



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

**UPDATES ON THE GROUP'S BUSINESS PERFORMANCE
FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2024**

The Board of Directors (the “**Board**”) of TeleChoice International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to provide the Group’s business performance update for the third quarter ended 30 September 2024 (“**3Q2024**”) and nine months ended 30 September 2024 (“**9M2024**”).

FINANCIAL HIGHLIGHTS

Revenue (S\$'M)	1Q2024	2Q2024	3Q2024	9M2024	9M2023	+/- (%)
Personal Communications Solutions Services (“PCS”)	49.1	51.0	54.8	154.9	66.0	+135
Info-Communications Technology Services (“ICT”)	13.9	18.0	18.9	50.8	55.6	-9
Network Engineering Services (“Engineering”)	19.2	11.0	11.0	41.2	38.1	+8
Group	82.2	80.0	84.7	246.9	159.7	+55
Profit/(Loss) Before Tax (S\$'M)	1Q2024	2Q2024	3Q2024	9M2024	9M2023	+/- (%)
PCS	0.5	1.0	0.5	2.0	(0.1)	nm
ICT	(0.9)	(0.5)	(0.2)	(1.6)	(2.9)	+45
Engineering	0.6	(0.3)	0.2	0.5	(1.1)	+145
Group	0.2	0.2	0.5	0.9	(4.1)	+122

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

The Group registered revenue of S\$246.9 million in 9M2024, a 55% increase as compared to S\$159.7 million in 9M2023. The increase in revenue from the PCS and Engineering Divisions was partially offset by lower revenue recorded from the ICT Division. Profit before tax recorded in 9M2024 of S\$0.9 million was an improvement from the 9M2023 loss before tax of S\$4.1 million. The turnaround from a loss to a profit position was largely attributed to higher revenue in 9M2024 from the PCS Division and improvement in gross margin for the ICT and Engineering Divisions. Overall, all three business units had contributed to the improvement in operating performance in 9M2024.

The Group revenue in 3Q2024 was higher at S\$84.7 million as compared to S\$80.0 million in 2Q2024 with higher revenue recorded by both the PCS and ICT Divisions. Against 2Q2024,

the Group's higher profit of S\$0.5 million in 3Q2024 was attributed to both the ICT and Engineering Divisions. PCS Division recorded S\$0.5 million of profit before tax in 3Q2024. The lower profit in 3Q2024 as compared to 2Q2024 for PCS Division was mainly due to lower gross margin from its Malaysian operations coupled with higher selling and marketing expenses as well as financing cost. ICT Division recorded a loss before tax of S\$0.2 million in 3Q2024. The improvement in 3Q2024 as compared to 2Q2024 was largely contributed by higher project revenue and profit from the Communications business. Engineering Division's profit before tax in 3Q2024 of S\$0.2 million against a loss in 2Q2024 was attributed largely to higher revenue and gross margin from the Singapore operations.

The Group recorded a net current asset position as at 30 September 2024.

PCS Division

In 9M2024, the PCS Division achieved a revenue of S\$154.9 million which is a substantial 135% increase compared to S\$66.0 million in 9M2023. The division also marked a turnaround, reporting a profit before tax of S\$2.0 million compared to a loss before tax of S\$0.1 million in the same period last year. The growth is primarily driven by the fourth-party logistics (4PL) fulfillment and managed services contract secured with U Mobile in Malaysia. In Singapore, the introduction of new HONOR device models has significantly boosted online sales. This success is largely attributed to the highly anticipated launch of the HONOR Magic V3, which has emerged as one of the top-selling models in the market. Increased brand awareness and competitive pricing have also positively impacted sales.

The Division will continue to focus on strategically expanding its retail presence in Malaysia over the coming quarters. This includes opening new outlets in East Malaysia and establishing a flagship store in a prominent shopping center in Kuala Lumpur. In Singapore, the Division will enhance its fulfillment and managed services business to provide value-added support to its partners. Additionally, it will optimise efficiency by streamlining operations in lower-traffic retail locations while expanding its presence in high-traffic retail areas, all while seeking improvements to the customer journey experience.

ICT Division

In 9M2024, the ICT Division reported revenue of S\$50.8 million and a loss before tax of S\$1.6 million. Despite the lower revenue, the Division saw reduced losses compared to 9M2023, primarily due to improved gross margins and lower operating expenses. The Digital Infrastructure and Communications segments continued to be the main revenue contributors, as customers increasingly adopt hybrid telephony, Unified Communications as a Service, and Contact Centre as a Service solutions. The Division successfully completed projects for public institutions in education and commercial entities in healthcare. The Division also secured new projects in the healthcare and government sectors, along with a significant win with a major insurance company.

The Division will maintain its focus on delivering on existing backlog orders while strengthening partnerships with key vendors and leveraging trade events for new customer acquisition. It plans to expand its AI solutions portfolio and focus on joint selling strategies to capitalise on pipeline opportunities in both cloud and on-premise solutions.

Engineering Division

The Engineering Division recorded revenue of S\$41.2 million and a profit before tax of S\$0.5 million in 9M2024. Compared to 9M2023, this represents an 8% revenue increase from S\$38.1 million and marks a turnaround from a loss before tax of S\$1.1 million in the same period last

year. The improvement is largely attributed to the continued profitability of its Indonesian operations, along with reduced losses from the Singapore and the Philippines operations. In Indonesia, which is the Division's largest revenue contributor, a major power system solution has been successfully delivered for a data center, along with securing additional Fiber to the Home (FTTH) and managed service projects. In Singapore, revenue from the structured cabling business saw notable growth compared to 9M2023. In Malaysia, its focus on RF optimisation and cost efficiency has resulted in a profitable position in 9M2024.

The Division remains well-positioned to capitalise on potential market activity increases due to the announced appointment of U Mobile as a second 5G operator in Malaysia and the potential mobile network operator (MNO) merger in Indonesia. In addition to growing its telecommunications business, the Division will continue to explore opportunities in the data centre industry.

OUTLOOK

The Group is confident of achieving a successful turnaround in FY2024. It will continue to build on the positive momentum from continued improvements in revenue and profit before tax over the last few quarters. All three business divisions have improved operating performance compared to the similar period last financial year. The Group as a whole has sustained positive profit before tax for the last three quarters. While the operating environment remains challenging due to ongoing inflation and economic uncertainties affecting business and consumer sentiments, the Group is well-positioned to navigate these challenges, supported by its strong competencies and streamlined initiatives aligned with its transformation strategy and prudent financial management.

Going forward, the Group will focus on strengthening its core competencies and seizing opportunities to expand its businesses. It will also continue to improve cost efficiency, optimise resource allocation and ensure effective cash flow management to support sustainable growth and enhance shareholder value.

BY ORDER OF THE BOARD

Pauline Wong Mae Sum
Executive Director and President and Chief Executive Officer
14 November 2024