresponding adjustment to profit margin being recognised prospectively from the date of change.

NOTES TO THE FINANCIAL STATEMENTS

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers on the statement of financial position as at 31 December.

	2023 $'000	2022 $'000
Trade receivables	24,874	30,116
Unbilled receivables	1,101	1,347
Amount due from immediate holding company (trade)	41	–
Amount due from related parties (trade)	5,324	4,821
Contract assets	15,161	25,047
Contract liabilities	(10,080)	(7,276)

	Contract liabilities	
	2023 $'000	2022 $'000
Non-current	493	82
Current	9,587	7,194
	10,080	7,276

Contract assets primarily relate to the Group's rights to consideration for work completed but not billed at the reporting date on network engineering projects, and info-communication technology projects. The contract assets are transferred to unbilled receivables when the rights become unconditional and then to trade receivables upon invoicing.

Contract liabilities primarily relate to advance consideration received from customers for maintenance services that have not been rendered or ongoing info-communication technology service projects at the reporting date.

Significant changes in the contract assets and contract liabilities during the period are as follows.

	Contract assets		Contract liabilities	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	–	2,755	2,489
Increases due to cash received/progress billings, excluding amounts recognised as revenue during the year	–	–	(5,559)	(5,806)
Contract assets recognised, net of reclassification to receivables	(8,754)	3,048	–	–
Write-off of contract assets	(1,132)	–	–	–

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future related to performance obligations that are unsatisfied (or partially satisfied) at the reporting date.

	Within 1 year		Within 2 – 5 years		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Maintenance support services and info-communication technology projects	6,806	2,985	11,713	7,538	18,519	10,523

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amounts presented above.

NOTES TO THE FINANCIAL STATEMENTS

The Group applies the practical expedient in paragraph 121 of SFRS(I) 15 and does not disclose information about its remaining performance obligations if:

- the performance obligation is part of a contract that has an original expected duration of one year or less; or
- the Group has a right to invoice a customer in an amount that corresponds directly with its performance to date, then it recognises revenue in that amount.

24 Loss before tax

Loss before tax is arrived at after charging/(crediting) the following items:

	Note	Group 2023 $'000	Group 2022 $'000
Amortisation of intangible assets	5	370	442
Depreciation of plant and equipment	4	677	786
Depreciation of right-of-use assets	20	3,695	3,894
Audit fees paid to:			
- auditors of the Company		260	297
- other auditors		232	237
Non-audit fees		–	–
Cost of inventories recognised as an expense in consolidated income statement		116,906	119,371
Directors' remuneration		486	471
Grant income from Job Support Scheme		–	(20)
Other government grants		(93)	(443)
Impairment loss on investment in associate	7	1,673	–
Gain on disposal of a subsidiary		(77)	–
Impairment loss on goodwill	5	–	6,407
Negative goodwill on acquisition of interest in subsidiaries	30	–	(16)
Gain on derecognition of right-of-use assets		–	(17)
Exchange loss		107	207
Reversal of impairment loss on trade receivables	10	(308)	(10)
Impairment loss on trade receivables	10	111	–
Write-off of contract assets	23	1,132	–
Loss/(Gain) on disposal of plant and equipment		73	(56)
Employee benefits expense			
Staff costs		41,015	42,436
Contributions to defined contribution plans, included in staff costs		2,921	3,131
Termination benefits	21	618	223
Share-based payments expenses, included in staff costs	22	391	406
Finance income			
Interest income			
- banks and financial institutions		(108)	(60)
- interest accretion		(30)	(46)
		(138)	(106)
Finance costs			
Interest expense			
- banks and financial institutions		645	407
- leases liabilities	20	79	154
- interest accretion		24	39
		748	600

NOTES TO THE FINANCIAL STATEMENTS

25 Tax expense

	Group 2023 $'000	Group 2022 $'000
Current tax expense		
Current year	883	441
Under provision in respect of prior years	34	40
	917	481
Deferred tax expense		
Origination and reversal of temporary differences	(3)	68
(Over)/under provision in respect of prior years	(232)	18
	(235)	86
Tax expense	682	567

Reconciliation of effective tax rate

	Group 2023 $'000	Group 2022 $'000
Loss before taxation	(10,821)	(11,683)
Income tax using Singapore tax rate of 17% (2022: 17%)	(1,840)	(1,986)
Non-deductible expenses	790	1,359
Non-taxable income	(98)	(62)
Deferred tax assets not recognised	1,884	1,072
Effect of results of associate presented net of tax	(15)	(5)
Effect of different tax rates in other countries	159	131
(Over)/under provision in respect of prior years	(198)	58
	682	567

26 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the Group's loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group 2023 $'000	Group 2022 $'000
Loss attributable to equity holders of the Company	(11,503)	(12,250)

	Group Number of shares 2023 ('000)	Group Number of shares 2022 ('000)
Issued ordinary shares at beginning of the year	454,423	454,423
Effect of own shares held	(1,932)	(1,338)
Weighted average number of ordinary shares during the year	452,491	453,085

NOTES TO THE FINANCIAL STATEMENTS

Diluted earnings per share

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from the dilutive share options with the potential ordinary shares weighted for the period outstanding.

	Group	
	2023	**2022**
	$'000	**$'000**
Diluted earnings per share is based on:		
Loss attributable to equity holders of the Company	(11,503)	(12,250)

	Group	
	Number of shares	
	2023	**2022**
	('000)	**('000)**
Weighted average number of ordinary shares (basic)	452,491	453,085
Effect of RSP shares vested but not released	15,690	15,234
Weighted average number of ordinary shares (diluted) during the year	468,181	468,319

	Group	
	2023	**2022**
Earnings per share		
Basic earnings per share (cents)	(2.54)	(2.70)
Diluted earnings per share (cents)	(2.46)	(2.62)

27 Significant related party transactions

Related party transactions

In the normal course of business, the Group purchases and sells products and services to related parties. Significant transactions with related parties, other than those disclosed elsewhere in the financial statements, are as follows:

	Group	
	2023	**2022**
	$'000	**$'000**
Immediate holding company		
Revenue from sale of products and provision of services	46	59
Other related parties		
Revenue from sale of products and provision of services	20,760	16,920
Purchase of products and services	(10,929)	(9,655)
Shared service expense	(1,435)	(1,410)
Telecommunication services received	(242)	(341)

NOTES TO THE FINANCIAL STATEMENTS

Key management personnel compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group.

Key management personnel compensation comprised:

	Group	
	2023	**2022**
	$'000	**$'000**
Short-term employment benefits		
- Directors	355	342
- Other key management personnel	3,279	2,203
Post-employment benefits (including defined contribution plans)		
- Other key management personnel	467	349
Share-based payments		
- Directors	131	129
- Other key management personnel	254	294
	4,486	3,317

28 Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different marketing and technical expertise. For each of the strategic business units, the Group's President & CEO reviews internal management reports on a monthly basis. The following describes the operations in each of the Group's reportable segments:

Personal Communications Solutions Services ("PCS"): This Division is a regional provider of consumer fulfilment and managed services. It provides retail, e-commerce, distribution, and supply chain management services relating to mobile communication devices, wearables, and smart lifestyle products.

In Singapore, the Division operates a retail chain under the Planet Telecoms brand and holds the exclusive role of being the sole StarHub Ltd Exclusive Partner entrusted with the management of StarHub Platinum Shops. Additionally, it serves as the appointed distributor for StarHub's prepaid card business. The Division also oversees concept stores for well-known mobile device manufacturers such as Samsung and HONOR. Leveraging its track record and strengths, it has been also appointed for the full-service distribution, brand marketing, and retail management of HONOR products in Singapore.

In Malaysia, the Division offers comprehensive Fourth-Party Logistics (4PL) services, including procurement, retail management, fulfilment, and holistic supply chain solutions to U Mobile Sdn Bhd, a leading telecom company. Additionally, the Division provides managed fulfilment for e-commerce orders and the distribution of consumer electronics and lifestyle products through an extensive retail network across the country.

Aligning with the demands of the digital era, the Division also operates the e-commerce platform www.eplanetworld.com, featuring the latest mobile phones, tablets, accessories, wearables, and smart gadgets to cater to the preferences of online shoppers.

Info-Communications Technology Services ("ICT"): This Division serves as a regional provider of integrated info-communications solutions, specialising in consultancy, system integration, and comprehensive ICT offerings across three essential pillars: Digital Infrastructure, Tech & Apps Services, and Communications.

In Digital Infrastructure, the Division extends storage and server space infrastructure services, encompassing managed and hosted services, fixed and wireless networking, along with dedicated Day-2 support.

Under Tech & Apps, the Division operates as a proficient Managed Service Provider (MSP), guiding companies through optimized cloud costs and the adoption of transformative technologies like Development Operations (Dev Ops) and Office Automation (OA). Its expertise spans diverse areas such as cloud computing, Hybrid Cloud, big data, analytics, smart learning, and AI Solutions. Notably, the Division excels in campus management and customer relationship management.

NOTES TO THE FINANCIAL STATEMENTS

Within Communications, the Division specialises in CCaaS (Contact Centre as a Service) and UCaaS (Unified Communications as a Service), offering versatile on-premises, hybrid, and cloud solutions for contact centre and unified communications needs. Additionally, through its associate MVI, it tailors Internet Protocol television solutions specifically for the hospitality industry.

Network Engineering Services ("Engineering"): This Division is a regional provider of network engineering services and supplier of specialised telecommunications products. It designs, builds and manages telecommunications networks and provides a comprehensive suite of specialised products and solutions to address the network infrastructure needs of fixed and mobile operators in Asia-Pacific. Its services encompass radio network planning and optimisation, transmission network planning, network implementation, maintenance, and project management.

Engineering Division also provides an extensive range of innovative and cost-effective products for telecommunications access and coverage needs, as well as for power supply and power backup requirements.

NOTES TO THE FINANCIAL STATEMENTS

Information about reportable segments

	Personal communications solutions services		Info-communications technology services		Network engineering services		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Equipment and cards sales	104,232	98,365	29,352	35,718	4,510	4,183	138,094	138,266
Voice services, mobile data and location tracking services	–	–	1,707	2,099	–	–	1,707	2,099
Logistic and consultancy services	7,587	7,876	–	–	–	–	7,587	7,876
Maintenance support services	–	–	23,009	22,250	573	90	23,582	22,340
Network engineering projects	–	–	–	–	44,491	47,519	44,491	47,519
Info-communication technology projects	–	–	22,628	14,503	–	–	22,628	14,503
Total revenue from external customers	111,819	106,241	76,696	74,570	49,574	51,792	238,089	232,603
Inter-segment revenue	–	1	113	126	–	–	113	127
	111,819	106,242	76,809	74,696	49,574	51,792	238,202	232,730
Timing of revenue recognition								
Products transferred at a point in time	111,819	106,241	42,543	49,381	7,478	10,620	161,840	166,242
Products and services transferred over time	–	–	34,153	25,189	42,096	41,172	76,249	66,361
	111,819	106,241	76,696	74,570	49,574	51,792	238,089	232,603

NOTES TO THE FINANCIAL STATEMENTS

	Personal communications solutions services		Info-communications technology services		Network engineering services		Total	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Interest income	97	34	146	84	105	59	348	177
Interest expenses	(223)	(308)	(269)	(117)	(466)	(246)	(958)	(671)
Amortisation of intangible assets	(28)	(54)	(333)	(386)	(9)	(2)	(370)	(442)
Depreciation of plant and equipment	(158)	(195)	(321)	(305)	(198)	(286)	(677)	(786)
Depreciation of right-of-use assets	(3,468)	(3,735)	(100)	(12)	(127)	(147)	(3,695)	(3,894)
Reportable segment profit/(loss) before income tax	370	559	(6,331)	(3,719)	(3,277)	(2,145)	(9,238)	(5,305)
Share of profit of associate (net of tax)	–	–	90	29	–	–	90	29
Impairment of investment in associate	–	–	(1,673)	–	–	–	(1,673)	–
Impairment of goodwill	–	–	–	(6,407)	–	–	–	(6,407)
Reportable segment assets	44,549	29,318	43,640	46,460	38,270	34,028	126,459	109,806
Investment in associate	–	–	258	1,844	–	–	258	1,844
Capital expenditure								
- plant and equipment	23	186	144	201	239	94	406	481
- intangible assets	2	9	51	245	3	17	56	271
Reportable segment liabilities	30,287	12,829	44,275	41,616	20,791	13,962	95,353	68,407

NOTES TO THE FINANCIAL STATEMENTS

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities and other material items:

	Group 2023 $'000	Group 2022 $'000
Revenue		
Total revenue for reportable segments	238,202	232,730
Elimination of inter-segment revenue	(113)	(127)
Consolidated revenue	238,089	232,603
Profit or loss		
Total profit or loss for reportable segments	(9,238)	(5,305)
Impairment of investment in associate	(1,673)	–
Impairment of goodwill	–	(6,407)
Share of profit of associate	90	29
Consolidated loss before income tax	(10,821)	(11,683)
Assets		
Total assets for reportable segments	126,459	109,806
Investment in associate	258	1,844
Consolidated total assets	126,717	111,650
Liabilities		
Total liabilities for reportable segments	95,353	68,407

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
Other material items 2023			
Interest income	348	(210)	138
Interest expenses	(958)	210	(748)
Impairment of investment in associate	(1,673)	–	(1,673)
Write-off of contract assets	(1,132)	–	(1,132)
Capital expenditure			
- plant and equipment	406	–	406
- intangible assets	56	–	56
Other material items 2022			
Interest income	177	(71)	106
Interest expenses	(671)	71	(600)
Impairment of goodwill	(6,407)	–	(6,407)
Capital expenditure			
- plant and equipment	481	–	481
- intangible assets	271	–	271

NOTES TO THE FINANCIAL STATEMENTS

Geographical segments

The Group has operations primarily in Singapore, Indonesia, Philippines and Malaysia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

	Revenue $'000	Non-current assets* $'000
31 December 2023		
Singapore	188,990	2,280
Indonesia	38,920	370
Malaysia	8,170	154
Philippines	924	6
Hong Kong	7	258
Other countries	1,078	–
	238,089	3,068
31 December 2022		
Singapore	185,667	5,602
Indonesia	35,241	293
Malaysia	7,791	56
Philippines	3,152	26
Hong Kong	3	1,844
Other countries	749	–
	232,603	7,821

* Non-current assets presented consist of plant and equipment, intangible assets, right-of-use assets and investment in associate.

Major customer

Revenue from two (2022: two) customers of the Group represents approximately 15% (2022: 20%) of the Group's total revenue.

29 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability:

(i) Trade and other receivables

The fair value of non-current trade and other receivables (excluding prepayments and deferred expenses) is estimated at the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

(ii) Non-derivative financial liabilities

The fair value of non-derivative financial liabilities (excluding advances from customers), which is determined for measurement upon acquisition and disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(iii) Share-based payments

The fair value measurement for share-based payments is described in Note 22.

NOTES TO THE FINANCIAL STATEMENTS

30 Acquisition of subsidiaries

On 10 June 2022, NxGen Communications Pte Ltd acquired 100% of the shares and voting interests in Radiance Communications Pte Ltd and its subsidiary (“Radiance Group”).

The acquisition was expected to enable it to reap operational synergies and efficiencies, further enhance its competitiveness and consolidate its market leadership position.

The acquisition was accounted for as a business combination.

From the date of acquisition to 31 December 2022, Radiance Group contributed revenue of $5,270,000 and loss of $569,000 to the Group’s results. If the acquisition had occurred on 1 January 2022, management estimated that consolidated revenue would have been $236,859,000 and consolidated loss for the year would have been $13,537,000. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred:

	2023 $’000	2022 $’000
Cash flows relating to the acquisition		
Total consideration transferred	–	2,395
Less: Cash acquired	–	(1,079)
Total net cash outflow	–	1,316

Acquisition-related costs

The Group incurred acquisition-related costs of Nil (2022: $65,000) on legal fees and due diligence costs. These costs have been included in “administrative expenses”.

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	Note	2023 $’000	2022 $’000
Plant and equipment	4	–	166
Intangible assets	5	–	155
Inventories		–	1,069
Trade receivables		–	3,520
Contract assets		–	1,683
Cash and cash equivalents		–	1,079
Loans and borrowings		–	(1,000)
Trade and other payables		–	(1,988)
Contract liabilities		–	(2,273)
Total identifiable net assets		–	2,411

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Assets acquired	Valuation technique
Plant and equipment	*Market comparison technique and cost technique*: The valuation model considers market prices for similar items when they are available, and depreciated replacement cost when appropriate. Depreciation replacement cost reflects adjustments for physical deterioration as well as functional and economic obsolescence.
Inventories	*Market comparison technique*: The fair value is determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and reasonable profit margin based on the effort required to complete and sell the inventories.

NOTES TO THE FINANCIAL STATEMENTS

Negative goodwill

Negative goodwill arising from the acquisition has been recognised as follows:

	2023 $'000	2022 $'000
Total consideration transferred	–	2,395
Fair value of identifiable net assets	–	(2,411)
Negative goodwill	–	(16)

The negative goodwill is attributable mainly to the fair value of identifiable net assets acquired more than total consideration transferred. None of the gain on bargain acquisition recognised is expected to be taxable for tax purposes. The gain arising from the acquisition of Radiance Group has been recognised in other income in the Group's income statement as at 31 December 2022.

31 Financial risk management

Overview

The Group's activities expose it to credit risk, liquidity risk and market risk (including interest rate risk and currency risk). The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Cash and cash equivalents

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents was negligible.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. As at 31 December 2023, the Group has 15% (2022: 13%) of total receivables due from 2 (2022: 2) major customers.

The Group has a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, where available, and in some cases bank references. Otherwise, the credit quality of customers is assessed after taking into account its financial position and past experience with the customers. Credit exposure to customers is restricted by credit limits that are monitored by management on an ongoing basis.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or legal entity, whether they are a multinational corporation, wholesale, retail or end-user customer, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. Trade receivables comprise mainly amounts due from related parties and multinational corporations.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables and contract assets. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified.

The loss allowances are based on assumptions about risk of default and expected loss rates to be applied for the respective category of the receivables. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation including evaluation of the receivables past history of loss rate, existing market conditions as well as forward looking estimates at the end of each reporting period. In assessing the segmentation of the receivables for the loss allowance, judgement is involved in determining the creditworthiness and financial health of its receivables. Where their conditions change, this may require changes in the receivables' segmentation, which in turn may affect the level of loss allowance in future periods.

NOTES TO THE FINANCIAL STATEMENTS

If the Group is satisfied that no recovery of the amount owing is possible, at that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset. Actual results could differ from estimates.

There are no other significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Impairment losses and amount written off on financial assets recognised in the income statement were as follows:

	Note	Group 2023 $'000	Group 2022 $'000
Reversal of impairment loss on trade receivables	10	(308)	(10)
Impairment loss on trade receivables	10	111	–
Write-off of contract assets	23	1,132	–

Exposure to credit risk

The Group's primary exposure to credit risk arises through its trade receivables, unbilled receivables and contract assets. The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. As a result, management believes that no additional credit risk beyond the amounts provided for is inherent in the Group's trade receivables and amounts due from related parties.

The following table provides information about the exposure to credit risk and ECLs for trade receivables, unbilled receivables and contract assets at the reporting date (by type of customer).

	Group		Company	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Related companies	7,256	7,051	4,748	1,216
Multinational companies	8,593	10,501	–	–
Other companies	30,652	43,779	2,516	5,074
	46,501	61,331	7,264	6,290

Expected credit loss assessment

The Group uses an allowance matrix to measure the ECLs of trade receivables, unbilled receivables and contract assets. In calculating the expected credit loss rates, the Group considers historical loss rates and, if relevant, adjustment for forward looking economic factors affecting the customers' ability to settle the outstanding receivables.

The Group and Company's exposure to credit risk and ECL relating to trade receivables, unbilled receivables and contract assets at the reporting date is as follows.

	Expected loss rate %	Gross 2023 $'000	Impairment 2023 $'000	Gross 2022 $'000	Impairment 2022 $'000
Group					
No credit terms	–	18,608	–	27,129	–
Not past due	–	17,788	–	28,244	–
Past due 0 – 30 days	–	6,185	–	3,051	–
Past due 31 – 120 days	–	2,876	–	2,501	–
Past due 121 – 360 days	8.88/1.69	1,126	(100)	59	(1)
More than one year	90.37/10.54	187	(169)	389	(41)
		46,770	(269)	61,373	(42)
Company					
No credit terms	–	57	–	49	–
Not past due	–	2,752	–	4,838	–
Past due 0 – 30 days	–	2,480	–	675	–
Past due 31 – 120 days	–	1,975	–	728	–
		7,264	–	6,290	–

NOTES TO THE FINANCIAL STATEMENTS

Other receivables

The Group and the Company has other receivables of $4,508,000 and $1,248,000 (2022: $3,757,000 and $2,874,000) respectively. Other receivables relate mainly to deposits placed with lessors, tax recoverable and marketing incentives receivable from suppliers. The Group and the Company use an approach that is based on an assessment of qualitative and quantitative factors that are indicative of the risk of default (including but not limited to audited financial statements, management accounts and cash flow projections, and available press information, if available, and applying experienced credit judgement). There is no significant increase in credit risk for these exposures. The amount of the allowance on other receivables is negligible.

Non-trade amounts due from related parties and subsidiaries

The Group and the Company have non-trade amounts due from related parties and subsidiaries of $11,000 (2022: $Nil) and $8,433,000 (2022: $2,478,000) respectively. Impairment on these balances has been measured on the 12-month expected credit loss basis which reflects the credit risk of the exposures. The amount of the allowance on non-trade amounts due from related parties and subsidiaries is negligible.

Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. The Group maintains sufficient level of cash and cash equivalents to meet its working capital and service its financial obligation. When required, the Group also obtains short-term bridging arrangement with banks to pay for their purchases of equipment.

Management monitors cash flow requirements through regular cash flow forecast carried out at the operating companies' level in accordance with the working capital requirement. The Group sets asset productivity targets which vary by entity and location taking into consideration the business environment that the entity operates in. Asset productivity targets used include debtor and inventory turnover days.

In addition, the Group maintains total lines of credit of $123 million (2022: $142 million) for revolving credit and working capital line facilities, at a margin over cost of funds.

Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to cash flow interest rate risks arises mainly from short-term floating rate borrowings. The Group does not use derivative financial instruments to hedge its interest rate risk.

Managing interest rate benchmark reform and associated risks

Overview

A fundamental reform of major interest rate benchmarks is being undertaken globally, including the replacement of some interbank offered rates ("IBORs") with alternative nearly risk-free rates (referred to as 'interest rate benchmark reform'). The Group has exposures to IBORs on its financial instruments that will be replaced or reformed as part of these market-wide initiatives.

The Board of directors monitor and manage the Group's transition to alternative rates. The Board of directors evaluate the extent to which contracts reference IBOR cash flows, whether such contracts will need to be amended as a result of interest rate benchmark reform and how to manage communication about interest rate benchmark reform with counterparties.

Non-derivative financial liabilities

Historically, the Group's IBOR exposures to non-derivative financial liabilities included unsecured bank loans indexed to SOR and KLIBOR. The Group has modified its non-derivatives financial liabilities indexed to SOR to reference SORA during the year ended 31 December 2022 and 2023.

The Group's main IBOR exposure as at 31 December 2023 and 31 December 2022 was indexed to Singapore Overnight Rate Average ("SORA") published by the Monetary Authority of Singapore ("MAS") and Kuala Lumpur Interbank Offered Rate ("KLIBOR") published by Bank Negara Malaysia ("BNM").

NOTES TO THE FINANCIAL STATEMENTS

Effective interest rate and repricing analysis

In respect of the interest-bearing financial liabilities, the following table indicates their effective interest rates at the reporting date and the periods in which they reprice:

	Effective interest %	Within 1 year $'000
Group		
31 December 2023		
Financial liabilities		
Unsecured bank loans	4.32 – 10.15	16,137
31 December 2022		
Financial liabilities		
Unsecured bank loans	3.93 – 8.25	2,578
Company		
31 December 2023		
Financial liabilities		
Unsecured bank loans	4.47 – 5.22	4,000

Fair value sensitivity analysis

The Group does not account for any financial assets and liabilities at FVTPL. Therefore, a change in interest rates at the reporting date would not affect the income statement.

Cash flow sensitivity analysis

The Group's borrowings at variable rates are denominated mainly in Singapore Dollar, Indonesian Rupiah, Philippine Peso and Ringgit Malaysia. If the interest rates increase/ (decrease) by 100 basis point with all other variables being held constant, the loss before tax will be higher/(lower) by the amounts shown below.

	Loss before tax	
	100 bp increase $'000	100 bp decrease $'000
Group		
31 December 2023		
Loans and borrowings	(161)	161
31 December 2022		
Loans and borrowings	(26)	26
Company		
31 December 2023		
Loans and borrowings	(40)	40

Foreign currency risk

The Group is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings, including inter-company sales, purchases and inter-company balances, that are denominated in a currency other than the respective functional currencies of Group entities. The functional currencies of Group entities are primarily the Singapore dollar ("SGD"). The currency in which these transactions primarily are denominated is US dollar ("USD").

NOTES TO THE FINANCIAL STATEMENTS

The Group's and Company's exposure to foreign currency are as follows:

	USD $'000
Group	
31 December 2023	
Trade and other receivables	822
Cash and cash equivalents	1,093
Trade and other payables	(3,139)
Net exposure	(1,224)
31 December 2022	
Trade and other receivables	726
Cash and cash equivalents	1,301
Trade and other payables	(1,488)
Net exposure	539
Company	
31 December 2023	
Cash and cash equivalents	31
31 December 2022	
Cash and cash equivalents	78

Sensitivity analysis

A 10 percent strengthening of the following currency against the Group entities' functional currencies at 31 December would have increased/(decreased) the loss before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Loss before tax	
	Group $'000	Company $'000
31 December 2023		
USD	(122)	3
31 December 2022		
USD	54	8

A 10 percent weakening of the above currency against the Group entities' functional currencies at 31 December would have had the equal but opposite effect on the above currency to the amounts shown above, on the basis that all other variables remain constant.

Estimating the fair values

As at 31 December 2023, the fair value of non-current receivables and payables amounted to $426,000 (2022: $1,065,000) and $460,000 (2022: $407,000) respectively.

The notional amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and loans and borrowings) are assumed to approximate their fair values because of the short period to maturity.

NOTES TO THE FINANCIAL STATEMENTS

Accounting classifications

	Note	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
Group				
31 December 2023				
Financial assets not measured at fair value				
Trade and other receivables*	10	35,859	–	35,859
Cash and cash equivalents	14	32,820	–	32,820
		68,679	–	68,679
Financial liabilities not measured at fair value				
Trade and other payables#	17	–	59,512	59,512
Loans and borrowings	19	–	16,137	16,137
		–	75,649	75,649
Company				
31 December 2023				
Financial assets not measured at fair value				
Trade and other receivables*	10	16,945	–	16,945
Cash and cash equivalents	14	6,013	–	6,013
		22,958	–	22,958
Financial liabilities not measured at fair value				
Trade and other payables#	17	–	23,509	23,509
Loans and borrowings	19	–	4,000	4,000
		–	27,509	27,509
Group				
31 December 2022				
Financial assets not measured at fair value				
Trade and other receivables*	10	40,041	–	40,041
Cash and cash equivalents	14	18,372	–	18,372
		58,413	–	58,413
Financial liabilities not measured at fair value				
Trade and other payables#	17	–	51,429	51,429
Loans and borrowings	19	–	2,578	2,578
		–	54,007	54,007
Company				
31 December 2022				
Financial assets not measured at fair value				
Trade and other receivables*	10	11,642	–	11,642
Cash and cash equivalents	14	2,024	–	2,024
		13,666	–	13,666
Financial liabilities not measured at fair value				
Trade and other payables#	17	–	6,318	6,318

* *Exclude prepayments and deferred expenses*
\# *Exclude employee benefits obligation and advances from customers*

32 Contingencies

The Company issued corporate guarantees amounting to $34,012,000 (2022: $34,002,000) in favour of subsidiaries to cover purchases and bank facilities per the terms of the agreements.

The Company has given formal undertakings, which are unsecured, to provide financial support to its subsidiaries. As at 31 December 2023, the net liabilities of S&I Systems Pte Ltd and N-Wave Technologies (Malaysia) Sdn Bhd amounted to approximately $749,000 and $179,000 respectively and the net current liabilities of NxGen Communications Pte Ltd amounted to approximately $1,693,000.

NOTES TO THE FINANCIAL STATEMENTS

33 Subsequent event

On 20 February 2024, the Remuneration Committees approved for the payment of financial year 2022 and 2023 long-term incentive grants under TeleChoice RSP (as amended) approximately 5,415,295 shares to be paid in cash instead of shares.

SUPPLEMENTARY INFORMATION

(SGX-ST LISTING MANUAL DISCLOSURE REQUIREMENTS)

1 Directors' Remuneration

None of the Directors of the Company receives remuneration from the Group other than: (a) in respect of the Non-Executive and Non-Independent Directors and Non-Executive and Independent Directors, the Directors' Fee and Benefits for Non-Executive Directors for the financial years ended 31 December 2023 and 2022, and (b) in respect of the Executive Director, her remuneration and other benefits as President & CEO for the financial year ended 31 December 2023 (with effect from the date of her appointment on 14 October 2023). Please see further the section "(B) Remuneration Matters" of the Corporate Governance Report.

2 Interested Person Transactions

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGXST Listing Manual 2023 $'000	2022 $'000
<u>**Transactions for the sales of goods and services**</u>			
Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	20,805	16,979
<u>**Transactions for the purchase of goods and services**</u>			
Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	11,171	11,407
<u>**Management services**</u>			
Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	–	–
Total Interested Person Transactions		**31,976**	**28,386**

There were no interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual).

3 Material Contracts

There was no material contract entered into or still subsisting at the end of the financial year, for the purpose of Rule 1207(8) of the SGX-ST Listing Manual.

SHAREHOLDINGS STATISTICS
AS AT 8 MARCH 2024

Class of shares – Ordinary shares
Voting rights – 1 vote per ordinary share

ANALYSIS OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	4	0.21	222	0.00
100 – 1,000	88	4.65	77,574	0.02
1,001 – 10,000	831	43.95	4,413,992	0.97
10,001 – 1,000,000	947	50.08	82,730,803	18.20
1,000,001 and above	21	1.11	367,199,909	80.81
	1,891	100.00	454,422,500	100.00

TOP 20 SHAREHOLDERS

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%*
1	STT COMMUNICATIONS LTD	228,937,500	50.83
2	LEAP INTERNATIONAL PTE LTD	83,804,200	18.61
3	DBS NOMINEES PTE LTD	8,020,690	1.78
4	TAN CHWEE HUAT	5,030,000	1.12
5	HONG LEONG FINANCE NOMINEES PTE LTD	4,890,000	1.09
6	PAULINE WONG MAE SUM (PAULINE HUANG MEIXIN)	3,728,778	0.83
7	NG HIAN CHOW	3,667,100	0.81
8	LEE YOONG KIN	3,213,038	0.71
9	LIM CHAI HOCK CLIVE	3,183,000	0.71
10	LOH SUR JIN ANDREW	2,974,300	0.66
11	RAFFLES NOMINEES (PTE) LIMITED	2,319,600	0.51
12	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	2,200,000	0.49
13	UNITED OVERSEAS BANK NOMINEES P L	2,081,700	0.46
14	OCBC NOMINEES SINGAPORE PTE LTD	1,664,900	0.37
15	JACQUELINE TAN KIM HOIE	1,466,000	0.32
16	KOH KEE BOON	1,300,000	0.29
17	CHEN WEI CHING	1,250,000	0.28
18	WONG LOKE MEI	1,220,709	0.27
19	GOH SONG PUAY	1,187,629	0.26
20	OH HOON JIUN	1,030,000	0.23
		363,169,144	80.63

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 8 March 2024 of 450,391,735 shares (which excludes 4,030,765 shares which are held as treasury shares representing approximately 0.89% of the total number of issued shares excluding treasury shares). There were no subsidiary holdings (as defined in the SGX-ST Listing Manual) as at 8 March 2024.

SHAREHOLDINGS STATISTICS

AS AT 8 MARCH 2024

Shareholdings Held in Hands of Public

Based on information available to the Company, approximately 28.50% of the Company's shares listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public. Therefore the Company has complied with Rule 723 of the Listing Manual.

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

Name	Direct Interest	%[3]	Deemed Interest	%[3]
Leap International Pte Ltd	83,804,200	18.61%	–	–
Lim Chai Hock Clive[1]	3,183,000	0.71%	83,804,200	18.61%
STT Communications Ltd[2]	228,937,500	50.83%	–	–
Singapore Technologies Telemedia Pte Ltd[2]	–	–	228,937,500	50.83%
Temasek Holdings (Private) Limited[2]	–	–	228,937,500	50.83%

Notes:

(1) Lim Chai Hock Clive owns 100% of the interest in Leap International Pte Ltd ("**Leap International**"). Accordingly, Lim Chai Hock Clive is deemed to be interested in all the shares held by Leap International by virtue of section 4 of the Securities and Futures Act 2001 ("**SFA**"). Lim Chai Hock Clive holds a total (direct and deemed) interest in 86,987,200 shares, representing 19.31% of the issued share capital of the Company.

(2) STT Communications Ltd ("**STTC**") is a subsidiary of Singapore Technologies Telemedia Pte Ltd ("**STT**"), which is a wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). Temasek and STT are deemed to be interested in the 228,937,500 shares held by STTC by virtue of section 4 of the SFA.

(3) The percentage of shareholdings was computed based on the total number of issued shares of the Company as at 8 March 2024 of 450,391,735 shares (which excludes 4,030,765 shares which are held as treasury shares as at that date).

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Sixth Annual General Meeting of TeleChoice International Limited ("**Company**") will be held at Oslo Room, 6 Serangoon North Avenue 5 #03-16 Singapore 554910 on 24 April 2024 at 11.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023 together with the Auditors' Report thereon. **Resolution 1**

2. To re-elect Mr Stephen Geoffrey Miller, who is retiring in accordance with Regulation 99 of the Constitution of the Company. **Resolution 2**

   See Explanatory Note (a)

3. To re-elect Mr Ronald Seah Lim Siang, who is retiring in accordance with Regulation 99 of the Constitution of the Company. **Resolution 3**

   See Explanatory Note (b)

4. To re-elect Ms Pauline Wong Mae Sum, who is retiring in accordance with Regulation 105 of the Constitution of the Company. **Resolution 4**

   See Explanatory Note (c)

5. To re-elect Mr Shailesh Anand Ganu, who is retiring in accordance with Regulation 105 of the Constitution of the Company. **Resolution 5**

   See Explanatory Note (d)

6. To re-elect Mr Lim Yong, who is retiring in accordance with Regulation 105 of the Constitution of the Company. **Resolution 6**

   See Explanatory Note (e)

7. To approve the sum of $435,526 to be paid as Directors' Remuneration to all of the Directors (other than Mr Lim Chai Hock Clive and Mr Lim Yong) for the financial year ended 31 December 2023 comprising: **Resolution 7**

   (a) $304,868 to be paid in cash (2022: $300,300) (2021: $300,300); and

   (b) $130,658 to be paid in the form of restricted share awards pursuant to the TeleChoice Restricted Share Plan (as amended) ("**TeleChoice RSP**") (2022: $128,700) (2021: $128,700).

   See Explanatory Note (f)

8. To approve the sum of $21,518 to be paid as Director's Remuneration to Mr Lim Chai Hock Clive for the financial year ended 31 December 2023 in cash (2022: $42,000) (2021: $42,000). **Resolution 8**

   See Explanatory Note (g)

9. To approve the sum of $27,797 to be paid as Director's Remuneration to Mr Lim Yong for the financial year ended 31 December 2023 in cash (2022: Nil) (2021: Nil). **Resolution 9**

   See Explanatory Note (h)

10. To re-appoint KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 10**

NOTICE OF
TWENTY-SIXTH ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

11. That authority be and is hereby given to the Directors to: **Resolution 11**

(a) (i) issue Shares whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(i) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution), does not exceed 50% of the issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph 11(b)(ii) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph 11(b)(ii) below);

(ii) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph 11(b)(i) above, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed, and adjusting for: (1) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and (2) any subsequent bonus issue, consolidation or subdivision of Shares;

(iii) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(iv) (unless revoked or varied by the Company in General Meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

See Explanatory Note (i)

12. That authority be and is hereby given to the Directors to: **Resolution 12**

(a) offer and grant awards in accordance with the rules and terms of the TeleChoice RSP and/or the TeleChoice Performance Share Plan (as amended) ("**TeleChoice PSP**") (the TeleChoice RSP and the TeleChoice PSP shall collectively be referred to as the "**Share Plans**"); and

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

(b) allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued pursuant to the vesting of the awards granted under the TeleChoice RSP and/or the TeleChoice PSP,

provided that the aggregate number of Shares to be issued under the Share Plans shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

See Explanatory Note (j)

13. That: **Resolution 13**

(a) approval be and is hereby given, for the purposes of Chapter 9 of the Listing Manual ("**Chapter 9**") of SGX-ST, for the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9), or any of them, to enter into any of the transactions falling within the types of interested person transactions described in the Annexure to the Appendix to the Annual Report dated 2 April 2024 ("**Appendix**") with any party who is of the class of interested persons described in the Annexure to the Appendix, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;

(b) the approval given in sub-paragraph 13(a) above ("**Shareholders' Mandate**") shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company; and

(c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Shareholders' Mandate and/or this Resolution.

See Explanatory Note (k)

14. That: **Resolution 14**

(a) for the purposes of Sections 76C and 76E of the Companies Act 1967 ("**Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued Shares in the capital of the Company not exceeding in aggregate the Maximum Limit (as defined in sub-paragraph 14(c) below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined in sub-paragraph 14(c) below), whether by way of:

(i) market purchase(s) on the SGX-ST through the SGX-ST's trading system and/or any other securities exchange ("**Other Exchange**") on which the Shares may for the time being be listed and quoted ("**Market Purchases**"); and/or

(ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act ("**Off-Market Purchases**"),

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Purchase Mandate**");

NOTICE OF
TWENTY-SIXTH ANNUAL GENERAL MEETING

(b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual General Meeting of the Company is held; or

(ii) the date by which the next Annual General Meeting of the Company is required by law to be held; or

(iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Average Closing Price**" means the average of the last dealt prices of a Share for the last five consecutive Market Days (as defined in this sub-paragraph 14(c) below) on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST, or as the case may be, Other Exchange, for any corporate action which occurs during the relevant five Market Day period and the day on which the purchases are made;

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**Market Day**" means a day on which the SGX-ST, or as the case may be, Other Exchange is open for trading in securities;

"**Maximum Limit**" means that number of issued Shares representing 10% of the issued ordinary Shares in the capital of the Company as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings as at that date); and

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of an Off-Market Purchase of a Share, 110% of the Average Closing Price; and

(ii) in the case of a Market Purchase of a Share, 105% of the Average Closing Price; and

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

See Explanatory Note (l)

Other Business

15. To transact any other business that may be transacted at an Annual General Meeting of the Company.

By Order of The Board
Lai Wai Kit Andrew
Company Secretary

Singapore, 2 April 2024

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

Notes:

Format of Meeting

1. The Annual General Meeting will be held, in a wholly physical format, at Oslo Room, 6 Serangoon North Avenue 5 #03-16 Singapore 554910 on 24 April 2024, Wednesday, at 11.00 a.m.. There will be no option for shareholders to participate virtually. Printed copies of this Notice, the accompanying Proxy Form and the Request Form for a printed copy of the 2023 Annual Report and 2023 Appendix (as defined below) will be sent by post to shareholders. These documents will also be published on the SGXNet website at URL: https://www.sgx.com/securities/company-announcements and on the Company's corporate website at URL: http://telechoice.listedcompany.com/newsroom.html.

Register in person to attend Annual General Meeting

2. Shareholders and (where applicable) duly appointed proxies may attend the Annual General Meeting in person. To do so, they will need to register in person at the registration counter(s) outside the Annual General Meeting venue on the day of the event. Registration will commence at 10.00 a.m. on that day. Every attendee is required to bring along his or her NRIC/passport to enable the Company to verify his or her identity.

Appointment of Proxy

3. (a) A member of the Company who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

   (b) A member of the Company who is a relevant intermediary (as defined below) is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   The term "**relevant intermediary**" has the meaning ascribed to it in section 181 of the Act.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.

   CPF or SRS investors who wish to appoint the Chairman of the Annual General Meeting as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 p.m. on 12 April 2024.

4. A proxy need not be a member of the Company.

5. The Chairman of the Annual General Meeting will be exercising his right under Regulation 68(B) of the Constitution of the Company to demand a poll in respect of each of the resolutions to be put to the vote of members at the Annual General Meeting and at any adjournment thereof. Accordingly, each resolution at the Annual General Meeting will be voted on by way of poll.

6. The instrument appointing a proxy or proxies must be submitted in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77 Singapore 068896; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited, at main@zicoholdings.com,

   in either case, by 11.00 a.m. on 21 April 2024.

   A shareholder who wishes to submit an instrument of proxy by post or via email must first download, print, complete and sign the proxy form, before submitting it by post to the address provided above, or before scanning and sending it to the email address provided above.

Submission of Questions

7. Shareholders can submit substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting to the Chairman of the Meeting, in advance of the Annual General Meeting, in the following manner:

   (a) by email to the Company at enquiry@telechoice.com.sg; or

   (b) by post to the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77 Singapore 068896.

   When submitting questions by email or post, shareholders should provide the following details: (a) the shareholder's full name; (b) the shareholder's address; and (c) the manner in which the shareholders hold shares in Company (e.g., via CDP, CPF or SRS).

   All questions submitted in advance of the Annual General Meeting must be submitted by **5.00 p.m. on 11 April 2024.**

NOTICE OF
TWENTY-SIXTH ANNUAL GENERAL MEETING

8. The Company will endeavour to address all substantial and relevant questions received from shareholders by the submission deadline of 5.00 p.m. on 11 April 2024 by publishing its responses to such questions on the Company's corporate website URL: http://telechoice.listedcompany.com/newsroom.html and on the SGXNet website at URL: https://www.sgx.com/securities/company-announcements after trading hours on 18 April 2024.

   The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the Annual General Meeting) received after the submission deadline of 5.00 p.m. on 11 April 2024 which have not already been addressed prior to the Annual General Meeting, as well as those substantial and relevant questions received at the Annual General Meeting, at the Annual General meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

9. Shareholders, including CPF and SRS investors, and (where applicable) duly appointed proxies can also ask the Chairman of the Meeting substantial and relevant questions related to the resolutions to be tabled for approval at the Annual General Meeting, at the Annual General Meeting itself.

   Access to Documents

10. The Company's Annual Report for the financial year ended 31 December 2023 ("**2023 Annual Report**") and the Appendix to the 2023 Annual Report dated 2 April 2024 in relation to the proposed renewal of the Shareholders' Mandate for Interested Person Transactions and Share Purchase Mandate ("**2023 Appendix**") have been published on the SGXNet website at URL: https://www.sgx.com/securities/company-announcements and are also available on the Company's corporate website as follows:

    (a) The 2023 Annual Report may be accessed at URL: http://telechoice.listedcompany.com/ar.html.

    (b) The 2023 Appendix may be accessed at URL: http://telechoice.listedcompany.com/appendix.html.

    Shareholders may request for printed copies of these documents by completing and submitting the request form sent to them by post together with printed copies of this Notice and the accompanying Proxy Form.

EXPLANATORY NOTES:

(a) Ordinary Resolution No. 2 is to approve the re-election of Mr Stephen Geoffrey Miller, who is retiring by rotation, in accordance with Regulation 99 of the Constitution of the Company. Upon his re-election, Mr Miller will remain as the Deputy Chairman of the Board of Directors of the Company, a Non-Executive and Non-Independent Director of the Company and member of the Executive Committee of the Company. Detailed information of Mr Miller can be found in the sections on "Board of Directors" and "Additional Information in relation to Directors Standing for Re-election" of the Company's 2023 Annual Report.

(b) Ordinary Resolution No. 3 is to approve the re-election of Mr Ronald Seah Lim Siang, who is retiring by rotation, in accordance with Regulation 99 of the Constitution of the Company. Upon his re-election, Mr Seah will become a Non-Executive and Non-Independent Director of the Company and will remain as Chairman of the Board and the Executive Committee, and a member of the Risk and Sustainability Committee. Detailed information of Mr Seah can be found in the sections on "Board of Directors" and "Additional Information in relation to Directors Standing for Re-election" of the Company's 2023 Annual Report.

(c) Ordinary Resolution No. 4 is to approve the re-election of Ms Pauline Wong Mae Sum, who is retiring in accordance with Regulation 105 of the Constitution of the Company. Upon his re-election, Ms Wong will remain as an Executive Director and President and Chief Executive Officer of the Company. Detailed information of Ms Wong can be found in the sections on "Board of Directors" and "Additional Information in relation to Directors Standing for Re-election" of the Company's 2023 Annual Report.

(d) Ordinary Resolution No. 5 is to approve the re-election of Mr Shailesh Anand Ganu, who is retiring in accordance with Regulation 105 of the Constitution of the Company. Upon his re-election, Mr Ganu will remain as a Non-Executive and Independent Director and Chairman of the Risk and Sustainability Committee of the Company. Detailed information of Mr Ganu can be found in the sections on "Board of Directors" and "Additional Information in relation to Directors Standing for Re-election" of the Company's 2023 Annual Report.

(e) Ordinary Resolution No. 6 is to approve the re-election of Mr Lim Yong, who is retiring in accordance with Regulation 105 of the Constitution of the Company. Upon his re-election, Mr Lim will remain as a Non-Executive and Non-Independent Director and member of the Risk and Sustainability Committee of the Company. Detailed information of Mr Lim can be found in the sections on "Board of Directors" and "Additional Information in relation to Directors Standing for Re-election" of the Company's 2023 Annual Report.

(f) Ordinary Resolution No. 7 is to approve the payment of an aggregate sum of $435,526 as Directors' remuneration for the financial year ended 31 December 2023 to all of the Directors (other than Mr Chai Hock Clive and Mr Lim Yong). If Ordinary Resolution No. 7 is approved, each of the Directors (other than Mr Lim Chai Hock Clive and Mr Lim Yong) will receive approximately 70% of his or her Director's remuneration in cash and approximately 30% of his or her Director's remuneration in the form of a restricted share award pursuant to the TeleChoice Restricted Share Plan (as amended) ("**TeleChoice RSP**"). Please refer to the section on "Remuneration Matters" in the Corporate Governance Report on pages 40 to 42 of the Company's 2023 Annual Report for the rationale in including a share component to the Directors' remuneration. The number of Shares to be awarded will be based on the volume-weighted average price ("**VWAP**") of a Share listed on the SGX-ST over the 14 market days commencing on (and including) the first ex-dividend date that immediately follows the date of this Annual General Meeting (and in the event that no dividend is declared at such last concluded Annual General Meeting, the VWAP of a Share listed on the SGX-ST over the 14 market days commencing after the date of such last concluded Annual General Meeting). The number of Shares

NOTICE OF TWENTY-SIXTH ANNUAL GENERAL MEETING

to be awarded will be rounded down to the nearest thousand shares, and any residual balance settled in cash. The restricted share awards will consist of the grant of fully paid shares, without any performance or vesting conditions attached. However, in order to encourage alignment of interest of the Directors with the interests of shareholders, a Director is required to hold such number of Shares equivalent to at least: (i) the prevailing annual basic Board retainer fee, based on the VWAP of a Share listed on the SGX-ST over the 14 market days from (and including) the first ex-dividend date (if any) following the date of the Company's last concluded Annual General Meeting (and in the event that no dividend is declared at such last concluded Annual General Meeting, the VWAP of a Share listed on the SGX-ST over the 14 market days commencing after the date of such last concluded Annual General Meeting); or (ii) the total number of Shares awarded to that Director under the TeleChoice RSP for the financial year ended 31 December 2013 and onwards, whichever is lower. Notwithstanding the foregoing, a Director is permitted to dispose of all of his Shares after the first anniversary of the date of his cessation as a Director of the Company.

(g) Ordinary Resolution No. 8 is to approve the payment of $21,518 as Director's remuneration for the financial year ended 31 December 2023 to Mr Lim Chai Hock Clive, who resigned with effect from 7 July 2023. It is proposed that the entire amount of his Director's remuneration (including the amount of $6,455 which would otherwise have been paid in the form of share awards under the TeleChoice RSP) be paid to him in cash. Mr Lim Chai Hock Clive is a controlling shareholder of the Company, and approval of independent Shareholders by way of a separate resolution for the grant of the specific number of share awards to him is required under Rule 853 of the Listing Manual of the SGX-ST. However, as the number of share awards to be granted to Mr Lim Chai Hock Clive would have been computed only after the date of the Annual General Meeting (as described in Explanatory Note (f) above), such number of awards would not be known until after the Annual General Meeting, and it is therefore not possible to seek approval for the grant of the specific number of share awards to him at the Annual General Meeting. In view of the difficulties that the Company would face in complying with Rule 853 of the Listing Manual of the SGX-ST for the grant of share awards to Mr Lim Chai Hock Clive, the Company is therefore proposing to pay him in cash in full instead.

(h) Ordinary Resolution No. 9 is to approve the payment of $27,797 as Director's remuneration for the financial year ended 31 December 2023 to Mr Lim Yong, who was appointed as a Director with effect from 7 July 2023. It is proposed that the entire amount of his Director's remuneration (including the amount of $8,339 which would otherwise have been paid in the form of share awards under the TeleChoice RSP) be paid to him in cash. Mr Lim Yong is the son, and therefore an associate, of Mr Lim Chai Hock Clive who is a controlling shareholder of the Company, and approval of independent Shareholders by way of a separate resolution for the grant of the specific number of share awards to him is required under Rule 853 of the Listing Manual of the SGX-ST. However, as the number of share awards to be granted to Mr Lim Yong would have been computed only after the date of the Annual General Meeting (as described in Explanatory Note (f) above), such number of awards would not be known until after the Annual General Meeting, and it is therefore not possible to seek approval for the grant of the specific number of share awards to him at the Annual General Meeting. In view of the difficulties that the Company would face in complying with Rule 853 of the Listing Manual of the SGX-ST for the grant of share awards to Mr Lim Yong, the Company is therefore proposing to pay him in cash in full instead.

(i) Ordinary Resolution No. 11 is to authorise the Directors to issue Shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into Shares, and to issue Shares in pursuance of such instruments, up to an amount not exceeding in total 50% of the issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, with a sub-limit of 20% for issues other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued share capital shall be based on the issued share capital of the Company at the time that Ordinary Resolution No. 11 is passed, after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution No. 11 is passed, and (ii) any subsequent bonus issue, consolidation or subdivision of Shares.

(j) Ordinary Resolution No. 12 is to authorise the Directors to offer and grant awards and to allot and issue Shares in the capital of the Company in accordance with the rules and terms of the TeleChoice RSP and/or the TeleChoice Performance Share Plan (as amended) ("**TeleChoice PSP**") (the TeleChoice RSP and the TeleChoice PSP shall collectively be referred to as "**Share Plans**"), provided that the aggregate number of Shares to be allotted and issued pursuant to the Share Plans shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time. Details of the Share Plans are set out in the Company's Circular to Shareholders dated 11 April 2007 and the Company's Appendix to the Annual Report dated 11 April 2018.

(k) Ordinary Resolution No. 13 is to renew the mandate to allow the Company, its subsidiaries and its associated companies that are entities at risk or any of them to enter into certain interested person transactions with certain classes of interested persons as described in the Annexure to the Appendix to the Annual Report dated 2 April 2024 ("**Appendix**"). The authority will, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company.

(l) Ordinary Resolution No. 14 is to renew the mandate to allow the Company to purchase or acquire issued ordinary Shares in the capital of the Company on the terms and subject to the conditions of the Resolution.

The Company may use internal resources or external borrowings or a combination of both to fund the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the financial position of the Company, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired and the price at which such Shares were purchased or acquired.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Company and its subsidiaries for the financial year ended 31 December 2023, based on certain assumptions, are set out in paragraph 3.7.3 of the Letter to Shareholders in the Appendix.

NOTICE OF
TWENTY-SIXTH ANNUAL GENERAL MEETING

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a resultof the member's breach of warranty.

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ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

The following information relating to Mr Stephen Geoffrey Miller, Mr Ronald Seah Lim Siang, Ms Pauline Wong Mae Sum, Mr Shailesh Anand Ganu and Mr Lim Yong, each of whom is standing for re-election at the Twenty-Sixth Annual General Meeting of TeleChoice International Limited ("**Company**" or "**TeleChoice**") on 24 April 2024, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name of Director	**Stephen Geoffrey Miller**	**Ronald Seah Lim Siang**
Date of Appointment	26 January 2017	3 May 2012
Date of last Re-appointment (if applicable)	28 April 2022	27 April 2023
Age	60	76
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	Mr Miller has more than 25 years of global investment, financial management, strategic planning and CMT industry experience. The Board of Directors is of the view that his experience will continue to enhance deliberations at the Board. The Board of Directors has accepted the recommendation of the Nominating Committee of TeleChoice, which has reviewed Mr Miller's qualifications and experience and approved the re-election of Mr Miller as a Non-Executive and Non-Independent Director of TeleChoice. Please refer to pages 33 and 34 of the Corporate Governance Report on the process for selection, appointment and re-appointment of directors and the board diversity considerations.	Mr Seah has more than 25 years of experience in the banking and financial services industry. The Board of Directors is of the view that his experience will continue to enhance deliberations at the Board. The Board of Directors has accepted the recommendation of the Nominating Committee of TeleChoice, which has reviewed Mr Seah's qualifications, experience and skillsets and approved the re-election of Mr Seah as a Non-Independent Director of TeleChoice. Please refer to pages 33 and 34 of the Corporate Governance Report on the process for selection, appointment and re-appointment of directors and the board diversity considerations.
Whether appointment is executive, and if so, the area of responsibility	Non-executive	Non-executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)*	Deputy Chairman of the Board and Non-Executive and Non-Independent Director, and Member of the Executive Committee.	Chairman of the Board and Non-Executive and Non-Independent Director, Chairman of the Executive Committee and Member of the Risk and Sustainability Committee.
Professional Qualifications	Bachelor's Degree in Commerce, with First Class Honours in Economics and Finance, from the University of New South Wales, Australia.	Bachelor of Arts and Social Sciences (Second Class Honours (Upper)) in Economics from the University of Singapore
Working experience and occupation(s) during the past 10 years	Please refer to page 6 of the Annual Report 2023	Please refer to page 6 of the Annual Report 2023
Shareholding interest in TeleChoice and its subsidiaries	Direct interest of 494,000 shares in TeleChoice	Direct interest of 872,000 shares in TeleChoice

* In view of the re-designation of Mr Ronald Seah Lim Siang as a Non-Executive and Non-Independent Director upon the conclusion of the Annual General Meeting, the Company will appoint (2) additional Non-Executive and Non-Independent Directors and there may be changes to the composition of the Board Committees in connection therewith. The appointments are expected to be finalised and announced before the conclusion of the Annual General Meeting.

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Pauline Wong Mae Sum	**Shailesh Anand Ganu**	**Lim Yong**
14 October 2023	7 July 2023	7 July 2023
Not Applicable	Not Applicable	Not Applicable
50	42	34
Singapore	Singapore	Singapore
Ms Wong brings 30 years of extensive experience in the telecommunications industry, with expertise in corporate planning, strategy development, business operations, fulfilment, managed services, and retail management. The Board of Directors is of the view that her experience will enhance the mix and balance of skills, experience and diversity of the Board. The Board of Directors has accepted the recommendation of the Nominating Committee of TeleChoice, which has reviewed Ms Wong's qualifications and experience and approved the re-election of Ms Wong as an Executive Director of TeleChoice. Please refer to pages 33 and 34 of the Corporate Governance Report on the process for selection, appointment and re-appointment of directors and the board diversity considerations.	Mr Ganu has extensive experience in the areas of ESG and sustainability governance, executive compensation and board advisory. The Board of Directors is of the view that his experience will continue to enhance deliberations at the Board. The Board of Directors has accepted the recommendation of the Nominating Committee of TeleChoice, which has reviewed Mr Ganu's qualifications and experience and approved the re-election of Mr Ganu as a Non-Executive and Independent Director of TeleChoice. Please refer to pages 33 and 34 of the Corporate Governance Report on the process for selection, appointment and re-appointment of directors and the board diversity considerations.	Mr Lim is a Portfolio Manager at Leap Securities Pte. Ltd. and a Director at Leap International Pte Ltd ("Leap international"), a private investment holding company and a substantial shareholder of TeleChoice. The Board of Directors has accepted the recommendation of the Nominating Committee of TeleChoice, which has reviewed Mr Lim's qualifications and experience and approved the re-election of Mr Lim as a Non-Executive and Non-Independent Director of TeleChoice. Please refer to pages 33 and 34 of the Corporate Governance Report on the process for selection, appointment and re-appointment of directors and the board diversity considerations.
Executive	Non-executive	Non-executive
Executive Director	Non-Executive and Independent Director and Chairman of the Risk and Sustainability Committee	Non-Executive and Non-Independent Director and Member of the Risk and Sustainability Committee
Bachelor of Business (Distinction) from the Royal Melbourne Institute of Technology University, Victoria, Australia. Executive MBA (Honours) from the University of Chicago Booth School of Business.	Bachelor of Engineering (Chemical Engineering) degree from the University of Mumbai, India. Master of Business Administration from Sydney Business School, Australia.	Bachelor of Commerce (BCom) degree with High Distinction from the University of Toronto, Canda.
Please refer to page 7 of the Annual Report 2023	Please refer to page 9 of the Annual Report 2023	Please refer to page 9 of the Annual Report 2023
Direct interest of 3,728,778 shares in TeleChoice	None	None

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Name of Director	Stephen Geoffrey Miller	Ronald Seah Lim Siang
Any relationship (including immediate family relationships) with any existing director, existing executive officer, TeleChoice and/or substantial shareholder of TeleChoice or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to TeleChoice	Yes	Yes
Other Principal Commitments** including Directorships – Past (for the last 5 years)	Nil	• Yanlord Land Group Ltd. (Director) • Global Investments Limited (Director) • M&C REIT Management Limited (Director) • M&C Business Trust Management Limited (Director) • PGG Wrightson Limited
Other Principal Commitments** including Directorships – Present	• Singapore Technologies Telemedia Pte Ltd (President & Group Chief Executive Officer and Director) • Asia Mobile Holdings Pte. Ltd. (Director) • STT GDC Pte. Ltd. (Director) • Antina Pte. Ltd. (Director) • Armor Defense Inc. (Director) • Armor Defense Asia Pte. Ltd. (Director) • t2wards Ltd (Chairman) • STT Garnet Pte. Ltd. (Director) • Australian Chamber of Commerce, Singapore (Board Member) • Climate Governance Singapore Limited (Steering Committee Member) • StarHub Ltd (Director)	• Soft Capital SG (sole proprietorship – business consultancy services)

** “Principal Commitments” has the same meaning as defined in the Code of Corporate Governance 2018.

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Pauline Wong Mae Sum	Shailesh Anand Ganu	Lim Yong
No	No	Mr Lim is the son of Mr Lim Chai Hock Clive who is a substantial shareholder. Mr Lim is also under the employment of Leap International, which is a substantial shareholder of TeleChoice.
No	No	No
Yes	Yes	Yes
Nil	• Breast Cancer Foundation – Member of Executive Committee, Chairman of Nomination Committee, Member of Human Resource Committee	Nil
• TeleChoice International Limited (President and Chief Executive Officer) • Planet Managed Services Pte. Ltd. (Director) • Planet Smart Services Pte. Ltd. (Director) • Planet Telecoms (S) Pte Ltd (Director) • Planet Telecoms Managed Services Sdn Bhd (Director) • NexWave Technologies Pte Ltd (Director) • N-Wave Technologies (Malaysia) Sdn Bhd (Director) • PT NexWave (Director) • S & I Systems Pte Ltd (Director) • TeleChoice Technologies (Shanghai) Co. Ltd (Director) • N-Wave Technologies Philippines Inc. (Director) • NxGen Communications Pte Ltd (Director) • NexWave Technologies Vietnam Company Limited (Director) • Radiance Communications Pte Ltd (Director) • NxGen Malaysia Sdn. Bhd. (formerly known as Radiance Converged Communications Sdn Bhd) (Director)	• Willis, Towers Watson (Singapore) (Managing Director; Global Leader – Executive Compensation & Board Advisory; Global Steering Committee Leader – ESG Advisory and Strategy) • Far East Orchard Limited (Independent Director) • SATA Commhealth (Independent Director) • Singapore Institute of Directors (Governing Council Member and Chair of ESG Committee) • Vanguard Healthcare Pte Ltd (Independent Director) • NUS High School of Math and Science (Governing Board Member)	• Leap International Pte Ltd (Director) • Leap Securities Pte. Ltd. (Portfolio Manager)

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Name of Director	Stephen Geoffrey Miller (Yes/No)	Ronald Seah Lim Siang (Yes/No)
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Pauline Wong Mae Sum (Yes/No)	**Shailesh Anand Ganu** (Yes/No)	**Lim Yong** (Yes/No)
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Name of Director	Stephen Geoffrey Miller (Yes/No)	Ronald Seah Lim Siang (Yes/No)
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Pauline Wong Mae Sum (Yes/No)	**Shailesh Anand Ganu** (Yes/No)	**Lim Yong** (Yes/No)
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No
No	No	No

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Name of Director	**Stephen Geoffrey Miller** (Yes/No)	**Ronald Seah Lim Siang** (Yes/No)
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Pauline Wong Mae Sum (Yes/No)	**Shailesh Anand Ganu** (Yes/No)	**Lim Yong** (Yes/No)
No	No	No
No	No	No
No	No	No

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TELECHOICE INTERNATIONAL LIMITED
(Registration No. 199802072R)
(Incorporated in the Republic of Singapore)

PROXY FORM
Twenty-Sixth Annual General Meeting

IMPORTANT
1. The Twenty-Sixth Annual General Meeting ("**AGM**") will be held, in a wholly physical format, at Oslo Room, 6 Serangoon North Avenue 5 #03-16 Singapore 554910 on Wednesday, 24 April 2024 at 11.00 a.m. (Singapore time). There will be no option for shareholders to participate virtually. Printed copies of the Notice of AGM and this Proxy Form will be sent by post to members. These documents will also be published on the SGXNet website at URL: https://www.sgx.com/securities/company-announcements and on the Company's corporate website at URL: http://telechoice.listedcompany.com/newsroom.html.
2. Please read the notes overleaf which contain instructions on, among other things, the appointment of a proxy(ies).
3. This Proxy Form is not valid for use by CPF or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 5.00 pm on 12 April 2024.
4. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 2 April 2024.

I/We ______________________________ (Name) NRIC/Passport/Co. Reg. No. ______________

of ____ (Address)
being a member/members of TELECHOICE INTERNATIONAL LIMITED ("**Company**") hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of shareholdings	
			No. of shares	%

*and/or

or failing *him/them, the Chairman of the Meeting, as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be held on Wednesday, 24 April 2024 at 11.00 a.m. (Singapore time) at Oslo Room, 6 Serangoon North Avenue 5 #03-16 Singapore 554910 and at any adjournment thereof. *I/We direct *my/our *proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated below.

Voting will be conducted by poll. If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with a tick (√) in the "For" or "Against" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with a tick (√) in the "Abstain" box provided in respect of that resolution. Alternatively, please insert the relevant number of shares in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deems fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

No.	Ordinary Resolutions	For	Against	Abstain
	Ordinary Business			
1.	Adoption of Financial Statements, Directors' Statement and Auditors' Report			
2.	Re-election of Mr Stephen Geoffrey Miller as Director			
3.	Re-election of Mr Ronald Seah Lim Siang as Director			
4.	Re-election of Ms Pauline Wong Mae Sum as Director			
5.	Re-election of Mr Shailesh Anand Ganu as Director			
6.	Re-election of Mr Lim Yong as Director			
7.	Approval of Directors' Remuneration to be paid to all of the Directors (other than Mr Lim Chai Hock Clive and Mr Lim Yong)			
8.	Approval of Director's Remuneration to be paid to Mr Lim Chai Hock Clive			
9.	Approval of Director's Remuneration to be paid to Mr Lim Yong			
10.	Re-appointment of KPMG LLP as Auditors			
	Special Business			
11.	Authority for Directors to issue shares			
12.	Authority for Directors to offer and grant awards, and allot and issue shares, pursuant to the TeleChoice Restricted Share Plan (as amended) and the TeleChoice Performance Share Plan (as amended)			
13.	Approval of Renewal of the Shareholders' Mandate for Interested Person Transactions			
14.	Approval of Renewal of the Share Purchase Mandate			

* Delete whichever is inapplicable.

Dated this __________ day of ____________________ 2024.

Total Number of Shares Held

____
Signature(s) or Common Seal of Member(s)

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. (a) A member of the Company who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

   (b) A member of the Company who is a relevant intermediary (as defined below) is entitled to appoint more than two proxies to attend, speak and vote at the Annual General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

   The term "**relevant intermediary**" has the meaning ascribed to it in section 181 of the Companies Act 1967.

   A member can appoint the Chairman of the Meeting as his/her/its proxy, but this is not mandatory.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be submitted in the following manner:

   (a) if submitted by post, be lodged with the Company's Share Registrar, B.A.C.S. Private Limited, at 77 Robinson Road, #06-03 Robinson 77 Singapore 068896; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, B.A.C.S. Private Limited, at main@zicoholdings.com,

   in each case, not less than 72 hours before the time appointed for holding the AGM, that is, by 11.00 a.m. on 21 April 2024, failing which, the proxy form will not be treated as valid.
5. The instrument appointing a proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy lodged if such members are not shown to have shares entered against their names in the Depository Register as at 72 hours before the time fixed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

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Affix
Postage
Stamp

TELECHOICE INTERNATIONAL LIMITED
c/o B.A.C.S. Private Limited
77 Robinson Road #06-03 Robinson 77
Singapore 068896

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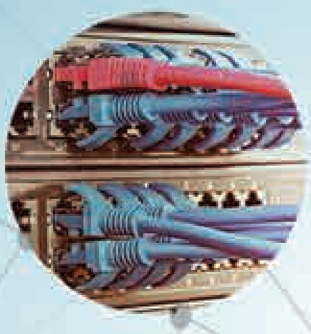

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WWW.TELECHOICE.COM.SG
COMPANY REGISTRATION
NO. 199802072R