TeleChoice

KEEPING FOCUS, STAYING RESILIENT

ANNUAL REPORT 2022

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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 accessories. In Singapore, it operates a retail chain under the Planet Telecoms brand, and it is the only StarHub Ltd ("StarHub") Exclusive Partner to manage StarHub Platinum Shops. In addition, it is the appointed distributor of StarHub's prepaid card business. PCS also manages concept stores for major mobile device manufacturers such as Samsung and Oppo. In Malaysia, PCS provides retail management, fulfilment and supply chain services to U Mobile Sdn Bhd, a data-centric and multiple award-winning mobile data service company in Malaysia. PCS also operates an e-commerce site, www.eplanetworld.com, which offers the latest mobile phones, tablets, accessories as well as wearables and smart gadgets for online shoppers.

INFO-COMMUNICATIONS TECHNOLOGY SERVICES ("ICT"):

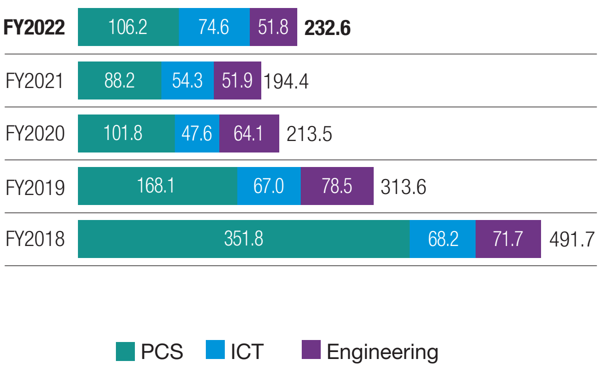
This division is a regional integrated info-communications solutions provider. It provides consultancy and system integration services for enterprise IT infrastructure and innovative business solutions and applications. Its extensive offerings include managed and hosted services, fixed and wireless networking, as well as campus management, customer relationship management, contact centre and unified communications solutions. It also provides consultancy and managed services to help companies adopt cloud, big data, analytics, Internet of Things and smart learning solutions to transform their businesses. In addition, ICT provides Internet Protocol television solutions for the hospitality industry and has a Service-Based Operator licence that offers IDD, SMS broadcast and other enterprise mobility solutions and services.

NETWORK ENGINEERING SERVICES ("ENGINEERING"):

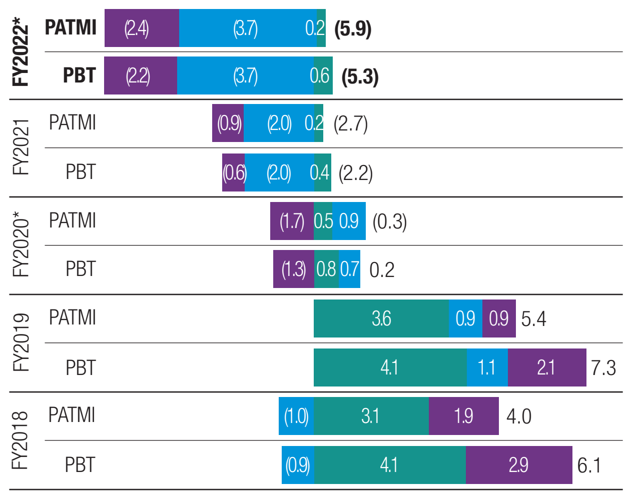
This division is a regional provider of network engineering services and supplier of specialised telecommunications products. It designs, builds and manages telecommunications networks and provides a comprehensive suite of specialised products and solutions to address the network infrastructure needs 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 also offers 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)

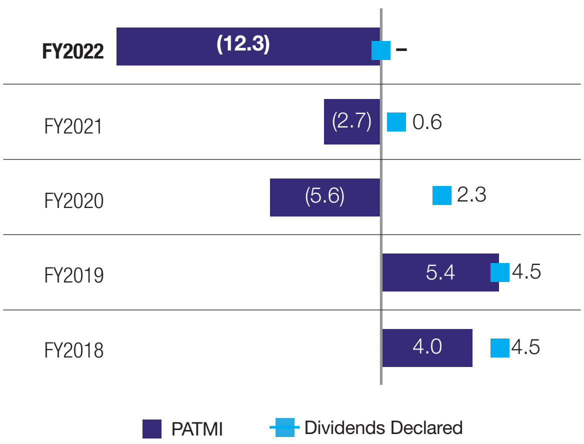


EARNINGS (S$ MILLION)

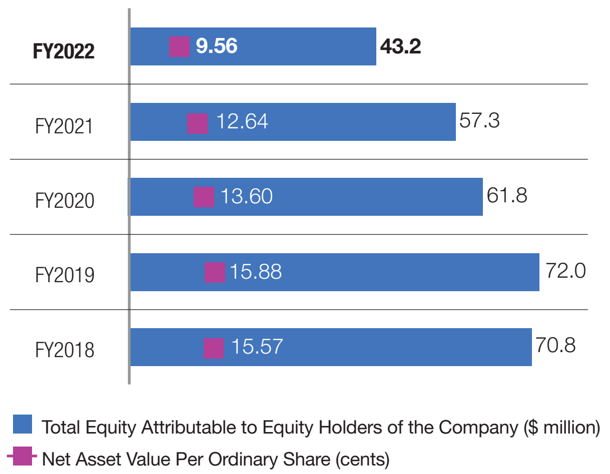


* excluded impairment of goodwill

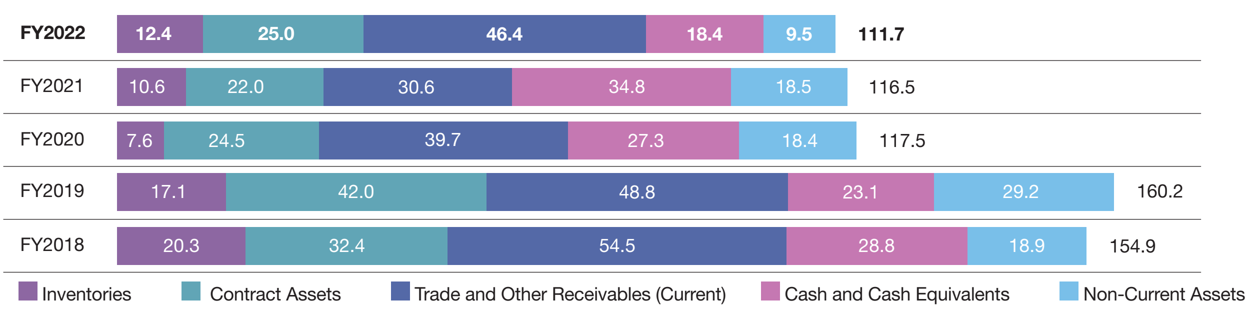
DIVIDENDS DECLARED AGAINST PATMI (S$ MILLION)



TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY



TOTAL ASSETS (S$ MILLION)



LETTER TO SHAREHOLDERS

RONALD SEAH LIM SIANG
Chairman

VINCENT LIM
President & CEO

Last year's theme: Transforming for Resilience
This year's theme: Keeping Focus, Staying Resilient

DEAR SHAREHOLDER

The financial year ended 31 December 2022 (FY2022) was marked by challenges for the Group as we navigated the impacts of the COVID-19 pandemic during the first half of the year. Although the pandemic gradually eased and borders reopened, other concerns emerged, such as rising interest rates, inflationary pressures, supply chain disruptions, and economic slowdown. Nevertheless, the Group demonstrated resilience and kept focused in the face of these challenges and was able to record improved revenue across all three business divisions in the second half of the year.

FINANCIAL HIGHLIGHTS

In FY2022, the Group's revenue grew by 19.7% to S$232.6 million compared to S$194.4 million in the previous year (FY2021). This increase was primarily due to higher revenue from the Personal Communications Solutions Services (PCS) and Info-Comm Technology Services (ICT) divisions. Gross profit also improved by 13.5%, amounting to S$18.6 million compared to S$16.4 million in the previous year. However, the lower gross margin recorded by the ICT and Network Engineering (Engineering) divisions resulted in the Group recording a lower gross margin in FY2022.

The Group recorded a higher operating loss before tax of S$5.3 million in FY2022 compared to S$2.2 million in FY2021 due to lower government grants received, consolidated losses from the acquisition of Radiance Communications Pte Ltd (RCPL), and consultancy costs incurred to review the Group's forward business strategy. Additionally, the Group recognised the entire S$6.4 million impairment of goodwill relating to its investment in NxGen Communications Pte Ltd which was acquired in 2011. Consequently, the loss attributable to equity holders was significantly higher at S$12.3 million in FY2022 compared to S$2.7 million in the previous year.

Despite the weaker performance, the Group's balance sheet is healthy, and its liquidity remains strong. As of 31 December 2022, the Group's total assets amounted to S$111.7 million, while its total liabilities amounted to S$68.4 million, resulting in a net asset value (NAV) per share of 9.56 cents. In terms of operating cash flows, the Group registered a net cash outflow of S$8.4 million in FY2022, which was mainly driven by negative changes in working capital resulting from increased operating activities related to the ramp-up in sales. Nevertheless, the Group maintained a net cash position of S$15.8 million as at 31 December 2022.

DIVIDEND UPDATE

The Board has decided not to propose a dividend for the current financial year. While we understand that this may come as a disappointment to our shareholders, we believe it is the responsible and prudent course of action to preserve our financial strength and position ourselves for sustainable growth in the future. We will continue to keep our shareholders informed of any developments and look forward to their continued support as we navigate these uncertain times.

LETTER TO SHAREHOLDERS

KEEPING FOCUSED, STAYING RESILIENT

To better position ourselves as the economy emerges from the pandemic, during the year we embarked on a comprehensive review and evaluation of our business strategy with an external consultant, resulting in the development of a five-year plan aimed at positioning the Group for growth and improving revenue performance, as well as returning to profitability. Our initiatives included streamlining operations, introducing new services, expanding competencies and skillsets in the team, and exploring new markets with the goal of generating business growth and sustainable returns. We are pleased to report that during this period, the Group successfully completed the acquisition of RCPL, a leading info-communications system integrator and service provider in Singapore and Malaysia, specializing in unified communications and contact centre solutions for government and enterprise markets.

Segmentally, the PCS Division, which serves the consumer market, showed a significant improvement in profitability in FY2022. The Division achieved higher revenue and gross margins, primarily due to increased contributions from its retail operations, particularly in Singapore. The growth can be attributed to successful strategies implemented by the Division, including the rationalisation of its retail operations by closing non-performing stores. Additionally, the Division's Smart and Green product line, which was launched in FY2021, has started to generate profits for the Group.

While the PCS Division showed considerable improvement in profitability, the ICT and Engineering divisions encountered challenges. These challenges were influenced by the economic and technological climate, including a slowing economy, rising inflation, high interest rates and supply chain disruptions, which impacted enterprise demand for services. Additionally, our customers adopted a more cautious approach to capital expenditure, resulting in slower order growth and project delays. Despite these difficulties, the Group remained committed to investing in its ICT and Engineering Services divisions, seeking out new growth opportunities, and adjusting its strategies as necessary to adapt to changing market conditions.

The Group's acquisition of RCPL has provided a significant boost to the ICT Division, complementing its existing business and resulting in operational synergies, increased competitiveness, consolidated market leadership and higher recurring maintenance revenue. The acquisition has also strengthened the Division's position in UC and CC solutions, particularly in sectors where RCPL already has a substantial market share in government and manufacturing. The Engineering Division has shown improvement in its operations in Indonesia and Malaysia by focusing on operational excellence, leading to improved profits. However, the Division faced challenges in its Singapore and Philippines operations, which it addressed by optimizing costs, consolidating operations, and restructuring to improve margins.

STRENGTHENING OUR ESG FRAMEWORK: INDEPENDENT ASSESSMENT AND TCFD DISCLOSURE

Our ongoing efforts to advance green practices in our operations, encourage diversity and inclusion, and uphold best practices in governance, risk management, and controls reflect our dedication to sustainability and creating value for our stakeholders.

We remained steadfast in our commitment to sustainable growth and upholding the highest standards of ethics and governance. This year, we prepared our sustainability report using the latest GRI Standards for Sustainability Reporting and revised SGX Sustainability Reporting rules. The report is aligned with the United Nations Sustainable Development Goals (SDGs) to highlight our contribution to sustainable development. Additionally, our report includes our first Taskforce on Climate-related Financial Disclosures (TCFD) Report, based on our preliminary analysis of potential climate-related risks and opportunities for our business. Moving forward, we will conduct a detailed climate scenario analysis to broaden and deepen our assessment and develop a strategy to manage climate-related risks and opportunities over the short, medium, and long term. Furthermore, to enhance the rigour of our sustainability reporting, we subjected it to an internal review by an independent party. These steps reaffirm our commitment to building a sustainable, resilient, and future-fit TeleChoice.

On the corporate governance front, we are committed to upholding the highest standards of corporate governance. We are also proud to have a diverse board with women and individuals from different professions, and we believe that these changes will further enhance the effectiveness of our corporate governance practices.

LOOKING AHEAD

In FY2023, the Group is adopting a cautious approach to its growth prospects in Singapore and the region, taking into account the challenges and opportunities in both the global macro and regional micro economies. However, we remain steadfast and committed to pursuing growth opportunities with a disciplined approach to ensure our long-term success. The strategic business review will effectively help

LETTER TO SHAREHOLDERS

us to better define our business growth objectives and road map. With enhanced leadership and bench strength we expect the positive momentum to continue going forward.

We also recognize the importance of financial stability and flexibility in our ability to pursue new opportunities, and as such, we have developed a robust strategy to manage our liquidity and meet any short-term funding needs that may arise. With our financial capacity, we are confident of our ability to seize opportunities and achieve sustainable growth in the long run. We will continue to closely monitor the economic landscape and adapt our strategies as needed to capitalize on business opportunities as they arise.

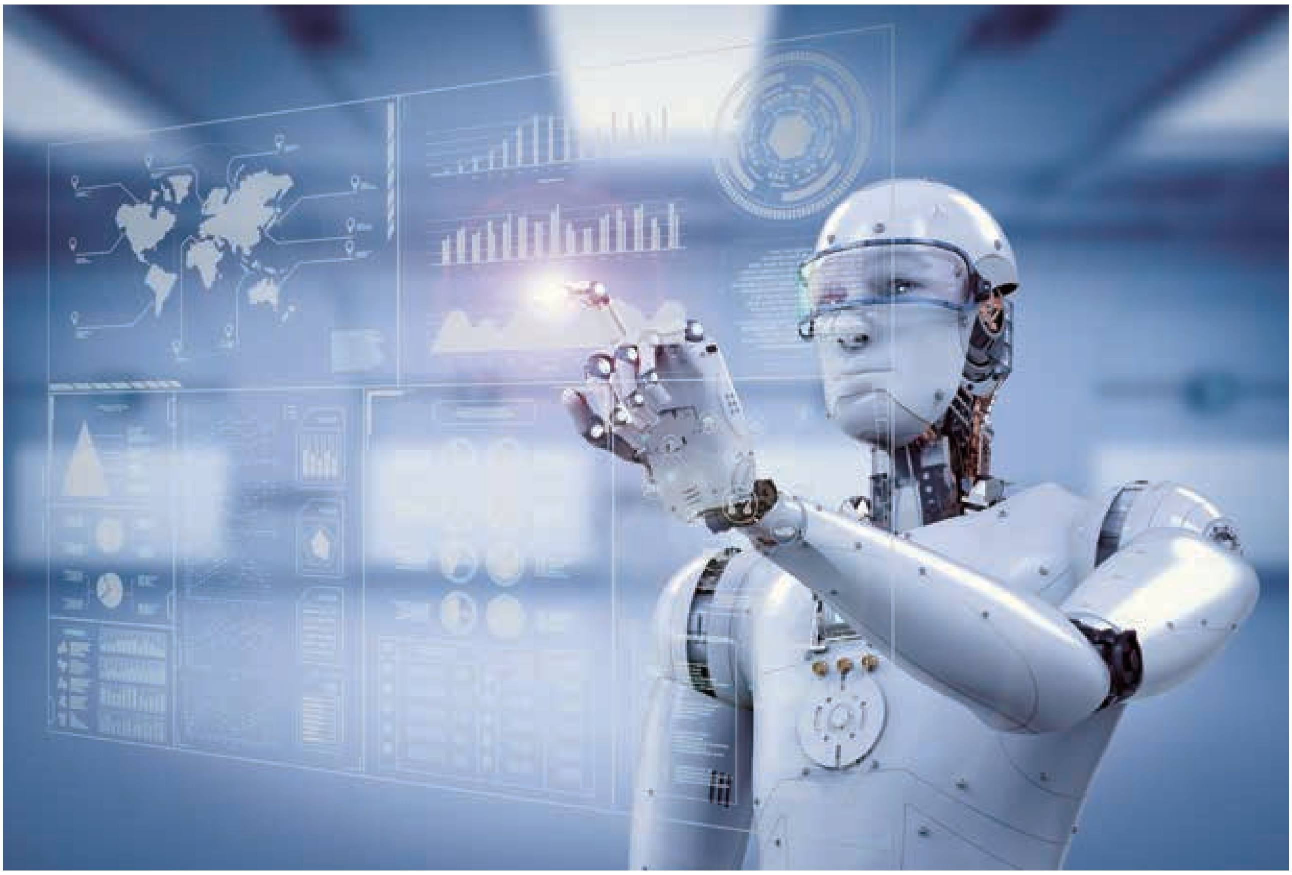
APPRECIATION AND ACKNOWLEDGMENT

As we look back on the past year, we want to express our sincere appreciation to our Board of Directors for their invaluable guidance and unwavering support. We would like to extend a special thanks to Mr Jackson Tang for his valuable contributions as he stepped down from the Board and we wish him the best in his future endeavours. At the same time, we welcome Mr Nicholas Tan to the Board, whose strong background in the telecommunications industry will undoubtedly bring significant value to the Group.

We are also deeply grateful to our talented and dedicated management and staff for their hard work, resilience, and commitment. Moreover, we extend our heartfelt thanks to our shareholders, customers, and partners for their continued trust and support, especially during these challenging times. We remain steadfast in our commitment to delivering sustainable value and building long-lasting relationships with all of our stakeholders.

RONALD SEAH LIM SIANG
Chairman

VINCENT LIM
President and CEO



MISSION

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

VISION

CONNECTING PEOPLE, EMPOWERING BUSINESS

VALUES

INTEGRITY
COMMITMENT
EXCELLENCE
SOCIALLY RESPONSIBLE
FUN@WORK

BOARD OF DIRECTORS

1 RONALD SEAH LIM SIANG 2 STEPHEN GEOFFREY MILLER 3 NICHOLAS TAN KOK PENG

1 RONALD SEAH LIM SIANG
Chairman and Independent Director

- Appointed on 3 May 2012
- Last re-elected on 28 April 2021

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.

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.

BOARD OF DIRECTORS

2 STEPHEN GEOFFREY MILLER
Deputy Chairman and Non-Executive 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)*
- *2nd Watch, Inc. (Director)*
- *Australian Chamber of Commerce, Singapore (Board 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.

3 NICHOLAS TAN KOK PENG
Independent Director

- Appointed on 1 January 2023

CURRENT DIRECTORSHIPS IN OTHER LISTED COMPANIES
- *Nil*

CURRENT PRINCIPAL COMMITMENTS
- *Nil*

Mr Tan serves as the Chairman of the Audit Committee, effective from 1 January 2023.

Mr Tan has wide-ranging finance and business experience spanning over 35 years. He started his career working with notable multinationals Hewlett Packard and Texas Instruments in various finance and accounting capacities. In 1994, he joined Becton Dickinson Medical as Financial Controller for Singapore as well as Southeast Asia.

Mr Tan held various leadership positions within the Singapore Technologies Telemedia (now ST Telemedia) Group of companies. He was CFO for major telcos in the region: Indosat in Indonesia and StarHub in Singapore. In Indonesia, he was instrumental in successfully concluding a complex refinancing exercise raising almost US$1 billion from three instruments and the company won several industry awards. Mr Tan was also the Senior VP of Corporate Planning at ST Telemedia with business oversight of subsidiaries, group synergy and overall enterprise risk management.

Mr Tan graduated with a Bachelor of Accountancy from the National University of Singapore.

BOARD OF DIRECTORS

4 CHEAH SUI LING
5 YEO SIEW CHYE STEPHEN
6 HO KOON LIAN IRENE
7 LIM CHAI HOCK CLIVE

4 CHEAH SUI LING
Independent Director

- Appointed on 3 June 2020
- Last re-elected on 28 April 2021

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

CURRENT PRINCIPAL COMMITMENTS
- *Pathology Asia Holdings Pte. Ltd. (Independent Director & Chair of Audit Committee)*
- *ECOSPIRITS Pte. Ltd. (Executive Board Chair)*
- *Wavemaker Partners (Venture Partner)*

Ms Cheah serves as a member 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

5 YEO SIEW CHYE STEPHEN
Independent Director

- Appointed on 3 June 2020
- Last re-elected on 28 April 2021

CURRENT DIRECTORSHIPS IN OTHER LISTED COMPANIES
- *Nil*

CURRENT PRINCIPAL COMMITMENTS
- *Nil*

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

6 HO KOON LIAN IRENE
Non-Executive 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

7

LIM CHAI HOCK CLIVE
Non-Executive Director

- Appointed on 29 September 1999
- Last re-elected on 28 April 2022

CURRENT DIRECTORSHIPS IN OTHER LISTED COMPANIES
- *Nil*

CURRENT PRINCIPAL COMMITMENTS
- *Leap International Pte Ltd (Managing Director)*
- *Leap Foundation Ltd (Chairman)*
- *Regent College (Visiting Associate Professor of Marketplace Theology)*
- *Biblical Graduate School of Theology (Adjunct Lecturer)*
- *Trinity Theological College (Adjunct Lecturer)*

Mr Lim serves as a member of the Executive Committee.

Mr Lim is credited with having successfully spearheaded the strategic development and growth of the Group since its inception in 1998 into a regional diversified provider and enabler of innovative communications today.

Following his retirement as Group President in November 2006, Mr Lim continues to contribute his extensive industry experience and expertise to the Group, as a Non-Executive Director and a member of the Executive Committee.

Mr Lim, who oversaw the strategic development and management of our Group as President, has over 13 years of experience in the telecommunications industry, including establishing CellStar Pacific Pte Ltd, an Asean-wide cellular communication distribution business. Prior to undertaking his appointment as our Group President in January 2004, he held the position of Managing Director from March 1999 to December 2003 where he was responsible for the Group's distribution business.

Mr Lim is currently a Director of Leap International Pte Ltd, a family office based in Singapore. Mr Lim holds an MBA from the Asian Institute of Management, Manila, a Master of Arts (Christian Studies) from Regent College, Vancouver, Canada, and a Doctoral Degree from Gordon Conwell Theological Seminary, MA, USA.

EXECUTIVE MANAGEMENT

1 VINCENT LIM SHUH MOH 2 LEE YOONG KIN 3 PAULINE WONG 4 DAVID HO 5 WONG LOKE MEI 6 GOH SONG PUAY

1 VINCENT LIM
President & Chief Executive Officer

Mr Lim joined TeleChoice International Limited ("TeleChoice" or the "Group") in October 2013, and is responsible for the Group's management, growth and strategic direction.

Mr Lim brings with him more than 30 years of IT and telecommunications experience in Singapore and the region. His career spans various industries such as maritime, banking and finance, and computing. Prior to joining TeleChoice, Mr Lim was Vice-President of Enterprise Data and Managed Services in Singtel Enterprise Group, where he was responsible for presales and product specialist function, global delivery competencies and vendor management. He oversaw more than $420 million of product businesses across Singtel Enterprise Group, which includes its business in Australia, and led a team of more than 500 people.

Mr Lim was also previously the Group General Manager of NCS Pte Ltd, Chief Executive Officer of SCS Enterprise Systems Pte Ltd ("SCS"), and Managing Director of Infonet Systems & Services Pte Ltd ("Infonet") (part of GES International group of companies). His notable achievements include the development of SCS' Enterprise Computing Business unit which registered exponential growth under his leadership, securing several multimillion-dollar contracts including the Standard Operating Environment contract, and the successful divestment of a subsidiary to an overseas telecom operator. He was also instrumental in starting the world's largest cyber gaming and internet access centre in Singapore in collaboration with StarHub Ltd, during his term at Infonet.

EXECUTIVE MANAGEMENT

2 LEE YOONG KIN
Senior Vice President

Network Engineering Services Division

Mr Lee joined TeleChoice in December 2006, as business head of its Network Engineering Services ("NES") Division and is currently responsible for the profitability, overall growth, and strategic direction of the Division. He was concurrently also the business head of the Info-Communications Technology ("ICT") Services Division from April 2013 till Dec 2022.

He has over 30 years of senior business and operational experience in the IT and telecommunications industry, having held various senior leadership positions in ST Telemedia Pte Ltd, ST Electronics (Info-Comm Systems) Pte Ltd, and CSE Global Ltd. Prior to joining TeleChoice, he was previously the Managing Director of Equinix Singapore Pte Ltd, which he co-founded in 1999, and General Manager and Board member of ST Teleport Pte Ltd (a subsidiary of ST Telemedia) which he set up in 1994.

Mr Lee holds a Bachelor of Engineering (First Class Honours) and an MBA from the National University of Singapore.

3 PAULINE WONG
Senior Vice-President

Personal Communications Solutions Services Division

Ms Wong joined TeleChoice in December 1999 as Operations Manager for the Personal Communications Solutions Services ("PCS") Division (then known as Distribution Services Division). She has been a key contributor to the significant growth and success of the PCS Division. In 2006, she was appointed to lead and oversee the overall management of the PCS Division, including its regional and retail operations and is also responsible for developing strategies and identifying new market opportunities to grow the business. In 2021, she spearheaded the Division's foray into the provision of smart and green solutions to meet consumer changing needs for eco-friendly, sustainable and innovative products and services.

Ms Wong has more than 25 years of experience in the telecommunications industry, spanning corporate planning, strategy setting, business operations, fulfilment, and managed services and retail management. Prior to joining TeleChoice, Ms Wong was 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.

EXECUTIVE MANAGEMENT

4 DAVID HO
Senior Vice President

Info-Communications Technology Services Division

Mr Ho joined TeleChoice in December 2022 as the Senior Vice President of Info-Communications Technology ("ICT") Services Division. He is responsible for managing the Division's operations and charting its strategic growth and development.

He has over 28 years of ICT industry experience and a proven track record in driving sales and business turnaround, developing organisational strategy and managing stakeholders and partners. Prior to joining TeleChoice, he held various senior leadership positions including Managing Director of Sabre Corporation (Southeast Asia), Head of Cloud and Applications of Oracle Hong Kong and Taiwan, Senior Director of Oracle Consulting (Southeast Asia), Regional Director of EPICOR (Southeast Asia) and Sales Director of Computer Sciences Corporation (Greater China).

Mr Ho graduated with a Bachelor of Computer Engineering from the Nanyang Technological University

5 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.

6 GOH SONG PUAY
Vice-President

Human Resource

Mr Goh is responsible for the management of local and regional human resource functions of the Group, including human capital development, leadership and organisational development.

Mr Goh has more than 20 years' human resource experience across a broad spectrum of industries. Prior to joining the Group in 2004, Mr Goh held various senior positions, including Assistant Vice-President (HR) at StarHub Pte Ltd (now known as StarHub Ltd), and Director (HR) at i-STT Pte Ltd, a subsidiary of ST Telemedia. He was also Director (HR) for the National University Hospital.

Mr Goh holds a Bachelor of Mechanical Engineering from the National University of Singapore.

OPERATIONS REVIEW

PERSONAL COMMUNICATIONS SOLUTIONS SERVICES ("PCS")

In FY2022, the PCS Division's revenue reached S$106.2 million, accounting for 45.7% of the Group's total revenue. This was a significant increase from FY2021's revenue of S$88.2 million, driven by higher revenue from the Division's Singapore and Malaysian operations. The Division's PBT also improved, rising from S$0.4 million in FY2021 to S$0.6 million in FY2022, due to improved gross margins resulting from the recovery of the retail industry in Singapore and Malaysia, as well as the closure of non-performing stores and successful launch of Smart and Green products.

The PCS Division continued to build strong partnerships with leading mobile device manufacturers and accessories suppliers in Singapore, including Samsung, for which it has become one of the largest partners with a substantial market share. Samsung has appointed the Division's Planet Telecoms retail chain as its accessories fulfillment arm and planned to use the flagship store at ION Orchard to serve as the official platform for showcasing new products. The Division also partnered with mobile manufacturers to offer prepaid bundle deals with devices and secured exclusive distributorship agreements with major IT superstores. Additionally, the Division worked with StarHub to revamp its Westgate shop, and was appointed as the exclusive distributor for several workers' dormitories for StarHub's prepaid cards. Furthermore, it planned to partner with domestic helper agencies for prepaid card fulfillment going forward.

In addition to operations in Singapore, the Division continued to work closely with partners in Malaysia. It introduced new post-paid plan updates for U Mobile with enhanced service offerings, including 2X data and unlocked hotspots for all plans. The Division also focused on sales activities related to Samsung S22 and S22 Ultra as well as prepared for the upcoming Samsung S23 launch in 2023. The Division has implemented a revamp of its retail operations to drive sales with plans to roll-out new service offerings and expand its channel touchpoints to other Malaysian states.

Throughout FY2022, the PCS Division also implemented several market and channel expansion strategies. The Division participated in the Comex fair where it showcased a range of products such as smartphones, mobile accessories, wearables, and Smart and Green products under its own branded Eplanetworld roadshow, including the debut of Quair Plasma Go air purifier. The Division also secured extended sole distributorship agreements for several product lines and was awarded exclusive distributorship for LifeSmart, a smart home solution. It launched new products such as brain fitness device Neeuro Senzeband 2.0, and engaged in several corporate partnerships for tie-ups and rewards programs. Additionally, the Division collaborated with key opinion leaders to promote its products and participated in various campaigns, including Autism Awareness Day, where it partnered with a local association and donated a portion of its sales to the cause.

INFO-COMMUNICATIONS TECHNOLOGY SERVICES ("ICT")

The ICT Division contributed S$74.6 million or 32.1% of the Group's revenue in FY2022, marking a 37.3% increase from FY2021's revenue of S$54.3 million. The revenue increase was primarily driven by lower margin hardware sales, with some services also contributing to the growth. However, despite the increase in revenue, the Division

OPERATIONS REVIEW

incurred a loss before tax and impairment of S$3.7 million, compared to FY2021's loss before tax of S$2.0 million. This was on account of lower project revenue recognition and additional costs incurred to complete certain projects, as customers remained prudent in capex spending resulting in delays in project tendering and awards. The Division also recognized losses from the newly acquired Radiance Communications Pte Ltd (RCPL). Additionally, the Division invested in enhancing the platform features for its new Internet of Things (IoT) and Cloud as a Service initiatives but slow adoption and sales conversion resulted in delays in revenue recognition.

In spite of another challenging year marked by sluggish demand and intense competition, the ICT Division was able to continue securing noteworthy projects, demonstrating its resilience. The projects included a multi-year contract for a Software-as-a-Service (SaaS) Student Information System, and a PeopleSoft GCC Migration project for educational institutions, a data warehousing project with an independent energy market operator in Singapore, and a strategic contract with a local banking institution for their largest tech refresh storage on-demand. The Division's AI-powered Contact Centre as a Service (CCaaS) solution, OneCC, has also achieved a significant milestone by acquiring nearly 300 seats since its launch in 2021. These wins are a testament to the Division's success in its pivot towards delivering reliable and efficient technology solutions across different industries.

In addition, the Division achieved another significant milestone with the acquisition of RCPL, which further strengthened its leadership position as a system integrator for Unified Communications (UC) and Contact Centre (CC) in Singapore. This acquisition has bolstered the Division's market position, especially in the healthcare and education sectors, where it secured several notable projects, including a major one for a institute of higher learning.

The Division also maintained close collaboration with its partners to deliver best-in-class solutions, which was reflected in its recognition as the Huawei Outstanding Partner of the Year 2022. The Division's commitment to delivering high-quality UC/CC solutions to its customers was also acknowledged by Avaya, who awarded it Diamond Partner 2022, and by Genesys, who awarded it Bronze Partner 2022.

NETWORK ENGINEERING SERVICES (“ENGINEERING”)

In FY2022, the Engineering Division recorded a revenue of S$51.8 million, representing 22.3% of the Group's overall revenue. This level of revenue is comparable to that recorded in FY2021 and project services continued to be the Division's primary revenue stream. However, the Division incurred a loss before tax of S$2.1 million in FY2022, which was higher than the S$0.6 million loss registered in FY2021. Despite profit contribution from the Division's Indonesia and Malaysia operations, the Division encountered losses in Singapore due to project delays and cost escalation. Additionally, the Division's Philippines operations recorded higher losses compared to the previous year, mainly due to a decline in revenue.

Although Covid-19 restrictions have generally abated, the Division continued to face challenges in implementing site-based projects due to a shortage of implementation resources. The ongoing Russian-Ukraine war has caused supply chain disruptions and logistic bottlenecks. This,

OPERATIONS REVIEW

coupled with high inflation rates, had led to rising costs of materials and manpower resources, and resulted in erosion of project margins.

The operating environment is especially challenging in Singapore, which was constrained by the availability of foreign workers. This had resulted in widespread delays and backlogs in the completion of building construction projects. As the Division's in-building coverage (IBC) projects were contingent on building readiness for project installation, its operations were similarly impacted. Furthermore, telecommunications operators were prudent in their capex spending, and this has led to increased headwinds in the industry.

Despite the challenging operating environment, the Engineering Division maintained its leadership position in providing mobile network planning, rollout and optimization services in the region. The Division continued to strengthen its partnerships with major equipment vendors such as Huawei, Nokia, and Ericsson, to support network roll-out services to major mobile network operators (MNOs) in the region. The Division also received numerous awards and recognition from equipment vendors for its exceptional performance and successfully secured a steady stream of significant multi-year contracts from its customers. Some of the more significant contracts secured by the Division included a nationwide optical, datacom & access engineering service in Indonesia, 5G network roll-out services and outdoor network roll-out services in Singapore. Additionally, contracts were also secured in the Philippines and Singapore with MNOs and a third-party build-and-lease network operator to supply optic fibre cables as well as for implementation, IBC site audit and network benchmarking drive test services.

One of the Division's key initiatives for the year was to diversify its revenue stream. In order to improve its margins and reduce dependency on equipment vendors, the Division took steps to increase its direct revenue share from MNOs, tower operators and other third-party build-and-lease network operators, while also providing managed services (MS) to support their maintenance, repair and operations (MRO) activities. These efforts, while still in the initial stage, had yielded initial success with the Division securing more direct orders from MNOs, tower operators and build-and-lease operators across the regions.

Additionally, the Division diversified its service offerings and made further inroad in the provision of power solutions and MS. To this end, the Division secured a significant multi-million dollars power supply project with a datacentre operator in Indonesia, and a contract to provide MS to a tower operator in Indonesia. The Division's Nexans cabling products were successful in a government multi-year bulk tender exercise and was designated as one of two cabling products for use in all government projects. This would position the Division to continue supplying structural cabling for government agencies' structural cabling projects.

PROSPECTS AND FUTURE PLANS

The Group is committed to further strengthening its competencies and expanding its presence in existing and new markets across all three business divisions. It recognizes that the current business environment is challenging and will require agility, innovation, and resilience to navigate. The Group will continue to explore opportunities for growth and expansion by leveraging its

OPERATIONS REVIEW

expertise and resources to pursue synergistic partnerships and collaborations. The Group remains focused on enhancing its business capabilities and services to meet the evolving needs of its customers both locally and overseas. In alignment with the business strategy review conducted in FY2022, the Group will pivot towards the development of new products and services, expand its sales and distribution channels, and explore new market opportunities through strategic partnerships and collaborations.

Despite the recovery from the COVID-19 pandemic, cautious consumer spending amidst an economic slowdown may dampen the retail sector and, in turn, pose a challenging environment for the PCS Division. However, the Division is committed to working closely with its partners to identify new opportunities for growth and to deliver value-added, innovative solutions to meet the evolving needs of customers and stay ahead in the highly competitive retail landscape. Drawing on its expertise in fulfillment, distribution channel and retail management, as well as marketing and promotional solutions, the PCS Division will be actively expanding its reach and services. It plans to collaborate with partners such as Samsung and OPPO to enhance its fulfilment solutions, including warehousing, and to expand its channels and outlets for product retail and distribution. Additionally, the Division intends to collaborate with third parties to serve the increasing influx of migrant workers for mobile devices, prepaid cards and related services.

For the ICT Division, the trend towards enterprise digitalization presents numerous opportunities. As more businesses seek to digitize their operations and leverage emerging technologies, there is a growing demand for innovative solutions that can deliver value to their organizations. The ICT Division remains committed to providing service-centric solutions that cater to this need. To this end, the Division plans to expand its cloud solutions and managed services, which will allow it to offer a broader range of flexible and scalable solutions to customers across various industries. Additionally, the Division is investing in new initiatives to provide cutting-edge solutions that meet the evolving needs of its customers. By leveraging its capabilities, technology and strategic partnerships, the Division is well-positioned to deliver high-quality service-centric solutions that add value to its customers and drive growth.

On account of the many ongoing regional network swap-out and upgrading projects, as well as the launch of 5G networks by regional telecommunication operators, the Engineering Division has secured significant increase in year-on-year order bookings in 2022. This has resulted in an increase in order backlog that the Division is carrying forward into 2023. To further bolster its order book, the Division is committed to actively participate in project and product supply tenders by capitalizing on the numerous opportunities presented by the upgrading of 4G networks and the rollout of 5G networks in Singapore and the region. Diversification remains an essential strategy, and the Division will continue to prioritize it by broadening its revenue streams and customer base. The Division also aims to strengthen and explore new partnerships to provide more new cutting-edge solutions to its customers. Leveraging its expertise in network design and deployment, the Division will also identify and pursue opportunities beyond the traditional telecommunications market.

PLANET TOUCHPOINTS

NORTH

OPPO CONCEPT STORE

1 Woodlands Square
#03-12 Causeway Point
Singapore 738099
Tel: +65 6760 1330
Nearest MRT: NS9 TE2 Woodlands
Opening hours: 11am to 9pm daily

SAMSUNG EXPERIENCE STORE

23 Serangoon Central
#04-42 NEX Mall
Singapore 556083
Tel: +65 6636 7392
Nearest MRT: NE12 CC13 Serangoon
Opening hours: 11am to 9pm daily

STARHUB CAUSEWAY POINT

1 Woodlands Square
#03-08/09/10 Causeway Point
Singapore 738099
Tel: +65 6980 7313
Nearest MRT: NS9 TE2 Woodlands
Opening hours: 11am to 9pm daily

STARHUB WATERWAY POINT

83 Punggol Central
#B1-27 Waterway Point
Singapore 828761
Tel: +65 6385 9551
Nearest MRT: NE17 PTC Punggol
Opening hours: 11am to 9pm daily

CENTRAL

OPPO CONCEPT STORE

200 Victoria Street
#01-55 Bugis Junction
Singapore 188021
Tel: +65 6273 2388
Nearest MRT: EW12 DT14 Bugis
Opening hours: 11am to 9pm daily

SAMSUNG EXPERIENCE STORE

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

STARHUB BUGIS JUNCTION

200 Victoria Street
#01-51 Bugis Junction
Singapore 188021
Tel: +65 6980 7308
Nearest MRT: EW12 DT14 Bugis
Opening hours: 11am to 9pm daily

EAST

SAMSUNG EXPERIENCE STORE

311 New Upper Changi Road
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Singapore 467360
Tel: +65 6844 9310
Nearest MRT: EW5 Bedok
Opening hours: 11am to 9pm daily

WEST

STARHUB WESTGATE

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#03-28 Westgate
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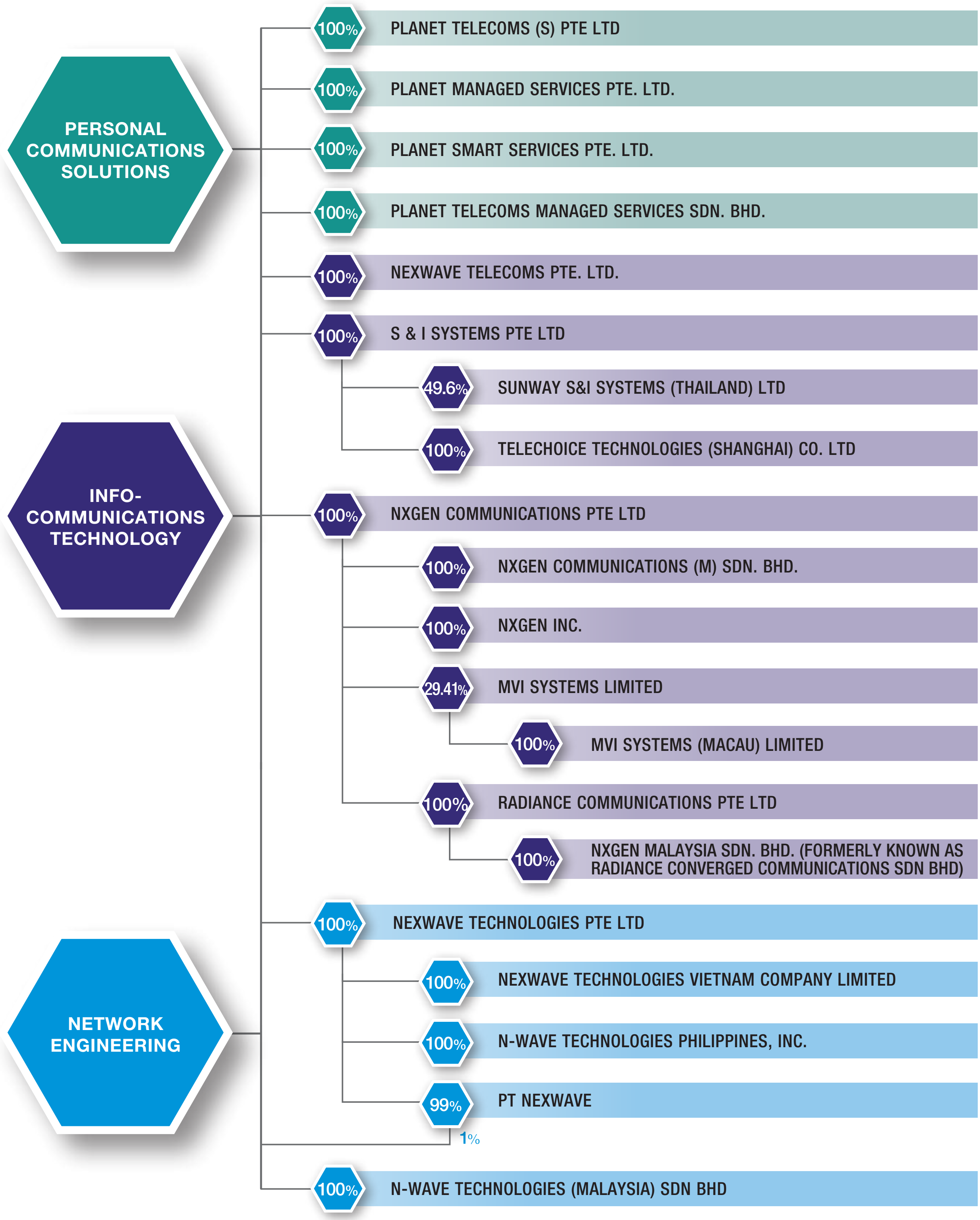
Nearest MRT: EW24 NS1 JE5 Jurong East
Opening hours: 11am to 9pm daily

GROUP STRUCTURE

AS OF 9 MARCH 2023

TELECHOICE INTERNATIONAL LIMITED



CORPORATE INFORMATION

BOARD OF DIRECTORS

Ronald Seah Lim Siang
(Chairman and Independent Director)
Stephen Geoffrey Miller
(Deputy Chairman and Non-Executive Director)
Nicholas Tan Kok Peng
(Independent Director)
Cheah Sui Ling
(Independent Director)
Yeo Siew Chye Stephen
(Independent Director)
Ho Koon Lian Irene
(Non-Executive Director)
Lim Chai Hock Clive
(Non-Executive Director)

COMPANY SECRETARY

Lai Wai Kit Andrew

REGISTERED OFFICE

25 North Bridge Road
Level 7
Singapore 179104

EXTERNAL AUDITORS

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

DIRECTORY OF SUBSIDIARIES AND ASSOCIATES CORPORATE

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Website: www.telechoice.com.sg

PERSONAL COMMUNICATIONS SOLUTIONS SERVICES

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Planet Managed Services Pte. Ltd.
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INFO-COMMUNICATIONS TECHNOLOGY SERVICES

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Radiance Communications Pte Ltd
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Malaysia
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Fax: +60 3 7880 8393

NxGen Malaysia Sdn. Bhd.
(formerly known as Radiance Converged Communications Sdn Bhd)
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CORPORATE INFORMATION

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NETWORK ENGINEERING SERVICES

Singapore

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6 Serangoon North Avenue 5
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Malaysia

N-Wave Technologies
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Malaysia
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Fax: +62 21 829 2502

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Philippines
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Vietnam

NexWave Technologies Vietnam
Company Limited
Level 14, Saigon Centre Tower 1
65 Le Loi Boulevard District 1
Ho Chi Minh City
Vietnam

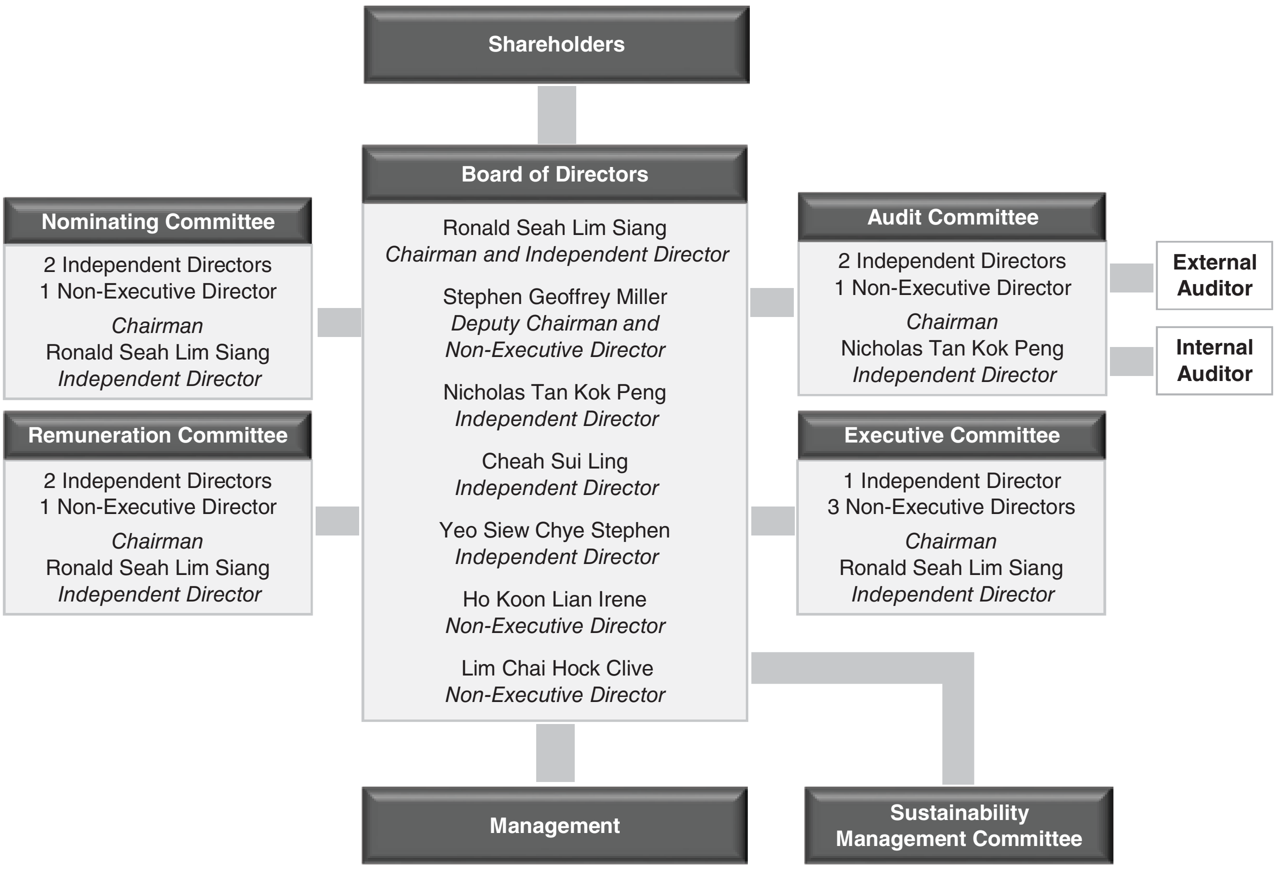
CORPORATE GOVERNANCE

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 2018**"), for the financial year ended 31 December 2022 ("**FY2022**").

Our Company has complied with the principles and provisions as set out in the Code 2018 for FY2022 in all material respects, except as specifically stated. Where our Company's practices vary from any provisions of the Code 2018, 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 50 to 51 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 result
- 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 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, Ho Koon Lian Irene and Lim Chai Hock Clive. 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 Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**"). 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"; and
- in respect of the AC, "Principle 9: Risk Management and Internal Controls" and "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 Nominating Committee 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.

Tang Yew Kay Jackson stepped down as an Independent Director at the end of FY2022, and Nicholas Tan Kok Peng was appointed as a new Independent Director with effect from 1 January 2023 ("**Change in Board Composition**"). As a newly appointed Director, Nicholas Tan Kok Peng was 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. He was also provided with briefings from Management on the Group's objectives, strategic directions, key business strategies and plans, operational activities and processes. As Nicholas Tan Kok Peng has no prior experience as a director of a listed company, our Company will arrange for him to attend the relevant courses conducted by the Singapore Institute of Directors ("**SID**") as prescribed by the Listing Manual within one year of his appointment.

CORPORATE GOVERNANCE

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.

Pursuant to Rule 720(7) of the Listing Manual which came into effect on 1 January 2022, all of our existing Directors, other than Nicholas Tan Kok Peng who was appointed as an Independent Director with effect from 1 January 2023, had undergone training on sustainability matters as prescribed by the SGX-ST in FY2022. Nicholas Tan Kok Peng will be attending the training on sustainability matters as part of the relevant courses conducted by the SID that he will be attending as prescribed by the Listing Manual.

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.

In FY2022, our Board comprised seven (7) Directors, all of whom were Non-Executive Directors, and a majority of whom were Independent Directors, namely Ronald Seah Lim Siang, Tang Yew Kay Jackson, Cheah Sui Ling and Yeo Siew Chye Stephen. The Chairman of our Board, Ronald Seah Lim Siang, is also an Independent Director.

Following the Change in Board Composition, Nicholas Tan Kok Peng has replaced Tang Yew Kay Jackson, and our Board currently continues to comprise seven (7) Directors, all of whom are Non-Executive Directors, and a majority of whom are Independent Directors.

Board independence

As noted above, in FY2022, our Board comprised all Non-Executive Directors, out of which a majority were Independent Directors, i.e. Ronald Seah Lim Siang, Tang Yew Kay Jackson, Cheah Sui Ling and Yeo Siew Chye Stephen. Our Board was led by our Chairman, Ronald Seah Lim Siang, who is also an Independent Director. Our Board was able to exercise objective judgement on corporate affairs independently, in particular, from Management. 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 2018 and Practice Guidance to the Code 2018 ("**Practice Guidance**"). Based on such assessment, and taking into account the guidance in the Code 2018 and the Practice Guidance, our Board has determined Ronald Seah Lim Siang, Tang Yew Kay Jackson, Cheah Sui Ling and Yeo Siew Chye Stephen to be independent.

CORPORATE GOVERNANCE

Following the Change in Board Composition, Nicholas Tan Kok Peng was appointed as an Independent Director in place of Tang Yew Kay Jackson, and our Board continues to comprise all Non-Executive Directors, out of which a majority are Independent Directors, and there is no change in terms of the ability of our Board to exercise objective judgement on corporate affairs independently and the presence of a strong element of independence in our Board's deliberations. Our NC has also determined that Nicholas Tan Kok Peng is independent.

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.

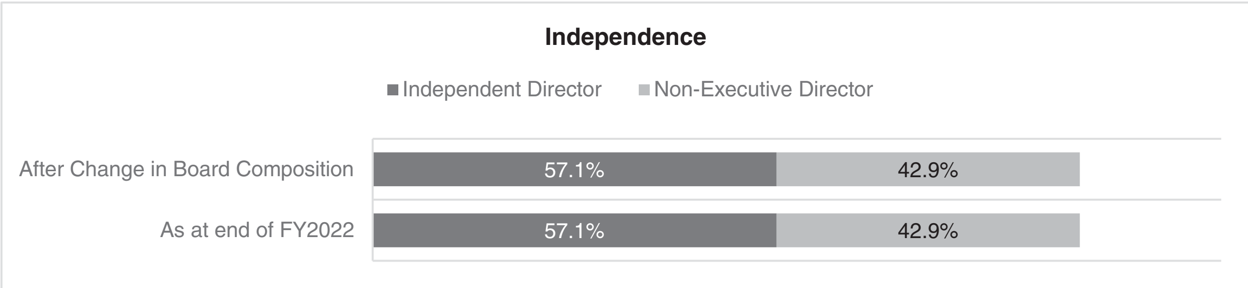
In FY2022, our Board comprised seven (7) Directors, who are business leaders and professionals of high calibre and integrity, collectively with a broad range of core competencies and skills, knowledge and experience in banking and finance, investment, business and management, accounting and financial management, risk management, and relevant industry experience (including information, communications and technology). Nicholas Tan Kok Peng was appointed as an Independent Director with effect from 1 January 2023 in place of Tang Yew Kay Jackson. Based on the recommendation of our NC, our Board was of the view that Nicholas Tan Kok Peng 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 the appointment of Nicholas Tan Kok Peng. The profiles of our current Directors are found on pages 7 to 11 of this Annual Report.

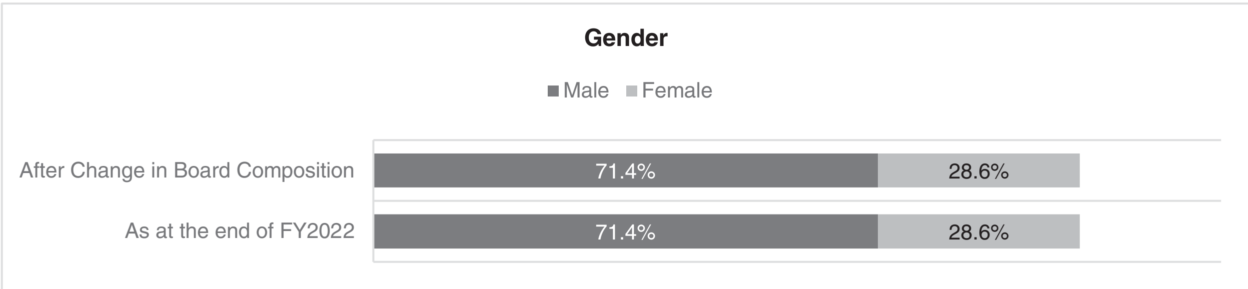
In FY2022, our Board comprised four (4) Independent Directors and three (3) Non-Executive Directors, and included two (2) female Directors, one of whom served as a member of our EC and both of whom served as members of our AC. There is no change in diversity in terms of independence and gender following the Change in Board Composition, pursuant to which Nicholas Tan Kok Peng was appointed as an Independent Director in place of Tang Yew Kay Jackson. It is to be noted that the proportion of female Directors on our Board is 28.6%, which already exceeds the target set by the Council for Board Diversity for female board representation of 25% by 2025.

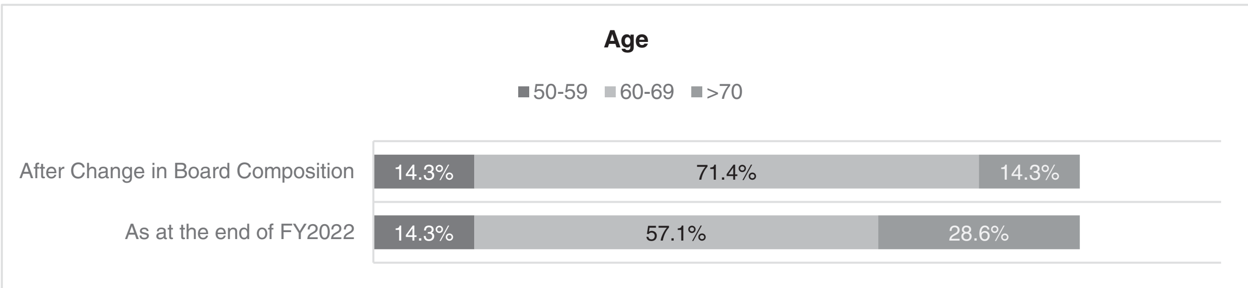
In FY2022, our Directors had varying age profiles ranging from 50s to 70s, and had served on our Board for varying tenures. Pursuant to the Change in Board Composition, Tang Yew Kay Jackson stepped down as an Independent Director at the end of FY2022 and Nicholas Tan Kok Peng was appointed as an Independent Director with effect from 1 January 2023, resulting in a change in diversity in terms of age and tenure profiles. 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.

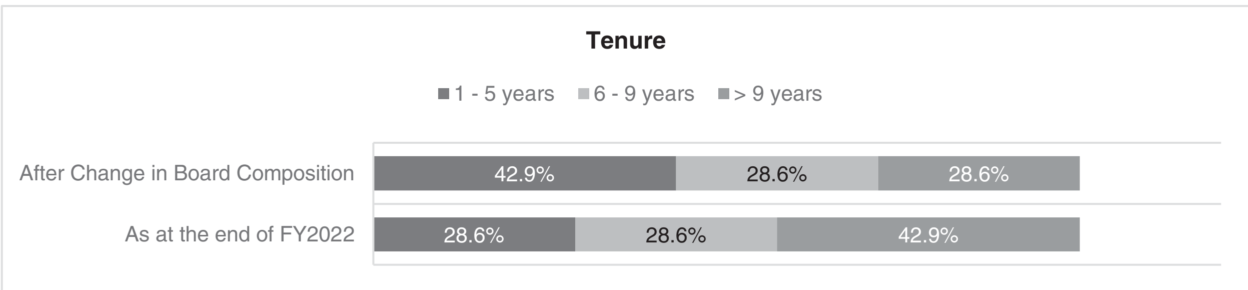
CORPORATE GOVERNANCE

The following charts reflect the diversity profiles of the Board as at the end of FY2022 and after the Change in Board Composition:









CORPORATE GOVERNANCE

The current composition of our Board enables Management to benefit from an outside diverse and objective perspective of issues that are brought before 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 Directors and Independent Directors also meet separately, whether formally or informally, without the presence of Management on a regular basis and also as and when the need arises, and the chairman of such meetings will provide feedback to the Board and/or Chairman as appropriate.

Board Diversity Policy

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

- Our Company recognises that a Board comprised of 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 groupthink 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 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.

CORPORATE GOVERNANCE

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 January 2023 as part of the Board renewal process, pursuant to which Nicholas Tan Kok Peng was appointed as an Independent Director in place of Tang Yew Kay Jackson. Nicholas Tan Kok Peng has professional accounting qualifications and experience and adds further diversity to our Board in terms of skills and experience. 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. Our Board further noted that female representation on our Board stands at 28.6%, which already 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 targets to maintain female representation on our Board at a minimum of 25%. 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, an Independent Non-Executive 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, Lim Shuh Moh Vincent, 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 is an Independent Director.

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 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.

CORPORATE GOVERNANCE

Details of frequency and participation at our Board, AC, RC, NC, EC and general meetings for FY2022 are set out in Table 1.

Table 1: FY2022 – Directors' Attendance at Board, Board Committees and Annual General Meetings

	Board		Audit Committee		Remuneration Committee		Nominating Committee		Executive Committee		Annual General Meeting	
Director	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)	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%)	1	1 (100%)	0	–	1	1 (100%)
Stephen Geoffrey Miller	4	3 (75%)	NA	NA	1	1 (100%)	1	1 (100%)	0	–	1	1 (100%)
Tang Yew Kay Jackson(1)	4	4 (100%)	5	5 (100%)	NA	NA	1	1 (100%)	NA	NA	1	1 (100%)
Cheah Sui Ling	4	4 (100%)	5	5 (100%)	NA	NA	NA	NA	NA	NA	1	1 (100%)
Yeo Siew Chye Stephen	4	4 (100%)	NA	NA	1	1 (100%)	NA	NA	NA	NA	1	1 (100%)
Ho Koon Lian Irene	4	4 (100%)	5	5 (100%)	NA	NA	NA	NA	0	–	1	1 (100%)
Lim Chai Hock Clive	4	4 (100%)	NA	NA	NA	NA	NA	NA	0	–	1	1 (100%)

Note:
(1) Tang Yew Kay Jackson has resigned as a Director at the end of FY2022, and concurrently ceased to be the Chairman of our AC and a member of our NC.

Nominating Committee

In FY2022, our NC was chaired by an Independent Non-Executive Director, Ronald Seah Lim Siang, and also comprised Tang Yew Kay Jackson (Independent Non-Executive Director) and Stephen Geoffrey Miller (Non-Executive Director). The members of our NC were all Non-Executive Directors, a majority of whom (including the Chairman) were Independent Directors.

After Tang Yew Kay Jackson stepped down from the Board and concurrently ceased to be a member of our NC at the end of FY2022 pursuant to the Change in Board Composition, Yeo Siew Chye Stephen, an Independent Director, was appointed as a member of our NC in place of Tang Yew Kay Jackson. Our NC continues to be chaired by Ronald Seah Lim Siang and Stephen Geoffrey Miller continues to be a member of our NC.

Our NC's responsibilities include:

- 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;

- 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

- recommendations to our Board on training and professional development programs for our Board.

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 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, Tang Yew Kay Jackson (who had served on our Board for more than nine (9) years and was last re-elected as an Independent Director by shareholders in compliance with the two-tier voting requirement at the AGM held on 28 April 2021) decided to step down from our Board at the end of FY2022. In searching for a replacement, our NC considered different candidates recommended by other Board members and their networking contacts. No search consultant was appointed. The criteria used to identify and evaluate the potential candidates include expertise in audit and financial management and experience in the telecommunications and/or information communications technology, so as to fill the position of AC Chairman which would be vacated by Tang Yew Kay Jackson as well as enhance the industry knowledge and diversity of our Board.

CORPORATE GOVERNANCE

Nicholas Tan Kok Peng was appointed as an Independent Director with effect from 1 January 2023, and succeeded Tang Yew Kay Jackson as the Chairman of our AC. Our NC had considered, among other things, that Nicholas Tan Kok Peng has professional accounting qualifications, and has held various senior level finance-related positions, including having been the Chief Financial Officer of PT Indosat, StarHub Limited and M1 Limited, and also has substantial experience in the telecommunications industry, based on his finance-related and business-related positions held in Singapore Technologies Telemedia Pte. Ltd., PT Indosat, StarHub Limited and M1 Limited. Taking into account the foregoing, and with Tang Yew Kay Jackson stepping down from his position as Independent Director and Chairman of our Audit Committee, the qualifications, experience and skillsets of Nicholas Tan Kok Peng would provide further diversity to the core competencies and skillsets of the Board, given in particular his professional accounting qualifications.

Our Constitution requires one-third of our Directors to retire and subject themselves to re-election by shareholders at every annual general meeting (“**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, Ronald Seah Lim Siang, Cheah Sui Ling and Yeo Siew Chye Stephen will retire by rotation and will be subject to re-election by shareholders at the AGM to be held on 27 April 2023. Pursuant to Regulation 105 of our Company’s Constitution, Nicholas Tan Kok Peng will retire and will be subject to re-election by shareholders at our AGM to be held on 27 April 2023 as he was appointed with effect from 1 January 2023 to fill a casual vacancy. Upon re-election, Ronald Seah Lim Siang will remain as Chairman and Independent Director and Chairman of our NC, RC and EC, Cheah Sui Ling will remain as an Independent Director and member of our AC, Yeo Siew Chye Stephen will remain as an Independent Director and member of our NC and RC, and Nicholas Tan Kok Peng will remain as an Independent Director and Chairman of our AC. 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 further the section “Assessment of independence” below in relation to the additional consideration taken into account in the NC’s recommendation and assessment of the independence of Ronald Seah Lim Siang. Please also 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 2018 and Practice Guidance. In accordance with the Code 2018, 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 status as an Independent Director being affected.

Based on the declarations of independence provided by our Directors and taking into account the guidance in the Code 2018 and the Practice Guidance, our Board has determined that Ronald Seah Lim Siang, Nicholas Tan Kok Peng, Cheah Sui Ling and Yeo Siew Chye Stephen are independent.

Prior to the amendments to the Listing Manual and the Code 2018 with effect from 11 January 2023, a director who has served for an aggregate period of more than nine (9) years may continue to be an independent director subject to the approval of shareholders by way of a two-tier vote under the previous Rule 210(5)(d)(iii) of the Listing Manual. Pursuant to the amendments which took effect from 11 January 2023, Rule 210(5)(d)(iii) was deleted, and a tenure limit of nine (9) years was imposed for independent directors under the new Rule 210(5)(d)(iv). As part of the transitional arrangement, the requirement under the new Rule 210(5)(d)(iv) will take effect for an issuer's annual general meeting for the financial year ending on or after 31 December 2023.

Ronald Seah Lim Siang and Tang Yew Kay Jackson had served on our Board for more than nine (9) years and were re-elected as Independent Directors by shareholders pursuant to the two-tier voting requirement under the previous Rule 210(5)(d)(iii) at the AGM held on 28 April 2021. As part of our Board renewal process, Tang Yew Kay Jackson has stepped down from our Board at the end of FY2022. In respect of Ronald Seah Lim Siang, our Board has undertaken a due and careful rigorous review, and concurs with the recommendation of our NC that, notwithstanding that Mr Seah has served on the Board for more than 9 years, he remains independent in his exercise of Board duties as he has continued to demonstrate independent mindedness and conduct, including expressing his own views on issues and challenging management.

Under the transitional arrangement described above, Ronald Seah Lim Siang will, subject to his re-election at the AGM to be held on 27 April 2023 following his retirement by rotation, continue to be an Independent Director until the conclusion of the AGM in respect of the financial year ending 31 December 2023.

Ronald Seah Lim Siang has also declared that he and his brother, Peter Seah Lim Huat, are both directors in related corporations of our Company which have business transactions with our Group. Ronald Seah Lim Siang continues to demonstrate strong independence in character and judgement in the discharge of his responsibilities as a Director on our Board. He has continued to express his individual view points, debated issues and objectively scrutinised and challenged Management. After taking into account the views of our NC, our Board is of the view that Ronald Seah Lim Siang remains independent in his exercise of Board duties.

CORPORATE GOVERNANCE

In relation to Nicholas Tan Kok Peng, who was appointed as an Independent Director with effect from 1 January 2023, our NC has considered, among other things, his previous positions in our Company's related corporations, including Singapore Technologies Telemedia Pte Ltd and StarHub (where he was Chief Financial Official but left his position in April 2015, which was more than 7 years ago). Taking into account the foregoing, including in particular the time lapse since he was last employed by a related corporation of the Company, our NC was of view that the foregoing does not interfere, and would not reasonably be perceived to interfere, with the exercise of his independent business judgment in the best interests of our Company. Our NC therefore considers Nicholas Tan Kok Peng to be independent, and our Board concurs with the recommendation.

Assessment of Directors' Commitment

Our Nominating Committee 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 7 to 11 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 FY2022, 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 FY2022.

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.

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.

CORPORATE GOVERNANCE

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 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 FY2022. Our NC is satisfied that for FY2022, 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 FY2022.

(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 an Independent Non-Executive Director, Ronald Seah Lim Siang, and also comprises Yeo Siew Chye Stephen (Independent Non-Executive Director) and Stephen Geoffrey Miller (Non-Executive Director). The members of our RC (including the Chairman) are all Non-Executive Directors, a majority of whom (including the Chairman) are 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 President & CEO is not present during the discussions relating to his own compensation, and terms and conditions of service, and the review of his performance. However, our 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.

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 2018.

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-based 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 107 to 109 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), 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). 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 FY2020 to FY2022.

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 2018, 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 four (4) Key Management Personnel for FY2022 are set out in Table 2 below.

Table 2: FY2022 – President & Chief Executive Officer and Top Four (4) Key Management Personnel’s Remuneration

Name	Fixed Component %	Variable Cash Component %	Share-Based Component %	Benefits-In-Kind %	Remuneration Bands[1]
Lim Shuh Moh Vincent	75.4	8.2	15.3	1.1	C
Lee Yoong Kin	82.0	7.2	10.1	0.7	B
Pauline Wong Mae Sum	79.0	10.5	10.3	0.2	B
Wong Loke Mei	85.2	5.9	8.4	0.5	A
Goh Song Puay	85.4	6.0	8.1	0.5	A

Notes:
(1) Remuneration Bands:
“A” refers to remuneration between S$250,001 and S$500,000.
“B” refers to remuneration between S$500,001 and S$750,000.
“C” refers to remuneration between S$750,001 and S$1,000,000.

CORPORATE GOVERNANCE

For FY2022, the aggregate total remuneration paid to the President & CEO and top four (4) Key Management Personnel (who are not Directors) amounted to approximately $2,552,569.

For competitive reasons, we have disclosed the remuneration of our 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 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 President & CEO and is consistent with the intent of Principle 8.

For FY2022, there were no termination, retirement and post-employment benefits granted to Key Management Personnel.

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 FY2022 will be subject to shareholders' approval at the forthcoming AGM.

Table 3: FY2022 – 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 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).

CORPORATE GOVERNANCE

To align the interests of our Directors to that of our shareholders, Directors who served on our Board during FY2022 (other than Lim Chai Hock Clive, 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 shares after the first anniversary of the date of his/her cessation as a Director of our Company.

In relation to Lim Chai Hock Clive, it is proposed that the entire amount of his Director's remuneration for FY2022 be paid to him in cash in full. Lim Chai Hock Clive is a controlling shareholder of our 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. However, as the number of share awards to be granted to Lim Chai Hock Clive 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 him at the AGM. In view of the difficulties that our Company would face in complying with the Rule 853 of the Listing Manual for the grant of share awards to Lim Chai Hock Clive, our Company is therefore proposing to pay him in cash in full instead.

The following Table 4 shows the total composition of Directors' remuneration for FY2022.

Table 4: FY2022 – Directors' Remuneration

	Total Directors' Remuneration[1]		
Name	**Cash-based (S$)**	**Share-based (S$)**	**Total (S$)**
Ronald Seah Lim Siang	83,300	35,700	119,000
Stephen Geoffrey Miller	41,300[2]	17,700	59,000
Tang Yew Kay Jackson[3]	52,850	22,650	75,500
Cheah Sui Ling	43,400	18,600	62,000
Yeo Siew Chye Stephen	36,050	15,450	51,500
Ho Koon Lian Irene	43,400[2]	18,600	62,000
Lim Chai Hock Clive[4]	42,000	–	42,000

Notes:
(1) The aggregate amount of these fees is subject to approval by shareholders at the upcoming AGM for FY2022.
(2) These fees are payable to STT Communications Ltd.
(3) Tang Yew Kay Jackson resigned as a Director at the end of FY2022. As he has served for the entire FY2022, he will be paid his Director's remuneration in full for FY2022.
(4) As explained above, Lim Chai Hock Clive will be paid his Director's remuneration of S$42,000 in cash in full.

(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. Our AC assists our Board in carrying out its responsibility of overseeing our Group's risk management and internal controls.

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 AC. Integral to the ERM is a Group-wide system of internal controls.

Our Board, with the advice of our AC, determines our Group's level of risk tolerance and risk policies and our AC oversees Management in the design, implementation and monitoring of the risk management and internal control systems. Our Board 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 AC at least on a half-yearly basis and as and when it becomes necessary to do so.

Management, under the supervision of our AC, 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, including the remedial measures recommended to address the risks identified. Our AC also reviews 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. 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.

CORPORATE GOVERNANCE

Our Board, with the concurrence of 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 FY2022, our AC comprised three (3) Non-Executive Directors, two of whom (including the Chairman) were Independent Directors. Our AC members were Tang Yew Kay Jackson 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 Tang Yew Kay Jackson stepped down from our Board at the end of FY2022 pursuant to the Change in Board Composition, Nicholas Tan Kok Peng was appointed as an Independent Director and as Chairman of our AC in place of Tang Yew Kay Jackson. Cheah Sui Ling and Ho Koon Lian Irene continue to be members of our AC.

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 is also responsible for overseeing our Group's risk management framework and policies, including advising our Board on our Group's overall risk tolerance and policies; overseeing Management on the design, implementation and monitoring of the risk management and internal control systems; and reviewing the adequacy and effectiveness of our Group's risk management and internal control systems. Major identified risk categories include strategic, operational, market, compliance and information technology risks. The risk management processes are tailored to address these categories of risks.

Our AC is supported by Senior Management representatives who:

- oversee and ensure that our risk management policies are adequate and remain effective;

- conduct regular reviews to ensure that our business units and key functions adequately prioritise and address risk management issues; and

- prepare regular updates on risk management issues for our AC.

CORPORATE GOVERNANCE

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 FY2022, 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 the independence and objectivity of the auditors, 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 178 of this Annual Report. Having noted that no non-audit services were provided by the external auditors in FY2022 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
Impairment assessment of goodwill The annual impairment of goodwill testing is considered to be a key audit matter as significant judgement is required to determine the assumptions to be used to estimate the recoverable amount. The recoverable amount of the cash generating unit ("**CGU**"), which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted cash flow model. This model is based on several key assumptions, including estimates of long term revenue growth rate, operating profit margin and discount rate.	 The AC considered the goodwill impairment analysis provided by Management and the views of the external auditors on this issue. The AC reviewed and challenged the key assumptions used in Management's calculations including revenue growth rate, operating profit margin and the discount rate. In its view, the AC also considered reports on forecasts for 2023 to 2025 prepared by Management, firm commitments secured from customers and pipelines, as well as the level of headroom in the value in use model prepared by Management. The AC considered the sensitivity analysis undertaken by Management and the external auditors and the impact on the headroom. In view of the uncertain economic outlook and a negative revenue growth rate forecasted for FY2023, and as the recoverable amount is below the carrying value, a full impairment of S$6.4 million was made as at 31 December 2022.
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 2022.

CORPORATE GOVERNANCE

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.

All of the matters considered above were discussed with the President & CEO and the CFO and the external auditors. Our AC was satisfied that each of the matters set out above have 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.

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.

The 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 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 the President & CEO and the 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, the President & CEO and relevant Senior Management every quarter.

CORPORATE GOVERNANCE

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 2018 and the Practice Guidance on an adequate, accurate and timely basis to facilitate shareholders' ability to make informed investment decisions.

Our Company also supports the Code 2018's principle 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.

CORPORATE GOVERNANCE

In FY2022, arising from the COVID-19 situation and in accordance with the various legislative measures passed and implemented to allow alternative arrangements for general meetings of companies, our 2022 AGM was convened and held by electronic means. Shareholders were afforded the opportunity to participate by:

- Observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream;
- Submitting questions in advance; and
- Appointing 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 the President & CEO attended the AGM.

Our 2023 AGM will be held in a wholly physical format and there will be no option for shareholders to participate virtually. Shareholders may participate in our 2023 AGM by (a) attending our 2023 AGM in person; (b) submitting questions to the Chairman of the meeting in advance of, or live at, our 2023 AGM; and (c) voting at our 2023 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.

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. 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 cognizant 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.

CORPORATE GOVERNANCE

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.

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.

CORPORATE GOVERNANCE

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.

SUSTAINABILITY REPORT

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SUSTAINABILITY REPORT

About This Report

We are pleased to present the 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 2022 to 31 December 2022 ("FY2022").

Scope

This report focuses on the ESG performance of the Group's business operations in Singapore and excludes overseas operations, unless otherwise specified. In FY2022, our Singapore operations accounted for the majority of our revenue at 80%, while our overseas operations contributed 20%. We intend to progressively broaden our reporting scope to incorporate our overseas entities and provide more detailed information and data in future reports.

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 also complies with the Listing Rules of the Singapore Exchange Securities Trading Limited (Rules 711A and 711B). To report on how we manage our climate-related risks and opportunities, we have begun implementing the guidelines provided by the Task Force on Climate-Related Disclosures (TCFD). Furthermore, our report aligns with the United Nations' Sustainable Development Goals (SDGs) to demonstrate our commitment to sustainable development.

Reporting Principles

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

Restatements

This report includes the following restatements of previously reported data on accounts of improved data availability: a restatement of energy intensity figures for 2020 and 2022 after including fuel data, and carbon emissions for 2020 and 2021 after adjusting for revised emissions factors for purchased electricity and calculation errors.

Assurance

We have not sought external assurance for this report and will consider doing so as our sustainability reporting matures over time. For the current reporting period, we have completed an internal audit review on identified selected sustainability reporting processes.

SUSTAINABILITY REPORT

Contact

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

SUSTAINABILITY REPORT

Performance Summary

ESG Topics	Unit	FY2022	FY2021	FY2020
ENVIRONMENTAL				
Total electricity used	kWh	489,489	538,593	539,817
Electricity intensity per sq m floor area	kWh	115	98	110
Energy intensity per sq m floor area	GJ	0.58	0.49	0.53
Total energy consumption	GJ	2,478	2,679	2,595
CO_2 emissions (tCO_2)[2]	tCO_2	248	269	265
Carbon emission intensity per sq m floor area	$kgCO_2$	58	49	58
General waste (Kg)[3]	Kg	1,660	3,310	3,430
SOCIAL				
Employees				
Full-time employees	Number	333	322	339
Female employees	%	40	40	38
Female managers	%	39	40	41
Female Heads of Department	%	32	40	36
Average training hours per employee	Hours	12	13	10
New hires	Number	132	73	23
Employee annual turnover rate	%	33	30	21
Customers				
Net Promoter Score	Points	9.52	9.30	9.58
Community				
Employee volunteering (days)	Days	7.5	13	26

SUSTAINABILITY REPORT

ESG Topics	Unit	FY2022	FY2021	FY2020
GOVERNANCE				
Overall SGTI score (Points)	Number	80	89	66
Overall SGTI ranking	Number	112	53	285
Confirmed incidents of corruption	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

Notes:
1. Energy intensity pertains to purchased electricity, petrol and diesel.
2. CO2 emissions comprise Scope-1 and Scope-2 emissions.
3. The NPS score refers to Planet Platinum stores.

SUSTAINABILITY REPORT

Awards

Throughout the years, our unwavering commitment to customer service, quality, efficiency, and excellence has garnered numerous accolades and recognitions for the Group. The following are the awards we have received in the past three years:

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
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

SUSTAINABILITY REPORT

2020
Avaya – Diamond Partner 2020
Avaya – Top Performing Enterprise Value-Added-Reseller for Singapore 2020
Genesys – Bronze Partner of the year 2020
Huawei – Top Potential Partner 2020, S&I Systems
Huawei – Best QC Support 2020, PT NexWave
Smartmatic – APAC Strategic Partner of the Year
Smartfren – Support and Outstanding Contribution to Smartfren Project
StarHub – SmartSupport “Relaunch” Sales contest, Champion
StarHub – SmartSupport “Abundant Prosperity” Contest for Q1 2020, Champion
45 retail staff awarded the Excellent Service Award from SPRING Singapore and Singapore Retailers Association (14 Star awards, 12 Gold awards and 18 Silver awards)

SUSTAINABILITY REPORT

Governance

TeleChoice is committed to sustainability governance. The TeleChoice Board of Directors ("the Board") provides strategic directions for addressing sustainability impacts, risks and opportunities.

In addition, the Sustainability Management Committee ("SMC"), chaired by the President and CEO and represented by the senior executives, is responsible for formulating and implementing sustainability strategies, establishing targets, reviewing ESG performance and providing direction for the preparation of sustainability report. The company has engaged an external sustainability expert from a specialised sustainability consulting firm to provide directions concerning the report content, reporting scope and boundary as well as to validate the material topics for reporting.

We have implemented ESG governance practices to ensure that we operate in a sustainable, responsible and ethical manner for our long-term sustainability and success. We believe good governance is important for managing sustainability risks and opportunities and enhancing stakeholder trust.

Board Statement and Responsibility

The Board is responsible for the compliance of this report with the SGX-ST guidelines on corporate governance and sustainability reporting. In addition, the Board is also responsible for directing the management in the development of sustainability strategy formulation, identifying, and endorsing the material ESG factors to be included in the Sustainability Report. Other than determining the material ESG factors set out in this report, the Board also provides oversight of the management and monitoring of these material ESG factors through regular reporting of the key performance indicators and determines the Group's response to the attendant risks and opportunities.

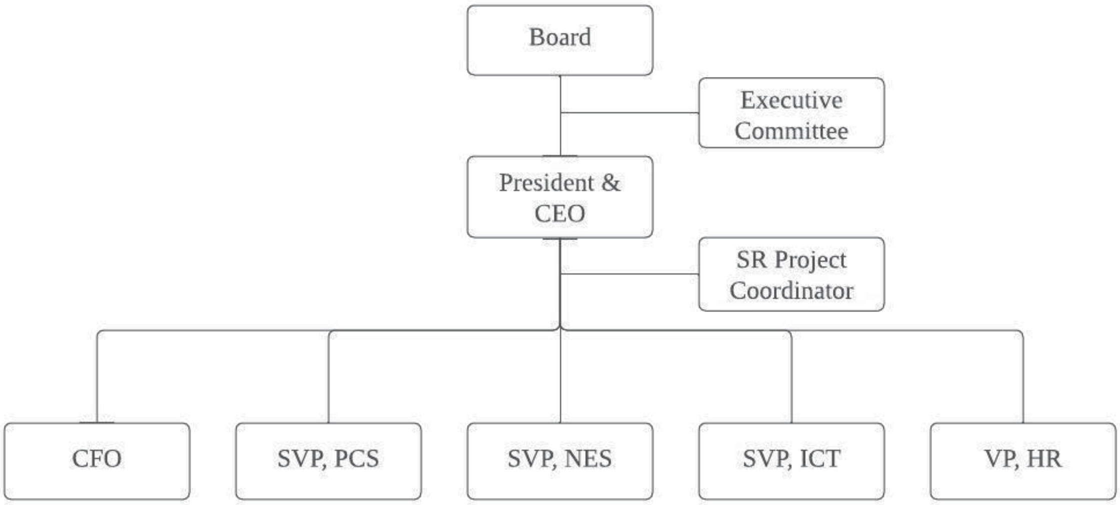
Management Responsibility

The TeleChoice executive management team is accountable for executing Board-approved sustainability strategies, delivering periodic updates on ESG goals and targets to the Board, and supervising the preparation of sustainability reports that are subject to Board review and approval.

The Sustainability Management Committee (SMC), headed by the President & CEO and consisting of senior executives, is responsible for driving sustainability performance across the organisation. The SMC is assisted by a sustainability reporting project coordinator who facilitates collection, verification, and evaluation of ESG performance data and information for the purpose of reporting.

SUSTAINABILITY REPORT

Sustainability Governance Structure



Regulatory Compliance

At TeleChoice, we are committed to complying with all applicable laws and regulations. Ensuring regulatory compliance is essential for us to maintain our legal and ethical obligations, protect our reputation, and avoid financial and legal penalties. Compliance with regulations, such as data protection laws, environmental regulations, tax laws, and employment laws, can help us build trust and credibility with customers and stakeholders, and avoid reputational damage and negative publicity.

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

ESG Factor	Ongoing Target	FY2022 Performance
Regulatory Compliance	Report on the number of significant incidents of legal non-compliance.	There were no significant incidents of legal compliance in FY2022.

Anti-Corruption

TeleChoice is fully committed to maintaining the highest standards of ethics and integrity, and we have zero tolerance for any form of corruption and bribery. Fostering an environment of integrity and ethical behaviour is essential for building trust with stakeholders and upholding our corporate values. Therefore, we strive to conduct all business activities in a fair, transparent, and accountable manner.

Our Anti-Corruption policy sets out the standards and procedures that various stakeholders must adhere to. We prohibit the offering, giving, soliciting, or accepting of any bribe or corrupt payment, whether directly or indirectly, to or from any person or entity, for any purpose. Our policy also mandates that all suspicions of bribery or corruption are promptly reported and investigated, and appropriate action is taken.

As part of the onboarding process, it is mandatory for all newly hired employees to familiarise themselves with our anti-corruption policy, comprehend its contents, and undergo an assessment.

Anti-corruption Awareness

TeleChoice's anti-corruption policy is made known to all employees and Directors. An annual reminder was sent to all employees.

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

ESG Factor	Ongoing Target	FY2022 Performance
Anti-Corruption	Report on the number of incidents of corruption and actions taken, if any.	There were no incidents of corruption in FY2022

Data Privacy

The protection of personal data is essential for us to maintain trust and credibility with our employees, customers, regulators and stakeholders. We are committed to protecting the personal data of our employees and third parties, such as customers or partners, who may share their personal data with us. We handle personal data responsibly, consistent with data protection and privacy laws and our internal policies. To ensure the responsible handling of personal data, we abide by the Personal Data Protection Act ("PDPA") that governs the collection, use and disclosure of personal data by all private organisation. In adherence to PDPA, we have implemented a Personal Data Protection Policy. Customers and business partners can easily contact our Data Protection Officer by mail, email, or phone to address any concerns about their personal data. The Data Protection Policy is publicly available on our corporate website.

In 2022, no complaints were received concerning breaches of customer privacy, theft, leaks, or losses of personal data or critical information.

ESG Factor	Ongoing Target	FY2022 Performance
Data Privacy	Report on the number of substantiated complaints of personal data breaches.	There were no substantiated complaints of personal data breach in FY2022

SUSTAINABILITY REPORT

Human Rights

We support internationally accepted human rights principles and local regulations. Our policies ban discrimination, forced and child labour. Additionally, we respect our employees' right to freedom of association and union, in line with applicable national regulations.

There were no incidents of discrimination, forced labour or child labour in the reporting period.

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.

We recognise the importance of sustainability in our operations, our value chain and the broader community. We are committed to upholding recognised standards of governance and ethics, serving our customers with integrity, minimising our environmental impact, promoting a fair and inclusive workplace, and ensuring that our business practices align with our corporate values and sustainability principles. Our approach is to make a positive impact on our environment, people and communities while continuing to deliver value to our customers and shareholders.

Our sustainability commitments

1. **Operating ethically and with integrity:** We are committed to operating our business with the recognised standards of ethical conduct. We will maintain transparency in our business practices, comply with all applicable laws and regulations, and ensure that our products and services are delivered with integrity.
2. **Serving our customers:** We are committed to providing excellent customer experience at every touchpoint and build long-lasting relationships.
3. **Developing our People:** We are committed to developing our people and providing them with opportunities for growth, learning, and advancement. We recognise that our employees are our most valuable asset, and investing in their development is critical to our success as a company.
4. **Minimising our environmental impact:** We are committed to reducing our greenhouse gas emissions, energy consumption, and waste generation. We will continue to seek ways to reduce our environmental footprint and adopt industry best practices where applicable.
5. **Supporting communities:** We believe in giving back to the communities in which we operate. We will engage in philanthropic initiatives, volunteerism, and support programmes that promote community development.

Our sustainability approach

Our approach to managing ESG issues is as follows:

1. **Strong governance:** We adhere to recognised standards of corporate governance and business ethics and the Board has direct oversight of governance and sustainability.
2. **Risk management:** ESG risks, including climate-related risks and opportunities, are taken into consideration in our enterprise risk management and overseen by the Board.
3. **Customer experience:** We aim to exceed our customers' expectations and provide personalised service that meets their needs and expectations. We train and empower our employees to provide excellent service and support to our customers.

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4. **Employee development:** We engage our employees to understand their aspirations, and provide them with the resources, support, and opportunities they need to grow, learn, and thrive in their roles.
5. **Energy efficiency:** We adopt energy-efficient practices in various aspects of our business, including the use of LED lights and smart sensors and observing Earth's Day.
6. **Waste reduction and recycling:** We strive to reduce waste generation and promote recycling.
7. **Sustainability reporting:** We report on our ESG performance in line with international reporting standards and provide transparency on our progress towards achieving our sustainability commitments.

Learn more about how we identify and determine our ESG priorities in the chapter on Materiality Assessment in this report.

SUSTAINABILITY REPORT

Stakeholder Engagement

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

At TeleChoice, we recognise that engaging with stakeholders is crucial to our sustainability efforts and to building trust. Our stakeholders come from diverse backgrounds, including our customers, business partners, suppliers and contractors, investors, regulators and government agencies, communities, and employees. We prioritise our stakeholders based on their potential impact on our operations, as well as their interest and potential contributions to our sustainability goals. Our commitment is to engage stakeholders in a manner that is transparent, inclusive, and meaningful. Our main purpose of stakeholder engagement is to understand and address the reasonable concerns and expectations of our stakeholders.

As such, we believe in communicating transparently with our stakeholders about our sustainability performance and challenges. Our approach is to proactively engage our stakeholders who may be impacted by our business operations or who have the potential to affect our business. We believe building trusted relationships with stakeholders is key to sustainable business growth. Through our business policies and strategies, we endeavour to create sustainable value for all stakeholders.

Our engagement approaches include formal, periodic, and ongoing methods. For example, we periodically conduct customer satisfaction surveys to gather feedback. We also gain valuable insights into our stakeholders' expectations and concerns through our routine interactions with them. We use these learnings to make informed management decisions.

An overview of our stakeholder engagement is provided below.

STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	ENGAGE METHODS	OUR RESPONSE
Customers	• Service quality • Attractive pricing • Responsiveness • Good credit terms • Ethical practices • Work safety • Technical expertise	• Customer feedback and engagement forum • Customer survey • Regular meetings • Sales presentations • Project management committee meetings	• Enhancing customer experience • Implementing Quality Control standards • Establishing explicit Service Level Agreements ("SLAs") • Strictly adhering to the ethical code of conduct • Regular training to build service skills • Establishing and conforming to workplace safety policy • Maintaining safety certifications such as BizSafe and ISO45001

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STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	ENGAGE METHODS	OUR RESPONSE
Business Partners	• Key Performance Indicators • Sales growth • Protection of brand image • Customer experience • Trade promotions • Sustainability performance	• Regular communication through meetings and electronic channels • Sustainability Reports	• Ongoing training and development of employees • Contribution to trade promotions and marketing campaigns • Measure and monitor energy use in our stores
Employees	• Fair employment policies • Competitive compensation and benefits • Reward for performance • Work-life balance • Career advancement • Training and personal development • Safe work environment • Group reputation	• Orientation session • Regular meetings • Feedback channels • Performance appraisals • Exit interviews	• Implementing fair employment policies and practices • Maintaining employee feedback channels • Talent management • Ongoing training and development • BizSafe-compliant workplace
Investors	• Good governance • Regular dividends • Risk management • Sustainable business growth	• 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	• Hiring the best talent for the management team • Succession planning • Ensuring good corporate governance • Ensuring robust risk management • Timely disclosure of material information

SUSTAINABILITY REPORT

STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	ENGAGE METHODS	OUR RESPONSE
Government agencies and regulators	• Compliance • Social responsibility	• Regulatory licensing and filings • Notices • Meetings and seminars	• Ensuring regulatory compliance
Community	• Socially responsible • Contribute to local economy	• Social outreach programmes • Sustainability Reports	• Implementing CSR programmes • Contribution to Community Chest and other not-for profit/charitable organisations • Employee volunteering

Membership of Associations

We participate proactively in industry associations related to our business interests by being members and sharing our expertise. Among the associations, we are members of are the Singapore Computer Society and the Singapore Business Federation.

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Materiality Assessment

TeleChoice is Committed to managing its material impacts, risks and opportunities to deliver sustainable value to its stakeholders and shareholders.

At TeleChoice, we are committed to conducting our business in a sustainable and responsible manner. We recognise the importance of identifying and addressing the most significant sustainability issues that are relevant to our organisation and our stakeholders. Our sustainability reporting continues to build on the first detailed materiality assessment conducted in 2017 that led to our first sustainability report. This year, we have reviewed our material topics based on the latest GRI Standards (GRI 3: Material Topics 2021) to identify the most material sustainability topics for our organisation. This process involves a rigorous assessment of the actual and potential negative and positive impacts on the environment, economy and people, and the prioritisation of those topics that are most significant and relevant based on their severity and likelihood. We also considered the potential risks and opportunities associated with our ESG impacts.

Additionally, we have considered the latest SGX sustainability reporting requirements to inform our materiality review for this report. This year, we have also aligned our material topics with the UN Sustainable Development Goals (SDGs) to emphasise our commitment to sustainable development. We plan to conduct a comprehensive re-assessment of our material ESG topics in 2023.

Review and Approval

TeleChoice's management team conducted a review of the material ESG factors by drawing upon their knowledge of the relevant business areas, potential impacts of the Group's operations, and insights gained from daily engagement with stakeholders. They also took into account the common challenges faced by the ICT industry and the current business and regulatory landscape, while ensuring alignment with the Group's established values and long-term business objectives.

While external stakeholders were not explicitly engaged for this report, internal stakeholders, including senior management, utilised their experience in dealing with respective stakeholders and their understanding of their expectations and concerns to prioritise the material factors for reporting. Additionally, an external sustainability expert from a specialised sustainability consulting firm validated the material topics for reporting.

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The following table presents our material topics and their respective contributions to the SDGs.

Material ESG Topics	Operations Where the Topic is Material	Management Approach	SDGs Supported
Environment			
Energy	Electricity consumption in Personal Communications Services, and fuel consumption in vehicles deployed for Info-communications Technology Services, and Network Engineering Services.	Improve energy efficiency and implement energy-saving measures.	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
GHG Emissions	Electricity consumption, and fuel consumption in vehicles.	Reduce emissions through improving energy efficiency, and energy-saving measures.	
Social			
Attracting and Retaining Talent	Our human resources management and practices.	Nurture an empowering, fair and inclusive workplace, and invest in developing our people.	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH
Diversity, Equality and Inclusion			
Employee Training			
Occupational Health and Safety	Our Info-communications Technology Services, and Network Engineering Services.	Implement occupational health and safety management system to minimise workplace accidents and injuries.	
Customer Satisfaction	Our customer interactions	Adopt a customer-centric approach to ensure excellent customer experience at every touch point.	8 DECENT WORK AND ECONOMIC GROWTH
Customer Privacy	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

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Material ESG Topics	Operations Where the Topic is Material	Management Approach	SDGs Supported
Governance			
Anti-corruption	Our interaction with suppliers, business partners and other stakeholders across the organisation.	Maintain a zero-tolerance anti-corruption stance.	
Regulatory compliance	All business operations.	Comply with all applicable laws and regulations.	

SUSTAINABILITY REPORT

Customers

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

At TeleChoice, we are committed to delivering exceptional customer experiences. We believe excellent customer service is crucial for creating a competitive advantage and building long-term relationships based on trust, transparency, and respect. Our goal is to become a trusted ICT partner by providing ongoing support and value throughout our customers' journey.

As a prominent regional provider of distribution, fulfilment and retail managed services to major mobile device manufacturers and operators, it is imperative for us to prioritise exceptional customer experiences across all touchpoints, including retail stores, call centres, and other channels. Our ability to efficiently serve customers is essential for sustaining and growing our business with brands that rely on us for customer service and engagement.

In addition to our commitment to providing high-quality service to our retail customers, we also prioritise the same level of excellence for our enterprise customers. This is especially crucial for those who rely on us for ICT and network engineering services. We have a customer-centric approach that prioritises providing trusted and reliable solutions as well as maintaining high standards of service support.

Customer Centric Employees

We train and empower our employees to provide excellent service and support to our customers. We are committed to resolving issues quickly and efficiently and taking a proactive approach to meeting customer expectations.

Customer Feedback

We have implemented, with the assistance of technology, measures to ensure the best possible customer experiences. Customers are able to provide feedback by replying to automated SMS or scanning a QRCode which will bring customers to a feedback platform. We use this feedback to make changes and improvements to our products and solutions, services, and processes.

Customer Experience

Our retail stores use the Net Promoter Score (NPS) management tool to evaluate customer experience. NPS is a management tool that measures the likelihood of customers recommending a brand's products or services to others based on their overall experience. The NPS provides us with a comprehensive understanding of our customers' perception of our service.

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Based on their responses, customers are categorised into three groups: Promoters (scores 9-10), Passives (scores 7-8), and Detractors (scores 0-6). We calculate the Net Promoter Score by subtracting the percentage of Detractors from the percentage of Promoters. A score of 9 to 10 indicates that customers are highly likely to recommend our brand to their friends and family. At our Planet Platinum stores, we have consistently maintained a score of above 9 points indicating high customer satisfaction levels.

Our NPS score is as follows:

Ongoing NPS Score Target	NPS Score (Planet Platinum Stores)		
	2020	2021	2022
9.3	9.58	9.30	9.52

In addition, each of our four Planet Platinum stores covered by the NPS maintained a score of more than 9.5 in 2022, maintaining their score of 9.5 in 2021.

Mystery Shopping Programme

Our Planet SES stores take part in a third-party Mystery Shopping Programme (MSP), which is a research technique employed by businesses to assess the quality of their offerings from a customer's viewpoint. Undercover shoppers are dispatched to evaluate different aspects of the customer experience. This exercise helps us identify service gaps and improve employees' skills, ultimately enhancing the overall customer experience.

Service Quality Employee Rewards

At our company, we have established recognition schemes to acknowledge and incentivise exceptional customer service by our employees. One such program, the Hooray program, operates at our Platinum stores, and offers rewards to staff members who receive customer compliments. In addition, we have revised our commission schemes to include NPS (Net Promoter Score) as an additional incentive for our employees to consistently deliver excellent customer service.

International Quality Standards

We strive to deliver outstanding customer service by adhering to the most rigorous industry quality standards. Our quality policy is centred around continuously improving our management processes. Our subsidiaries, NexWave Technologies Pte Ltd, S & I Systems Pte Ltd, and NxGen Communications, are all certified under the ISO9001:2015 Quality Management Systems, enabling us to exceed our customers' expectations with the utmost level of performance.

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Customer Compliments

24 March 2022
"I would like to commend the excellent service provided by the Customer Service Officer at Bugis Starhub Shop - Mr Andy Tan. From re-contracting to advising on which plan to take as well as the phone model that I am looking for, he provided sound advice with lots of patience while I checked with my family members what type and colour they like. Thank you so much, Starhub, he is an excellent role model for the rest to learn from. The main reason why I continue to stay with Starhub for all mobile, TV and internet services." - StarHub Shop @Bugis

25 July 2022
On behalf of my mother, I would like to compliment Christopher who attended to us to change SIM card. My mom is not tech-savvy and can not speak well in English. Christopher showed excellent customer service in helping us to do the necessary such as change SIM and transfer contacts. We thank him for his patience, assistance and great customer service." – Starhub@Westgate

1 June 2022
"We were served by Ms. Abigail Nunez who reinforced our faith in StarHub. She listened to me empathetically, understood my requirements with laser focus and set about to find the best possible & cost-effective solution. She never rushed us, and never pushed any phone sales but only went about finding a solution for us. It took a long time to clear all my queries and help me to take a decision. She even offered to do the data transfer to the new mobile to help me out." – Starhub@Punggol

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People

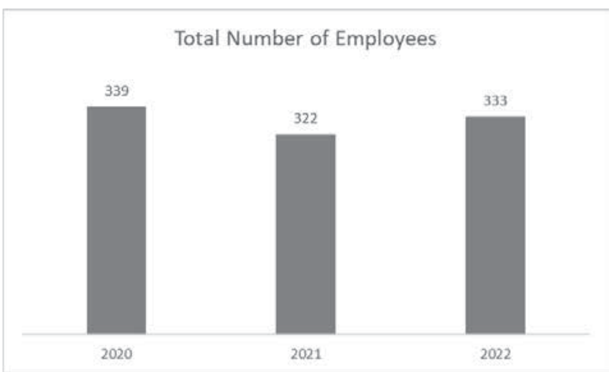
TeleChoice is committed to providing a safe, inclusive, and supportive workplace.

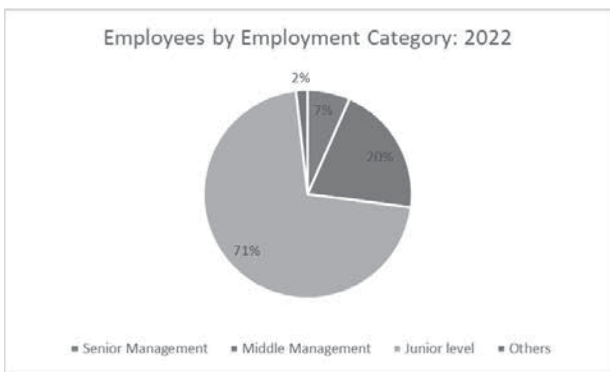
We are committed to developing our employees and providing them with opportunities for growth, learning, and advancement. We recognise that our employees are our most valuable asset, and investing in their development is critical to our success as a company. We prioritise personal growth, career advancement, job satisfaction, and fulfilment for all our employees.

We have built our human resource policies around the well-being of our employees and fostered a work environment based on mutual respect, trust, teamwork, and open communication. We continuously invest in our employees by providing training and coaching to enhance their skills and productivity. Attracting and retaining top talent is essential to us, and we are dedicated to creating an inclusive workforce by investing in employee development, engaging our team members, and regularly reviewing our practices and policies.

Singapore operations account for 68% of our total headcount, with the rest employed in overseas locations. As of the end of 2022, our Singapore workforce consisted of 333 employees, of which 90% were permanent staff, 8% were on fixed-term contracts and the remaining 2% were temporary employees. Full-time employees accounted for 99% of the headcount. The average age of our employees stood at 41 years.

We did not have workers who are not our employees in the reported period.





Diversity

We are committed to fostering a diverse and inclusive workplace that values and respects individuals from all backgrounds, experiences, and perspectives. We believe that a diverse workforce enhances creativity, innovation, and problem-solving, and we are committed to promoting diversity at all levels of our organisation.

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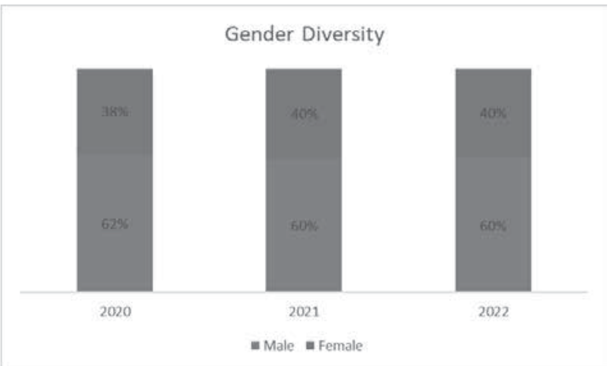
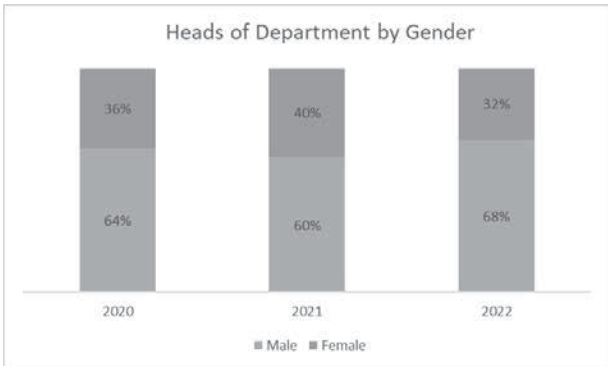
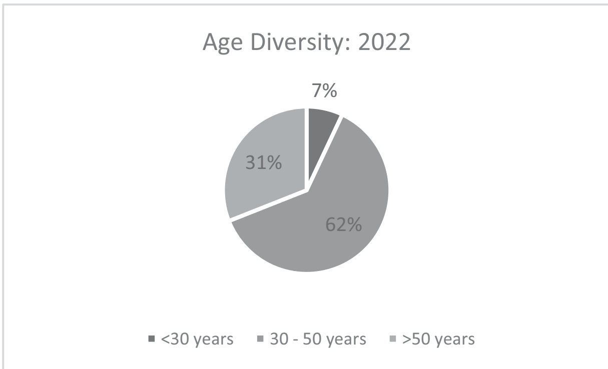
We are committed to promoting gender diversity and creating a workplace where all employees have equal opportunities to thrive and succeed. We strive to ensure that women are well-represented at all levels of our organisation and that our policies and practices support gender equality and inclusion.
Women made up 40% of our full-time employees, with a corresponding 39% of managerial roles and 32% of the Head of Department positions held by women. Our workforce also includes individuals from diverse age groups, and we take pride in our multicultural team, consisting of 10 nationalities.

We support the Singaporean government's policy of rehiring retiring employees to keep them economically active. As part of our commitment to this policy, we rehired 18 retired employees in 2022, including 4 female team members.







Non-Discrimination

We are firmly committed to maintaining a workplace free from discrimination and harassment, where every employee is treated with respect, fairness, and dignity, regardless of their race, ethnicity, gender, sexual orientation, religion, age, or any other characteristic protected by law.

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

SUSTAINABILITY REPORT

whistleblowing procedure and an open-door policy with their supervisors or human resources representatives.

There were no incidents of discrimination or harassment in the reporting period.

Talent Management

We recognise talent management as a critical strategy for retaining, developing, and managing top-performing individuals to support our business growth. To this end, we have established a comprehensive talent management program that includes succession planning and a talent review process. Our Talent Management Committee, comprising the President & CEO, Chief Financial Officer, Vice President of Human Resource, and business division heads, oversees the program.

Our Talent Management Framework identifies high-potential employees within the group and provides them with developmental opportunities to enhance their technical and managerial skills. These opportunities include acquiring new technical knowledge, leading special projects, managing teams, and taking on additional responsibilities to prepare them for more significant roles.

Succession planning is an integral part of our talent management program, and we have implemented initiatives to build the succession pipeline, ensuring that we have capable and prepared individuals to fill key roles.

Training and Development

We believe in providing our employees with the tools, resources, and training they need to succeed in their roles. We view employee training and education as a crucial part of our people management strategy. We begin by providing new employees with an orientation program to familiarise them with our organisation and corporate values. We also offer ongoing opportunities for all employees to learn new skills through a variety of methods, including instructor-led training, online e-learning, and on-the-job training, mentoring and e-newsletters.

We recognise the importance of product training and certification and advanced technical skills acquisition, and as such, we regularly feature these areas in our yearly training program to meet our business needs.

To support our people managers in effectively leading their teams, we provide them with training in supervisory and management skills. Additionally, we offer training in Talent Selection and Appraisal Management to help them further enhance their management skills.

We support our employees in advancing their careers within our organisation. We offer opportunities for promotion and growth, as well as mentorship to support our employees in their career development. We

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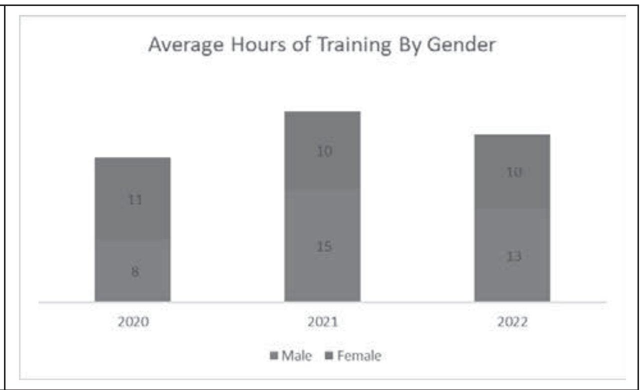
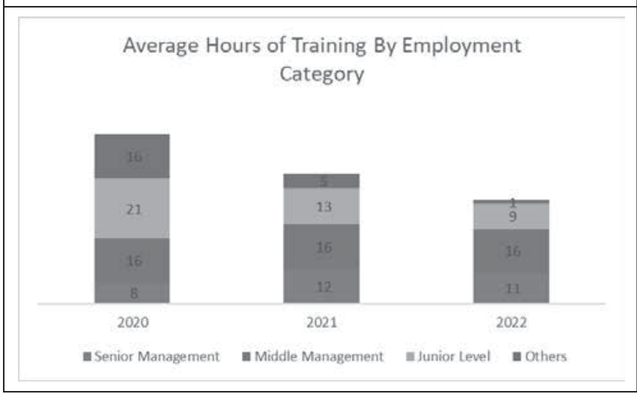
believe in creating a culture of continuous learning and improvement. We encourage our employees to seek out new challenges, take on new responsibilities, and continuously develop their skills and knowledge.





Performance Management

We believe in providing regular feedback and recognition to our employees. We conduct periodic performance reviews, regular check-ins, and other feedback mechanisms to help our employees understand their strengths and areas for improvement. We also recognise and reward employees for their contributions and achievements.

We have established a comprehensive performance management program that empowers our employees to consistently achieve their business and personal development goals. This program covers all our permanent employees and involves managers holding discussions with their staff at the beginning of each year to establish goals. At the end of the year, a formal performance appraisal takes place. Additionally, managers are encouraged to have ongoing discussions with their employees to review progress, provide coaching and guidance, and ensure that employees receive the support they need to succeed.

In 2022, 100% of the employees participated in the annual performance appraisal exercise.

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Employee Engagement

We believe that engaged employees are key to our success. We are committed to fostering a culture that encourages employee engagement, provides opportunities for open communication and feedback, and recognises and rewards employees for their contributions.

We regularly hold communication sessions at both the corporate and business group levels. In addition, we conduct physical and online conversations to gather feedback from our team members on what support they need during the pandemic.

Employee Benefits

We offer competitive wages and benefits to our employees. Our full-time staff are eligible for several employment benefits which are not available to temporary or part-time employees. Some of the 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.

Employee Wellbeing

To ensure the well-being of our employees, we have implemented several measures, including on-site health screening to facilitate early detection of diseases such as hypertension, heart ailments, diabetes, and cancer. Our basic mass health screening is an annual initiative paid for by the company, offering employees the convenience of having their health checked via laboratory investigation of blood samples. Optional add-on packages are also available (payable by employees) for more detailed tests.

We believe in strengthening cultural bonds and fostering a sense of community among our employees. To celebrate the Chinese New Year, we provide "Hongbao" to our team members. Additionally, we observe early release from work on the eves of Singapore's four major public holidays.

Work-life Balance

Our employees' well-being and happiness are important to us, and we provide them with the necessary resources and support to achieve a healthy work-life balance. For example, we offer flexible work arrangements, including work-from-home or staggered hours. Employees can apply for such arrangements in line with the company policy.

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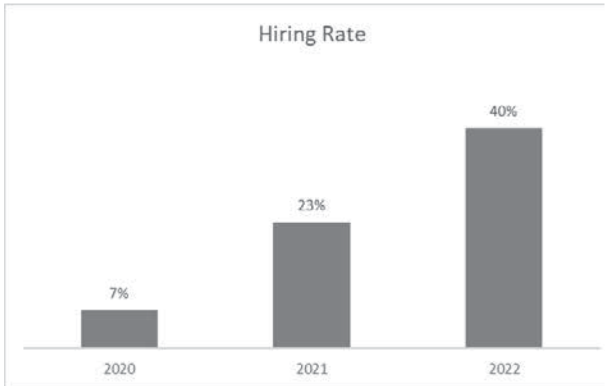
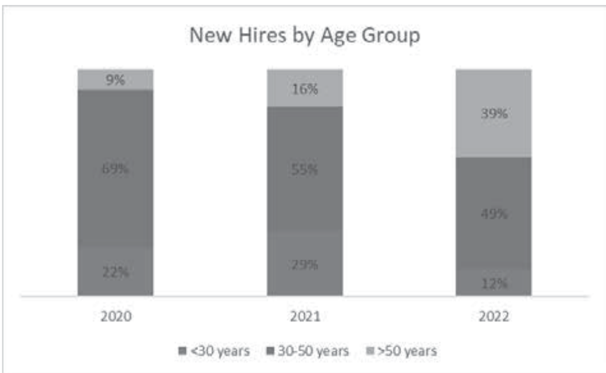
To ensure that our employees maintain a healthy work-life balance, we have implemented a system in Outlook that prompts them whenever they are sending emails outside of their regular work hours. This serves as a reminder to our employees that they are entitled to disconnect from work and take time for themselves outside of work hours.

Hiring

We aim to attract and retain top talent in order to efficiently serve our customers, and our policy is to hire individuals based on their merit and ability. In 2022, we welcomed 132 new employees to our team, with 37% of them being women.



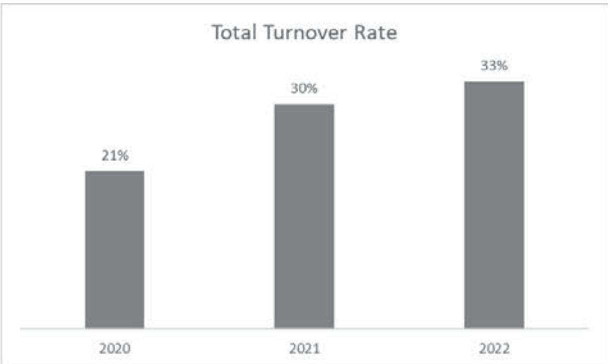


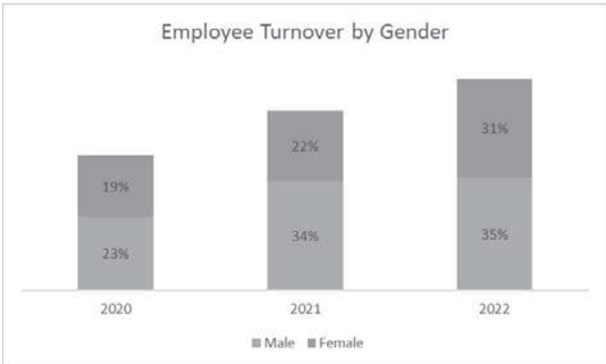
SUSTAINABILITY REPORT

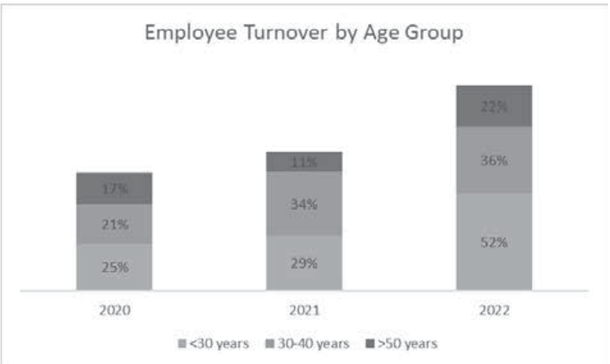
Employee Turnover

Retaining talent remains a priority for us. To minimise employee turnover, we focus on creating a positive work culture, offering competitive compensation and benefits, providing opportunities for growth and development, fostering good communication, recognising and rewarding good performance, conducting exit interviews, and continuously monitoring and evaluating turnover rates.

Our turnover rate figures are disclosed in the charts below.







ESG Factor	Ongoing Target	FY2022 Performance
Attracting and Retaining Talent	Employee turnover rate ≤30%	33%

Freedom of Association

We uphold our employees' right to freedom of association and collective bargaining, and we maintain a close working relationship with the Singapore Industrial & Services Employees Union ("SISEU"). We have signed a memorandum of understanding with SISEU to support our employees' rights.

As at the end of 2022, 78 employees were active members of SISEU.

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Occupational Health & Safety

At TeleChoice, the safety and well-being of our employees are our top priority. We are committed to ensuring a safe and healthy working environment for all our staff, as well as any other stakeholders who may be affected by our operations.

To ensure the highest level of safety for our employees, we have implemented an Occupational Health and Safety Management System that conforms to the ISO 45001 standard. This system allows us to identify potential hazards, assess the risks, and implement measures to control and manage them effectively.

Health & Safety Management System

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

- Implement a health and safety policy.
- Define safety objectives and processes to achieve them.
- Identify hazards and assess risks associated with them.
- Implement appropriate controls to mitigate risks.
- Establish procedures and processes for monitoring and measuring health and safety performance.
- Provide appropriate training and awareness programs to employees.
- Ensure employee participation in the safety management system.
- Establish a process for reporting, investigating, and correcting incidents and accidents.
- Continuously monitor and evaluate the safety management system for effectiveness.
- Maintain compliance with applicable laws and regulations.
- Continuously improve the safety management system.

NexWave Technologies Pte Ltd has achieved certification for both the ISO 9001:2015 Quality Management System and the ISO 45001:2018 Occupational Health and Safety Management System. In Singapore, our subsidiary NxGen Communications has been awarded BizSAFE Level 3 certification, reflecting our commitment to workplace safety and health.

We have also established a training program for relevant employees, which includes health and safety awareness and procedures, emergency response, and personal protective equipment (PPE) usage.

We regularly monitor and review our Occupational Health and Safety Management System to ensure its effectiveness and make necessary improvements.

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Safety Performance

There were no recordable incidents of fatalities, injuries, or occupational diseases in our Singapore operations in the reported period. We currently do not track safety performance data for workers who are not our employees. Our safety performance covering our employees is presented below.

Health and Safety Performance (Employees)				
Performance Indicators		**2020**	**2021**	**2022**
Fatalities due to work-related injuries	Number	1	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	2184	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 reducing our environmental footprint and playing an active part in the fight against climate change. Our primary environmental impacts consist of electricity usage, fuel consumption, and waste generation. The retail stores we operate for our customers use electricity for lighting and air-conditioning, while our engineering and maintenance vehicles consume fuel. Our waste mainly comes from packaging in our stores and warehouses. Our environmental initiatives are centred on energy efficiency, waste reduction and recycling. We have also started assessing climate-related risks and opportunities and their potential financial impact on our business.

Energy

We track and assess our energy consumption and strive to improve energy efficiency in our operations. In 2022, we used 489,489 kWh of electricity translating into an electricity intensity of 115 kWh/m2 floor area.

Climate Action

At TeleChoice, we are fully committed to taking action on climate change by implementing policies that prioritise environmental sustainability across our operations. We recognise the urgent need to address the impact of human activities on the environment, and we are dedicated to reducing our carbon footprint while promoting sustainable practices.

Our climate policy commitment is multifaceted and includes reducing our greenhouse gas emissions, promoting sustainable business practices, educating and engaging our employees. We firmly believe that by taking these steps, we can contribute to a healthier planet for future generations.

As a member of the ICT industry, TeleChoice recognises our role in fighting climate change. According to the Global e-Sustainability Initiative (GeSI), the ICT industry has the potential to reduce global greenhouse gas (GHG) emissions by 20% by 2030 by promoting energy-efficient practices among companies and consumers, and reducing its own emissions at the same time. We are committed to doing our part and contributing to this goal.

The GeSI report, entitled "SMARTer 2030," projects that the use of ICT could also result in increased crop yields, conservation of over 300 trillion litres of water, and saving of 25 billion barrels of oil annually. Additionally, it could generate economic benefits amounting to USD 11 trillion by 2030. GeSI estimates that

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the sector could create stakeholder benefits worth USD 11.4 trillion, with USD 6.5 trillion in new revenues and USD 4.9 trillion in cost savings due to greater efficiencies and reduced waste.

The report envisions a future where ICT-enabled societies are cleaner, healthier, and more prosperous, offering greater opportunities to individuals worldwide. The use of ICT has already led to emissions savings ten times greater than its carbon footprint, as estimated by GeSI. By 2030, the sector could prevent the release of approximately 12 gigatonnes of CO2.

Overall, by 2030, the use of ICT will bring benefits across the triple bottom line, including reduced carbon emissions and resource consumption, increased revenue, and cost savings, and broader societal advantages.

TCFD Recommendations

Central to our climate action plan is constantly developing an understanding of climate-related risks and opportunities for our existing businesses and prospects for new, related business opportunities. To achieve this, we have adopted the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to report how we assess and manage climate-related risks and opportunities and their potential financial impacts on our business in the short, mid and long term. This first TCFD report describes our commitment to adopting the necessary measures, strategies and goals for transforming TeleChoice into a future-ready, climate-resilient business.

The following report is structured along the four TCFD pillars comprising Governance, Strategy, Risk Management and Metrics and Targets.

Governance

We have established an ESG governance structure that aligns with the TCFD recommendations. The Board oversees our climate-related risks and opportunities, and the management team is responsible for implementing the strategy and risk management processes related to climate change. This is to ensures that our company is well-positioned to address climate-related risks and opportunities and supports our commitment to implementing TCFD recommendations.

Strategy

Our climate strategy focuses on mitigating the environmental impact of our operations while also leveraging our technological capabilities to promote sustainability. We will begin by prioritising energy efficiency in our offices, stores, and operations, and optimising our logistics and supply chain to reduce transportation-related emissions. We will also strive to minimise electronic waste through responsible e-waste collection from end-users, and supporting recycling programs.

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Risk Management

We have conducted a study on climate-related risks and opportunities relevant to our business. To gain a more thorough understanding, we will expand on the initial assessment and conduct more detailed evaluations over the next two years. This will include a scenario analysis using at least two different climate scenarios to assess potential future climate risks and opportunities and inform our decision-making towards climate resilience and sustainability.

An overview of our preliminary assessment is presented below.

Climate-Related Risks	
Risk Type	**Description**
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 and mobile device 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 ICT device manufacturers. • Extreme weather events such as floods and cyclones can impact our warehousing locations and disrupt our warehousing and supply chain management services.
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.
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.
Technology	Rapid advancement in ICT technologies can make legacy investments stranded resulting in a financial loss for our business partners and also for us.
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.
Reputation	Carbon-intensive operations, inadequate disclosure about our climate strategy and lower ESG ratings can affect our corporate reputation.

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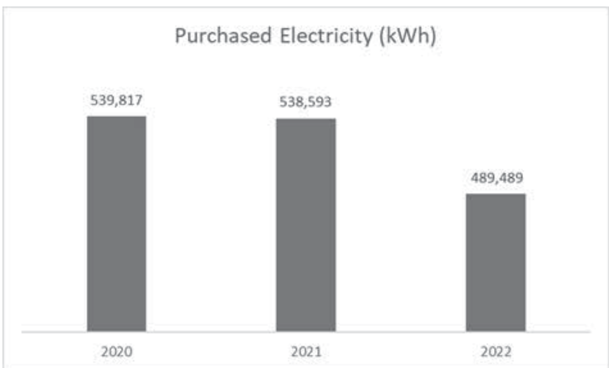
Climate-Related Risks	
Risk Type	**Description**
Climate-Related Opportunities	
Resource Efficiency	Enhancing energy efficiency in our operations can reduce costs. The saving could be substantial in a high energy price environment.
Energy Sources	Adopting renewable energy such as solar power could enhance our energy resilience and reduce our carbon footprint.
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.

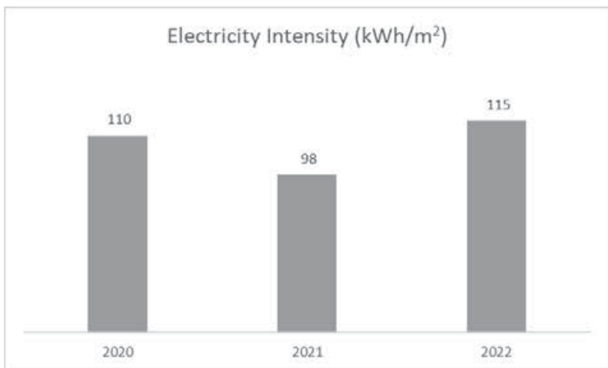
Metrics and Targets

We currently report the scope 1 and scope 2 GHG emissions associated with our operations. We plan to start measuring and reporting our scope 3 emissions next year. 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.

Greenhouse Gas ("GHG") Emissions

Our operational GHG emissions are from the use of electricity in our stores and offices and fuel consumed in our vehicles. We monitor and report our GHG emissions covering Scope 1 and Scope 2 emissions. Our energy consumption and carbon emissions data is presented in the charts below.





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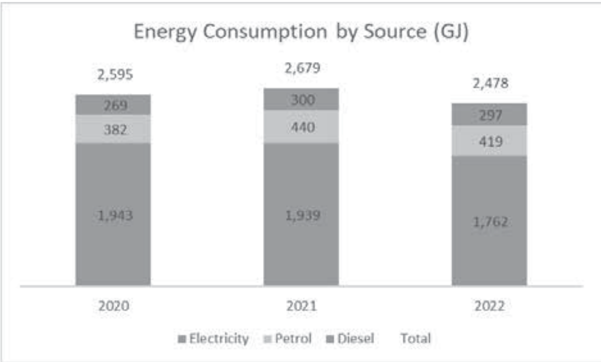

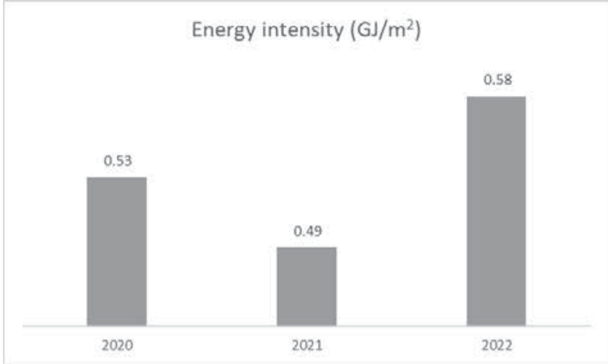

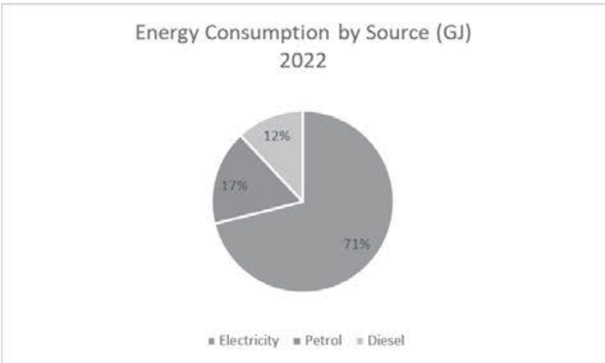

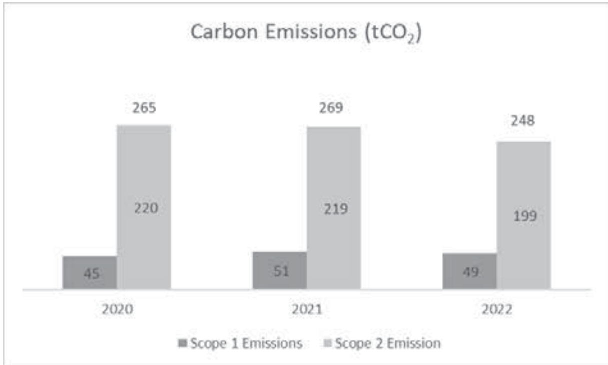

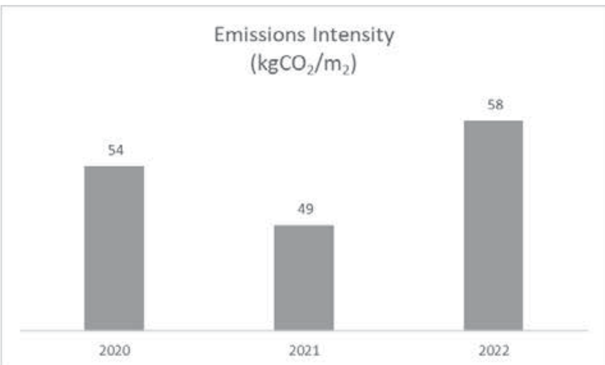

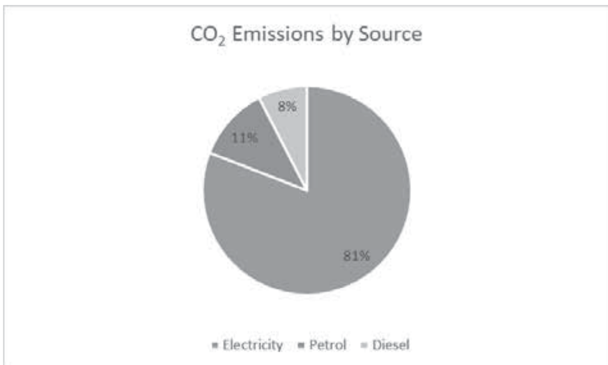

Waste Management

Our strategy involves implementing measures to decrease, repurpose and recycle waste. Paper, plastic, and wooden pallets constitute the primary waste generated in our retail operations. Our e-waste comprises retired office equipment such as personal computers, notebooks, monitors, and servers.

Furthermore, we have taken steps to decrease our environmental footprint by discontinuing the use of plastic and paper bags. Instead, we offer reusable non-woven shopping bags, and customers can choose electronic receipts to save paper. To limit paper use, we also encourage double-sided printing in our offices.

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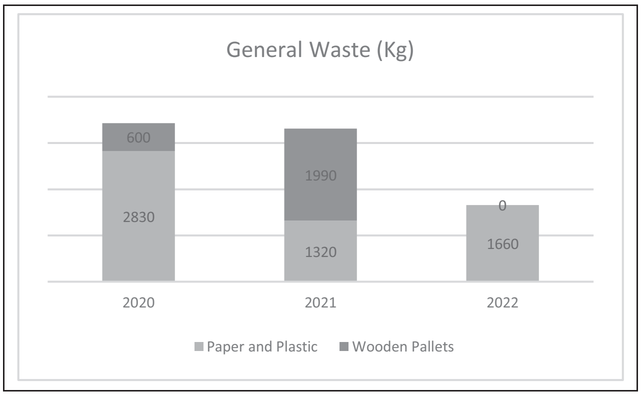
In partnership with our waste contractor, we have implemented measures to ensure packaging pallets are recycled for reuse. The pallets are no longer incinerated and are instead repurposed. In 2022, there was no wooden pallets waste.

Our waste is disposed of by licensed waste management contractors.



E-Waste

As mandated by the Ministry of Sustainability and the Environment's Resource Sustainability Act ("RSA"), we adhere to its regulations and ensure the appropriate collection and disposal of electrical and electronic waste ("e-waste"). The e-waste is collected and disposed of by an NEA-licensed operator.

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Community

Supporting local communities is essential for us as it helps build a positive reputation, fosters strong relationships with our customers and stakeholders, and contributes to the overall development and well-being of the community where we operate.

We are committed to supporting community development by reaching out to various beneficiary groups such as the elderly and disadvantaged hawkers. To achieve this, we have established partnerships with organisations like Dignity Kitchen, Dorcas, Lions Befrienders, MINDS Towner Gardens School, and Metta School, in collaboration with Community Chest's FUDAI and HeartStrings Walk programs.

In 2022, for five 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 over 50 FUDAI containing essential food items to beneficiaries residing in the Bedok and Chai Chee estates.

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GRI Content Index

Statement of Use	TeleChoice International Limited has reported in accordance with the GRI Standards for the period 1st January 2022 to 31st December 2022.
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	Disclosure	Location
GRI 2: General Disclosures 2021		
ORGANISATIONAL DETAILS AND REPORTING PRACTICES		
GRI 2-1	Organisational details	1, 15-19
GRI 2-2	Entities included in the organisation's sustainability reporting	53
GRI 2-3	Reporting period, frequency and contact point	53
GRI 2-4	Restatements of information	53
GRI 2-5	External assurance	53
ACTIVITIES AND WORKERS		
GRI 2-6	Activities, value chain and other business relationships	1
GRI 2-7	Employees	55, 74-80
GRI 2-8	Workers who are not employees	74

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GRI Standard	Disclosure	Location
GOVERNANCE		
GRI 2-9	Governance structure and composition	23, 60
GRI 2-10	Nomination and selection of the highest governance body	33-34
GRI 2-11	Chair of the highest governance body	7
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	24-25
GRI 2-13	Delegation of responsibility for managing impacts	24-25
GRI 2-14	Role of the highest governance body in sustainability reporting	24-25
GRI 2-15	Conflicts of interest	25
GRI 2-16	Communication of critical concerns	50
GRI 2-17	Collective knowledge of the highest governance body	36
GRI 2-18	Evaluation of the performance of the highest governance body	36-37
GRI 2-19	Remuneration policies	38-40
GRI 2-20	Process to determine remuneration	37-38
GRI 2-21	Annual total compensation ratio	We do not report this metric due to confidentiality reasons.
STRATEGIES, POLICIES AND PRACTICES		
GRI 2-22	Statement on sustainable development strategy	4
GRI 2-23	Policy commitments	60-62, 65-66, 75-76, 78-79, 81, 83
GRI 2-24	Embedding policy commitments	24
GRI 2-25	Processes to remediate negative impacts	50
GRI 2-26	Mechanisms for seeking advice and raising concerns	50
GRI 2-27	Compliance with laws and regulations	60
GRI 2-28	Membership associations	67

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GRI Standard	Disclosure	Location
STAKEHOLDER ENGAGEMENT		
GRI 2-29	Approach to stakeholder engagement	65-67
GRI 2-30	Collective bargaining agreements	80
MATERIAL TOPICS		
GRI 3-1	Process to determine material topics	68
GRI 3-2	List of material topics	69-70
ECONOMIC		
Economic Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	2
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	2
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	60-61, 70
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	61
ENVIRONMENT		
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	69, 83
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	55, 87
	302-3 Energy intensity	55, 87
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	69, 83
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	87
	305-2 Energy indirect (Scope 2) GHG emissions	86-87
	305-4 GHG emission intensity	87

GRI Standard	Disclosure	Location
SOCIAL		
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	69
GRI 401: Employment 2016	401-1 New Employee hires and employee turnover	69, 79-80
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	69
Management Approach Disclosures 2018	403-1 Occupational health and safety management system	81
	403-2 Hazard identification, risk assessment, and incident investigation	81
	403-3 Occupational health services	81
	403-4 Worker participation, consultation, and communication on occupational health and safety	81
	403-5 Worker training on occupational health and safety	81
	403-6 Promotion of worker health	81
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	81
	403-8 Workers covered by an occupational health and safety management system	81
	403-9 Work-related injuries	82
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	69, 74-75
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	75

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GRI Standard	Disclosure	Location
Non-Discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	69, 62
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	62
Freedom of Association and Collective Bargaining		
GRI 3: Material Topics 2021	3-3 Management of material topics	69, 62, 80
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	80
Child Labour		
GRI 3: Material Topics 2021	3-3 Management of material topics	69, 62
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidence of Child Labour	62
Forced, or Compulsory Labour		
GRI 3: Material Topics 2021	3-3 Management of material topics	69, 62
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidence of forced or compulsory labour	62

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.	84
TCFD 1(b)	Describe management's role in assessing and managing climate-related risks and opportunities.	84
STRATEGY		
TCFD 2(a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	84
TCFD 2(b)	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	84
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.	84
RISK MANAGEMENT		
TCFD 3(a)	Describe the organisation's processes for identifying and assessing climate-related risks.	85-86
TCFD 3(b)	Describe the organisation's processes for managing climate-related risks.	85-86
TCFD 3(c)	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	85-86
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.	86
TCFD 4(b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	87
TCFD 4(c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	86

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GROUP FINANCIAL REVIEW

1.0 Operating Results of the Group

In $ million	FY2022	FY2021	Change
Revenue	**232.6**	**194.4**	**19.7%**
Gross profit	18.6	16.4	13.4%
Other income	0.8	3.5	-77.1%
Total expenses	(238.7)	(200.0)	19.4%
Operating LBT	(5.3)	(2.1)	-152.4%
Share of profit/(loss) of associate (net of tax)	0.03	(0.1)	nm
Impairment of goodwill	(6.4)	–	nm
PBT	**(11.7)**	**(2.2)**	**-431.8%**
PAT	(12.3)	(2.7)	-355.6%
PATMI	**(12.3)**	**(2.7)**	**-355.6%**

nm – not meaningful

1.1 Revenue

Group revenue increased by 19.7% or $38.2 million to $232.6 million in FY2022.

Personal Communications Solutions Services (“**PCS**”) Division contributed to 45.6% of Group revenue in FY2022 (FY2021: 45.4%). Revenue increased by 21% to $106.2 million in FY2022. Against FY2021, both the Singapore and Malaysian operations recorded an increase in revenue in FY2022.

Info-Communications Technology Services (“**ICT**”) Division contributed to 32.1% of Group revenue in FY2022 (FY2021: 27.9%). Revenue increased by 37% to $74.6 million in FY2022. The higher revenue in FY2022 was mainly from lower margin hardware sales. Customers remained prudent in capex spending with resultant delay in project tendering and awards.

Network Engineering Services (“**Engineering**”) Division contributed to 22.3% of Group revenue in FY2022 (FY2021: 26.7%). Revenue decreased slightly by 0.2% to $51.8 million in FY2022. 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	FY2022	FY2021	Change
Gross profit	18.6	16.4	13.4%
Gross margin	8.0%	8.4%	-0.4 ppt

ppt – percentage point

Gross profit increased to $18.6 million in FY2022. The increase in gross profit was from both the PCS and ICT divisions.

Gross margin decreased from 8.4% in FY2021 to 8.0% in FY2022. The decrease was attributed to the ICT and Engineering divisions.

1.3 Other income

Other income comprises mainly of government grants.

Other income in FY2022 was lower due to lower government grant received from the job support scheme and rental support.

1.4 Total expenses

In $ million	FY2022	FY2021	Change
Cost of sales	214.0	178.0	20.2%
Selling and marketing expenses	8.3	7.0	18.6%
Administrative expenses	15.3	14.1	8.5%
Other expenses	0.6	0.3	100.0%
Net Finance costs	0.5	0.6	-16.7%
Total expenses	**238.7**	**200.0**	**19.4%**
Included in total expenses:			
Staff costs	42.4	42.4	0.0%
Depreciation and amortisation	5.1	5.4	-5.6%

Total expenses, including cost of sales, amounted to $238.7 million in FY2022, an increase of 19.4% or $38.7 million compared to FY2021. Increase in total expenses by 19.4% was in line with the increase in revenue of 19.7%.

Cost of sales comprises cost of equipment sold, carrier costs and commissions, costs of cabling and installation, network expenses, depreciation and amortisation, and attributable direct overheads. Cost of sales increased by 20.2% or $36.0 million against FY2021 due to increase in revenue in FY2022.

GROUP FINANCIAL REVIEW

Selling and marketing expenses increased by 18.6% or $1.3 million against FY2021 due to the consolidation of expenses arising from the acquisition of Radiance Communications Pte Ltd ("RCPL") which was completed on 10 June 2022 and headcount to support new sales activities.

Administrative expenses increased by 8.5% or $1.2 million against FY2021 mainly due to higher staff costs and a consultancy fee incurred for a strategic business review.

Other expenses increased by 100.0% or $0.3 million against FY2021 due to translation loss arising from the revaluation of the short-term Singapore dollar loan to a subsidiary in the Philippines. There was also additional withholding tax from the dividend received from a subsidiary in Indonesia.

Net Finance costs decreased by 16.7% or $0.1 million against FY2021 due to lower bank borrowings from the Engineering operations.

Staff costs The increase in staff cost from the consolidation of expenses arising from the acquisition of RCPL was offset by lower staff costs in the Engineering division.

Depreciation and amortisation costs decreased by 5.6% or $0.3 million to $5.1 million in FY2022. 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/(loss) of an associate (net of tax)

Share of profit of $0.029 million in FY2022 (FY2021: share of loss of $0.1 million) was from MVI Systems Limited ("MVI"). The improvement in FY2022 was due to higher gross profit recognised during the year.

1.6 Impairment of goodwill

In FY2022, there was a full impairment of the goodwill recognised for the Group's investment in NxGen which was acquired in FY2011. In view of the uncertain economic outlook, a negative revenue growth from its operations was forecast from 2023 to 2027, resulting in the recoverable amount to be below the carrying value.

1.7 Operating (loss)/profit before tax

Operating (loss)/profit before tax margin	FY2022	FY2021	Change
PCS	0.5%	0.5%	0.0 ppt
ICT*	-5.0%	-3.3%	-1.7 ppt
Engineering	-4.1%	-1.2%	-2.9 ppt
Group*	**-2.3%**	**-1.1%**	**-1.2 ppt**

** exclude impairment of goodwill of $6.4 million in FY2022 and share of profit from an associate of $0.029 million (FY2021: share of loss of $0.1 million)*

ppt – percentage point

GROUP FINANCIAL REVIEW

In FY2022, the Group recorded a higher operating loss before tax of S$5.3 million against FY2021 loss before tax of S$2.1 million mainly due to lower government grants received of $2.8 million, losses recognised from the newly acquired RCPL and a one-time consultancy cost incurred to review the Group business strategy.

Operating loss margin increased from -1.1% in FY2021 to -2.3% in FY2022. The operating profit improvement recorded by the PCS division was offset by higher losses recorded from the ICT and Engineering divisions.

Personal Communications Solutions Services (“**PCS**”) Division registered significant profit improvement in FY2022. Gross margin improved as compared to the equivalent period a year ago when the Singapore retail business was significantly impacted by the COVID-19 situation. The Malaysia operations continues to be the main profit contributor. The division continues to rationalise its retail presence in Singapore by closing the non-performing retail stores. The various Smart and Green products and services introduced in FY2021 also helped to generate profit for the Group in FY2022.

Info-Communications Technology Services (“**ICT**”) Division incurred a higher loss although a higher revenue was registered in FY2022. The Division’s loss was primarily due to lower project revenue recognition, additional cost incurred to complete certain projects and losses recognised from the newly acquired RCPL. The Division also incurred expenses to enhance the platform features for its new Internet of Things (“IoT”) and Cloud initiatives. However, adoption and sales conversion had been slow resulting in delay in revenue recognition.

Network Engineering Services (“**Engineering**”) recorded lower gross profit and gross margins in FY2022. The Indonesian operation continues to be the main profit contributor and recorded profit improvement as against FY2021. The Division’s losses were mainly attributed to losses incurred for the Singapore operations. The higher losses from the Singapore operations were due to lower gross margin projects. Restructuring cost were incurred for the Singapore operations in FY2022 to mitigate further losses. The Philippines operations recorded higher losses as compared to the previous year mainly due to higher operating expenses. These losses were partially mitigated by profit contribution from its Malaysian operations.

1.8 Loss after tax and non-controlling interests

In $ million	**FY2022**	**FY2021**	**Change**
Income tax expenses	0.6	0.5	20.0%
Loss after tax and non-controlling interests	**(12.3)**	**(2.7)**	**-355.6%**
Loss after tax margin	-5.3%	-1.4%	-3.9 ppt

ppt – percentage point

Group **LATMI** decreased with a higher loss after tax of $12.3 million in FY2022 against loss after tax of $2.7 million in FY2021.

Income tax expenses in FY2022 was 20.0% higher than FY2021 due to higher taxable income from Engineering in Indonesia and lower deferred tax assets recognised for some of the Singapore operations.

GROUP FINANCIAL REVIEW

2. **Liquidity and Capital Resources**

Cash flow (In $ million)	FY2022	FY2021	Change
Cash flow from:			
Operating activities	(0.8)	27.7	nm
Investing activities	(1.9)	(1.0)	-90.0%
Financing activities	(13.3)	(19.2)	30.7%
Net change in cash and cash equivalents	(16.0)	7.5	nm
Cash and cash equivalents at end of year	**18.4**	**34.8**	**-47.1%**

nm – not meaningful

Group's cash and cash equivalents decreased by 47.1% from $34.8 million as at 31 December 2021 to $18.4 million as at 31 December 2022.

The Group's bank borrowings increased from $2.5 million as at 31 December 2021 to $2.6 million as at 31 December 2022.

Net cash decreased from $32.3 million as at 31 December 2021 to $15.8 million as at 31 December 2022. Net cash per share decreased from 7.1 cents per share as at 31 December 2021 to 3.5 cents per share as at 31 December 2022.

Operating Activities

Net cash inflow in FY2022 was negative from operating loss and negative changes in working capital attributable to higher inventories and receivables balances partially mitigated by higher payables balances.

Investing Activities

Net cash outflow in FY2022 was mainly in capital expenditure. In addition, there was net cash outflow from the acquisition of RCPL which was completed on 10 June 2022.

Financing Activities

Net cash outflow in FY2022 was mainly from net repayment of bank loans. However, there was lower dividend payment in FY2022.

GROUP
FINANCIAL REVIEW

3. Shareholders Returns

	FY2022	FY2021	Change
Net dividends per share (cents) – ordinary	–	0.125	nm
Dividends declared ($ million)	–	0.6	nm
Dividend payout ratio (%)	–	-22.2%	nm
Dividend yield (%)	–	0.8%	nm
Basic Earnings per share (cents)[1]	(2.70)	(0.59)	-357.6%
Return on equity (%)	-28.3%	-4.7%	-23.6 ppt
Return on capital employed (%)	-23.5%	-3.3%	-20.2 ppt
Return on total assets (%)	-11.0%	-2.3%	-8.7 ppt

ppt – percentage point

nm – not meaningful

Note:

(1) The number of shares used for the purpose of calculating the EPS for FY2022 and FY2021 were 453,085,000 and 453,872,000 respectively.

For FY2022, to conserve cash, no dividend declared or recommended for FY2022.

Year-on-year loss per share decrease from -0.59 cents to -2.70 cents.

Return on equity decrease from -4.7% in FY2021 to -28.3% in FY2022. Return on capital employed and return on total assets also decrease to -23.5% (FY2021: -3.3%) and -11.0% (FY2021: -2.3%) respectively due to higher losses.

DIRECTORS' STATEMENT

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 2022.

In our opinion:

(a) the financial statements set out on pages 118 to 196 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 2022 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	
Nicholas Tan Kok Peng	(Appointed on 1 January 2023)
Cheah Sui Ling	
Yeo Siew Chye Stephen	
Ho Koon Lian Irene	
Lim Chai Hock Clive	

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	Holdings at end of the year
The Company		
Ordinary shares		
Ronald Seah Lim Siang	439,000	584,000
Stephen Geoffrey Miller	251,000	351,000

DIRECTORS' STATEMENT

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year	Holdings at end of the year
The Company (cont'd)		
Ordinary shares (cont'd)		
Tang Yew Kay Jackson (Resigned on 31 December 2022)	594,000	711,000
Cheah Sui Ling	–	61,000
Yeo Siew Chye Stephen	–	51,000
Ho Koon Lian Irene	382,000	487,000
Lim Chai Hock Clive	183,000	183,000
- Held in the name of Leap International Pte Ltd	83,804,200	83,804,200
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

DIRECTORS' STATEMENT

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year	Holdings at end of the year
Related Corporations (cont'd)		
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
Singapore Airlines Limited Ordinary shares		
Yeo Siew Chye Stephen	1,000	1,000
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

DIRECTORS' STATEMENT

Name of director and related corporations in which interests (fully paid ordinary shares unless otherwise stated) are held	Holdings at beginning of the year	Holdings at end of the year
Related Corporations (cont'd)		
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		
Tang Yew Kay Jackson (Resigned on 31 December 2022)	2,850	2,850
Yeo Siew Chye Stephen	68,360	68,360
Ho Koon Lian Irene	190	190
StarHub Ltd Ordinary shares		
Stephen Geoffrey Miller	116,000	168,100
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

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 2023.

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' STATEMENT

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.

DIRECTORS' STATEMENT

(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 2022, conditional awards aggregating 56,506,810 (2021: 52,381,810) 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. 643,000 shares under the Plans were released during the financial year ended 31 December 2022 (2021: Nil shares).

(viii) During the financial year ended 31 December 2022, conditional awards aggregating 3,086,000 (2021: 2,690,000) 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 14,850,450 shares under the Plans were outstanding as at 31 December 2022 (2021: 12,625,150 shares).

(ix) During the financial year ended 31 December 2022, restricted share awards aggregating 1,039,000 (2021: 643,000) shares were also granted under the TeleChoice RSP. These share awards formed 30% (2021: 30%) of the payment of Directors' remuneration for the financial year ended 31 December 2021 (2021: 31 December 2020) 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.

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 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
Nicholas Tan Kok Peng [1]	–	–	–	–
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 [2]	183,000	794,000	611,000	183,000

[1] Nicholas Tan Kok Peng was appointed as a Director of the Company with effect from 1 January 2023.
[2] Tang Yew Kay Jackson retired as a Director of the Company with effect from 31 December 2022.

DIRECTORS' STATEMENT

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.

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 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 2022 are as follows:

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

DIRECTORS' STATEMENT

Audit Committee

The members of the Audit Committee during the year were:

- Tang Yew Kay Jackson (Chairman), independent non-executive director
- Cheah Sui Ling, independent non-executive director
- Ho Koon Lian Irene, non-executive director

Tang Yew Kay Jackson resigned as a Director on 31 December 2022 and concurrently ceased to be Chairman of the Audit Committee. The members of the Audit Committee as at the date of this statement are:

- Nicholas Tan Kok Peng (Chairman), independent non-executive director
- Cheah Sui Ling, independent non-executive director
- Ho Koon Lian Irene, non-executive 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:

- advise the Board on the Group's overall risk tolerance and policies;

- oversee management on the design, implementation and monitoring of the risk management and internal control systems;

- review, at least annually, the adequacy and effectiveness of the Group's risk management and internal control systems, including the financial, operational, compliance and information technology risks, and where required, provide an opinion as to the adequacy and effectiveness of such risk management and internal control systems;

- review reports submitted by the Company's management on (i) changes in the risks highlighted in the last review, and (ii) the Group's ability to respond to risks brought about by changes in its business and the external environment; and
- 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.

DIRECTORS' STATEMENT

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.

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

Nicholas Tan Kok Peng
Director

27 March 2023

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 2022, the consolidated income statement, 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 a summary of significant accounting policies, as set out on pages 118 to 196.

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 2022 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.

INDEPENDENT AUDITORS' REPORT

<table>
<tr><td colspan="2">Impairment assessment of goodwill ($Nil)
(Refer to Note 2.4, Note 3.4, Note 3.8 and Note 5 to the financial statements)</td></tr>
<tr><td>The key audit matter

The Group holds significant amounts of goodwill on the statement of financial position. During the year, the Group's wholly owned subsidiary, NxGen Communications Pte Ltd ("NxGen"), has acquired Radiance Communications Pte Ltd ("Radiance") as a wholly owned subsidiary. Management has allocated $6,407,000 (2021: $6,407,000) full carrying amount of goodwill to NxGen and Radiance cash generating units ("CGUs") for the purpose of goodwill impairment assessment.

The recoverable amount for each CGUs to which goodwill is allocated to has been calculated by the Group based on the value in use ("VIU") of the CGUs. The VIU is affected by the Group's judgement over certain key inputs, for example long term revenue growth rate, operating profit margin and discount rate.

We focused on the estimated VIU of the CGUs to which goodwill has been allocated.

During the year, an impairment charge of $6,407,000 was recognised in the consolidated income statement of the Group where its recoverable amount is less than its carrying amount.</td><td>How the matter was addressed in our audit

We assessed the appropriateness of the allocation of goodwill to NxGen and Radiance CGUs.

We reviewed management's integration of Radiance into NxGen's operations as part of business combination and assessed the cashflows of the CGUs including Radiance.

Our work focused on analysis and challenge of the key assumptions used by the Group in conducting the impairment review as described in Note 5 to the financial statements.

This included:
• engaging our valuation specialists to independently develop expectations for the discount rate, and comparing the independent expectations to those used by the Group; and
• comparing key assumptions for long term revenue growth rate, operating profit margin and capital expenditure in the forecast to actual historical results, firm commitments secured from customers as well as pipelines.</td></tr>
<tr><td colspan="2">Our findings

During the financial year, an impairment loss of $6,407,000 was recognised to write-down the carrying amount of goodwill. Based on the results of our audit procedures, recoverable amount is less than the carrying amount of the CGUs. We concur with management on the impairment charge of $6,407,000. The disclosures in Note 5 to the financial statements appropriately describe the inherent degree of subjectivity in the estimates.</td></tr>
</table>

INDEPENDENT AUDITORS' REPORT

Valuation of inventories ($12,353,000) **(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 ($66,361,000) **(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. *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 also found that the revenue had been appropriately allocated to different performance obligations where applicable.

INDEPENDENT AUDITORS' REPORT

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.

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.

INDEPENDENT AUDITORS' REPORT

- 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.

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 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Non-current assets					
Plant and equipment	4	1,037	1,208	38	51
Intangible assets	5	514	6,938	29	80
Right-of-use assets	20	4,426	6,930	1,765	3,064
Subsidiaries	6	–	–	19,561	24,374
Associate	7	1,844	1,818	–	–
Deferred tax assets	8	612	738	28	28
Trade and other receivables	10	1,065	813	–	–
Total non-current assets		9,498	18,445	21,421	27,597
Current assets					
Inventories	9	12,353	10,571	7,291	6,778
Contract assets	23	25,047	21,999	–	–
Trade and other receivables	10	46,380	30,641	11,786	8,595
Cash and cash equivalents	14	18,372	34,811	2,024	10,030
Total current assets		102,152	98,022	21,101	25,403
Total assets		111,650	116,467	42,522	53,000
Equity					
Share capital	15	21,987	21,987	21,987	21,987
Reserves	16	6,355	7,637	14,375	14,084
Accumulated profits/(losses)		14,901	27,685	(2,226)	773
Total equity attributable to equity holders of the Company		43,243	57,309	34,136	36,844
Non-controlling interests		–	–	–	–
Total equity		43,243	57,309	34,136	36,844
Non-current liabilities					
Contract liabilities	23	82	123	–	–
Other payables	17	407	–	–	–
Lease liabilities	20	983	3,422	490	1,770
Provisions	21	432	412	294	294
Total non-current liabilities		1,904	3,957	784	2,064
Current liabilities					
Contract liabilities	23	7,194	3,836	–	–
Current tax payable		32	17	–	–
Trade and other payables	17	52,809	45,429	6,322	12,822
Loans and borrowings	19	2,578	2,502	–	–
Lease liabilities	20	3,405	3,300	1,280	1,270
Provisions	21	485	117	–	–
Total current liabilities		66,503	55,201	7,602	14,092
Total liabilities		68,407	59,158	8,386	16,156
Total equity and liabilities		111,650	116,467	42,522	53,000

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED INCOME STATEMENT
YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000
Revenue	23	232,603	194,350
Cost of sales		(214,023)	(177,979)
Gross profit		18,580	16,371
Other income		783	3,449
Sales and marketing expenses		(8,320)	(7,027)
Administrative expenses		(15,254)	(14,051)
Impairment loss on goodwill		(6,407)	–
Other expenses		(600)	(260)
Results from operating activities		(11,218)	(1,518)
Finance income	24	106	67
Finance costs	24	(600)	(650)
Net finance costs		(494)	(583)
Share of profit/(loss) of associate (net of tax)	7	29	(134)
Loss before tax	24	(11,683)	(2,235)
Tax expense	25	(567)	(465)
Loss for the year		(12,250)	(2,700)
Loss attributable to:			
Owners of the Company		(12,250)	(2,700)
Non-controlling interests		–	–
Loss for the year		(12,250)	(2,700)
Earnings per share			
Basic earnings per share (cents)	26	(2.70)	(0.59)
Diluted earnings per share (cents)	26	(2.62)	(0.59)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2022

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 DECEMBER 2022**

	Note	Group 2022 $'000	Group 2021 $'000
Loss for the year		(12,250)	(2,700)
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Defined benefit plan remeasurements		42	106
Tax on items that will not be reclassified to profit or loss		(9)	(23)
		33	83
Items that are or may be reclassified subsequently to profit or loss:			
Translation differences relating to financial statements of foreign subsidiaries		(1,288)	104
Share of foreign currency translation differences of associate	7	(3)	4
Realisation of reserve upon liquidation of a subsidiary		–	14
Exchange differences on monetary items forming part of net investment in foreign operations		(282)	–
		(1,573)	122
Other comprehensive income for the year, net of tax		(1,540)	205
Total comprehensive income for the year		(13,790)	(2,495)
Total comprehensive income attributable to:			
Owners of the Company		(13,790)	(2,495)
Non-controlling interests		–	–
Total comprehensive income for the year		(13,790)	(2,495)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

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
At 1 January 2021		21,987	32,574	27	16,605	(1,538)	981	(1)	(8,846)	61,789	11	61,800
Total comprehensive income for the year												
Loss for the year		–	(2,700)	–	–	–	–	–	–	(2,700)	–	(2,700)
Other comprehensive income												
Translation differences relating to financial statements of foreign subsidiaries		–	–	–	–	–	–	–	104	104	–	104
Share of foreign currency translation differences of associate	7	–	–	–	–	–	–	–	4	4	–	4
Realisation of reserve upon liquidation of a subsidiary		–	–	–	–	–	–	–	14	14	–	14
Liquidation of a subsidiary		–	–	–	–	–	–	–	–	–	(11)	(11)
Defined benefit plan remeasurements		–	106	–	–	–	–	–	–	106	–	106
Tax on items that will not be reclassified to profit or loss		–	(23)	–	–	–	–	–	–	(23)	–	(23)
Total other comprehensive income		–	83	–	–	–	–	–	122	205	(11)	194
Total comprehensive income for the year		–	(2,617)	–	–	–	–	–	122	(2,495)	(11)	(2,506)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

Group	Note	Attributable to owners of the Company									Non-controlling interests $'000	Total equity $'000
		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		
Transactions with owners of the Company, recognised directly in equity												
Contributions by and distributions to owners of the Company												
Share-based payments expenses	22	–	–	–	–	–	485	–	–	485	–	485
Purchase of treasury shares	15	–	–	–	–	–	–	(198)	–	(198)	–	(198)
Final dividend of 0.5 cents per share (one-tier tax exempt)	16	–	(2,272)	–	–	–	–	–	–	(2,272)	–	(2,272)
Total contributions by and distributions to owners of the Company		–	(2,272)	–	–	–	485	(198)	–	(1,985)	–	(1,985)
Total transactions with owners of the Company		–	(2,272)	–	–	–	485	(198)	–	(1,985)	–	(1,985)
At 31 December 2021		21,987	27,685	27	16,605	(1,538)	1,466	(199)	(8,724)	57,309	–	57,309

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2022

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
		Attributable to owners of the Company										
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 2022

		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
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 CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000
Cash flows from operating activities			
Loss before tax		(11,683)	(2,235)
Adjustments for:			
Amortisation of intangible assets	5	442	261
Depreciation of plant and equipment	4	786	708
Depreciation of right-of-use assets	20	3,894	4,435
Finance expense	24	600	650
Finance income	24	(106)	(67)
Impairment loss on goodwill	5	6,407	–
Gain on disposal of plant and equipment	24	(56)	(73)
Gain on liquidation of a subsidiary	24	–	(17)
Negative goodwill on acquisition of interest in subsidiaries	24	(16)	–
Gain on derecognition of right-of-use assets	24	(17)	(39)
Write-back of provision for warranties	21	(29)	(50)
Write-back of reinstatement costs	21	(49)	–
(Reversal of impairment loss)/Impairment loss on trade receivables	24	(10)	6
Share-based payments expenses	22	406	485
Share of (profit)/loss of associate	7	(29)	134
		540	4,198
Changes in:			
Inventories		(729)	(3,002)
Contract assets		(1,622)	2,513
Trade and other receivables		(12,830)	9,241
Trade and other payables		12,966	16,005
Deferred income		–	(840)
Contract liabilities		1,006	80
Provisions and employee benefit obligations		416	(78)
Cash generated from operations		(253)	28,117
Tax paid		(577)	(389)
Net cash (used in)/from operating activities		(830)	27,728
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		61	86
Acquisition of subsidiaries, net of cash acquired	30	(1,316)	–
Proceeds from liquidation of a subsidiary		–	14
Purchase of plant and equipment	4	(481)	(934)
Purchase of intangible assets	5	(271)	(226)
Interest received		60	16
Net cash used in investing activities		(1,947)	(1,044)
Cash flows from financing activities			
Dividends paid		(567)	(2,272)
Interest paid	19	(561)	(616)
Proceeds from bank loans	19	10,840	23,362
Repayment of short-term loans	19	(19,117)	(34,991)
Purchase of treasury shares	15	(169)	(198)
Payment of lease liabilities	19	(3,733)	(4,499)
Net cash used in financing activities		(13,307)	(19,214)

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 $'000	Group 2021 $'000
Net (decrease)/increase in cash and cash equivalents		(16,084)	7,470
Cash and cash equivalents at 1 January		34,811	27,311
Effect of exchange rate changes on cash held in foreign currencies		(355)	30
Cash and cash equivalents at 31 December	15	18,372	34,811

Significant non-cash transactions

During the year, the Group obtained bank loans amounting to $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 2023.

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 2022 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 significant 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.

NOTES TO THE FINANCIAL STATEMENTS

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions 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. 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 5 – Key assumptions used in determining the recoverable amounts of goodwill arising from the acquisitions of subsidiaries
- 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

2.5 Changes in significant accounting policies

New standards and amendments

The Group 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 2022:

- Amendment to SFRS(I) 16: *COVID-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to SFRS(I) 3: *Reference to the Conceptual Framework*
- Amendments to SFRS(I) 1-16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to SFRS(I) 1-37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to SFRS(I)s 2018-2020

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

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. Although the economic outlook has improved compared to the previous year, rising energy prices and supply chain disruptions have led to broad-based inflation. Other downside risks which could cause a derailment to recovery include changes in government fiscal policies, interest rate hikes, geopolitical tensions and the ongoing climate crisis.

For the year ended 31 December 2022, the Group recognised a net loss after tax of $12,250,000 (2021: $2,700,000). The Group's net current assets as at 31 December 2022 were $35,649,000 (2021: $42,821,000). The Group has $102,152,000 (2021: $98,022,000) of resources comprising cash and cash equivalents and other highly liquid assets, and unused credit lines of $134,000,000 (2021: $130,000,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

3 Significant 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 significant accounting policies.

The accounting policies have been applied consistently by Group entities.

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.

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 income statement.

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

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 the income statement.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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, Thai Baht, 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 the income statement.

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.

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 the income statement.

NOTES TO THE FINANCIAL STATEMENTS

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 the income statement 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 the income statement 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 the income statement 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 the income statement 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

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 the income statement. Directly attributable transaction costs are recognised in the income statement 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 the income statement. 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.

NOTES TO THE FINANCIAL STATEMENTS

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 the income statement.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 the income statement. 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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 the income statement 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.

NOTES TO THE FINANCIAL STATEMENTS

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 the income statement 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:

- 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 income statement.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

The provision for warranties is based on estimates made from historical warranty data associated with similar products and services. Claims, when incurred, are charged against this provision.

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 the income statement 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

3.13 Government grants

Government grants that compensate the Group for expenses incurred are recognised in the income statement 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 the income statement 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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 standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted. However, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amendments to SFRS(I) are not expected to have significant impact on the Group's consolidated financial statements and the Company's statement of financial position.

- SFRS(I) 17 *Insurance Contracts* and amendments to SFRS(I) 17 *Insurance Contracts*
- Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-Current*
- 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*
- Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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 2021	2,833	4,924	1,119	1,902	1,218	11,996
Additions	121	171	54	588	–	934
Disposals/Write-off	(508)	(558)	(143)	(142)	(131)	(1,482)
Translation differences on consolidation	1	9	–	5	9	24
At 31 December 2021	2,447	4,546	1,030	2,353	1,096	11,472
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
Accumulated depreciation						
At 1 January 2021	2,777	4,656	1,067	1,684	820	11,004
Depreciation for the year	64	224	40	251	129	708
Disposals/Write-off	(506)	(551)	(143)	(141)	(128)	(1,469)
Translation differences on consolidation	1	8	–	6	6	21
At 31 December 2021	2,336	4,337	964	1,800	827	10,264
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
Carrying amounts						
At 1 January 2021	56	268	52	218	398	992
At 31 December 2021	111	209	66	553	269	1,208
At 31 December 2022	136	81	125	438	257	1,037

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 2021	642	354	535	155	1,686
Additions	5	2	22	–	29
Write-off	–	(90)	(20)	–	(110)
At 31 December 2021	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
Accumulated depreciation					
At 1 January 2021	639	352	507	107	1,605
Depreciation for the year	2	1	25	31	59
Write-off	–	(90)	(20)	–	(110)
At 31 December 2021	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
Carrying amounts					
At 1 January 2021	3	2	28	48	81
At 31 December 2021	6	3	25	17	51
At 31 December 2022	4	3	31	–	38

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 2021	3,299	1,304	6,688	727	11,853	23,871
Additions	226	–	–	–	–	226
Disposals/Write-off	(80)	–	–	–	–	(80)
Translation differences on consolidation	2	–	–	–	–	2
At 31 December 2021	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
Accumulated amortisation and impairment losses						
At 1 January 2021	2,733	1,304	6,688	727	5,446	16,898
Amortisation charge for the year	261	–	–	–	–	261
Disposals/Write-off	(80)	–	–	–	–	(80)
Translation differences on consolidation	2	–	–	–	–	2
At 31 December 2021	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
Carrying amounts						
At 1 January 2021	566	–	–	–	6,407	6,973
At 31 December 2021	531	–	–	–	6,407	6,938
At 31 December 2022	514	–	–	–	–	514

NOTES TO THE FINANCIAL STATEMENTS

The amortisation charge is recognised in the following line items of the consolidated income statement:

	Group	
	2022 $'000	2021 $'000
Cost of sales	133	42
Administrative expenses	309	219
	442	261

	Computer software $'000
Company	
Cost	
At 1 January 2021	1,351
Additions	21
At 31 December 2021	1,372
Additions	–
At 31 December 2022	1,372
Accumulated amortisation	
At 1 January 2021	1,246
Amortisation charge for the year	46
At 31 December 2021	1,292
Amortisation charge for the year	51
At 31 December 2022	1,343
Carrying amounts	
At 1 January 2021	105
At 31 December 2021	80
At 31 December 2022	29

Impairment testing for cash generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to a group of CGUs which is the acquired group of entities. The recoverable amounts of the CGUs were based on the CGU's value in use which was determined by discounting the future cash flows to be generated from the continuing use of the CGUs.

	Group	
	2022 $'000	2021 $'000
NxGen Communications Pte Ltd and its subsidiaries	–	6,407

NOTES TO THE FINANCIAL STATEMENTS

NxGen Communications Pte Ltd and its subsidiaries ("NxGen") goodwill impairment test
Carrying value: $Nil (2021: $6.41 million)

During the financial year, NxGen Communications Pte Ltd acquired Radiance Communications Pte Ltd ("Radiance") and management integrated Radiance into NxGen CGU as part of business combination. The net carrying amount of goodwill of $6,407,000 was allocated to NxGen CGU including Radiance. The recoverable amount of NxGen was based on its value in use and was determined by discounting the future cash flows to be generated from the continuing use of the CGU.

During the financial year, the NxGen CGU experienced a decline in revenue and operating profit margin. Due to the uncertain economic outlook, with challenging visibility on the order book building for the financial year 2023 and onwards, a lower revenue and revenue growth rate were estimated in its forecast projection. As the recoverable amount is below the carrying amount, a full impairment of $6,407,000 was recognised as at 31 December 2022.

The key assumptions used in the calculation of recoverable amount are revenue growth, operating profit margin, discount rate, terminal value growth rate and capital expenditure. These assumptions are as follows:

Revenue growth

In view of uncertain economic outlook, management forecasts a negative revenue growth rate from its operations from 2023 to 2027. The projected revenue takes into account its firm commitments secured from customers and pipelines.

Operating profit margin

Operating profit margin is expected to decline due to inflationary price pressure.

Discount rate

A discount rate of 12.32% (2021: 10.2%) used in the calculation of net present values is the pre-tax rate that reflects the risk free rate and the premium for specific risks relating to the CGU.

Terminal value growth rate

The CGU used five years of cash flows in its discounted cash flow model using a perpetual model with zero (2021: zero) growth rate.

Capital expenditure

Management forecasts an increase in capital expenditure from 2023 to 2027 (2021: 2022 to 2026). Capital expenditure was projected at 0.5% (2021: 0.5%) of forecasted revenue.

NOTES TO THE FINANCIAL STATEMENTS

6 Subsidiaries

	Company 2022 $'000	Company 2021 $'000
Unquoted equity investments, at cost	33,197	33,188
Capital contribution for share option	2,058	1,938
	35,255	35,126
Less: Impairment losses	(15,694)	(10,752)
	19,561	24,374

On 25 August 2021, the Board of Directors approved reduction of share capital of $900,000 in a wholly-owned subsidiary, Planet Telecoms (S) Pte Ltd. The capital reduction of $900,000 was refunded to the Company and recognised as a reduction in cost of investment.

The movements in the allowance for impairment in respect of investments in subsidiaries during the year were as follows:

	2022 $'000	2021 $'000
Balance at 1 January	(10,752)	(8,451)
Impairment loss recognised	(4,942)	(2,301)
Balance at 31 December	(15,694)	(10,752)

Details of subsidiaries are as follows:

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group 2022 %	Effective equity held by the Group 2021 %
NexWave Technologies Pte Ltd	Provision of network engineering services	Singapore	100	100
NexWave Telecoms Pte. Ltd.	Provision of telecommunication services	Singapore	100	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

NOTES TO THE FINANCIAL STATEMENTS

Name of subsidiaries	Principal activities	Principal place of business/ Country of incorporation	Effective equity held by the Group 2022 %	2021 %
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	49.6
TeleChoice Technologies (Shanghai) Co. Ltd. [1]	Provision of info-communications technology consultancy and services	China	100	100
Held by NxGen Communications Pte Ltd:				
NxGen Communications (M) Sdn. Bhd.	Provision of system integration services	Malaysia	100	100
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	–
Held by Radiance Communications Pte Ltd:				
NxGen Malaysia Sdn. Bhd. (formerly known as Radiance Converged Communications Sdn Bhd) [2]	Sale, distribution and maintenance of telecommunication systems, equipment and accessories	Malaysia	100	–

NOTES TO THE FINANCIAL STATEMENTS

[1] On 6 March 2020, the Company's wholly-owned subsidiary, S & I Systems Pte Ltd, incorporated a wholly-owned subsidiary, TeleChoice Technologies (Shanghai) Co. Ltd., in the People's Republic of China with a registered capital of US$150,000. The registered capital needs to be paid within 30 years of incorporation. In 2021, the Company's wholly-owned subsidiary injected US$150,000 (equivalent to $205,000). The amount has been fully paid in cash.

[2] On 10 June 2022, NxGen Communications Pte Ltd acquired 100% of the shares and voting interest in Radiance Communications Pte Ltd and its subsidiary for an aggregate consideration of $2,395,000. Refer to Note 30 for the details of this acquisition.

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 $2,058,000 (2021: $1,938,000) 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.

As at the reporting date, 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 $2,500,000 and $2,442,000 for investments in NxGen Communications Pte Ltd and S & I Systems Pte Ltd respectively (2021: $1,772,000, $486,000 and $43,000 for investments in S & I Systems Pte Ltd, NexWave Telecoms Pte Ltd and N-Wave Technologies (Malaysia) Sdn Bhd respectively), totalling $4,942,000 (2021: $2,301,000).

Non-controlling interests

None of the subsidiaries have non-controlling interests ("NCI") that are material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

7 Associate

	Group 2022 $'000	Group 2021 $'000
Interest in associate	1,844	1,818

Details of associate as follows:

Name of associate	Principal activities	Principal place of business/ Country of incorporation	Ownership interest held by the Group 2022 %	Ownership interest held by the Group 2021 %
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

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 2022 $'000	Group 2021 $'000
Revenue	5,378	6,246
Profit/(Loss) from continuing operations	99	(427)
Other comprehensive income	(10)	12
Total comprehensive income	89	(415)
Non-current assets	5,974	5,838
Current assets	4,430	4,495
Current liabilities	(4,134)	(4,155)
Non-current liabilities	–	(1)
Net assets	6,270	6,177
Group's interest in net assets of associate at beginning of the year	1,818	1,948
Group's share of:		
- Profit/(Loss) from continuing operations	29	(134)
- Other comprehensive income	(3)	4
- Total comprehensive income	26	(130)
Carrying amount of interest in associate at end of year	1,844	1,818

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 2021 $'000	Recognised in income statement (Note 25) $'000	Recognised in other comprehensive income $'000	Exchange differences $'000	At 31 December 2021 $'000	Recognised in income statement (Note 25) $'000	Recognised in other comprehensive income $'000	Exchange differences $'000	At 31 December 2022 $'000
Group									
Deferred tax assets									
Plant and equipment	284	(10)	–	–	274	1	–	(5)	270
Inventories	76	7	–	–	83	(17)	–	–	66
Accruals	317	70	(23)	2	366	(12)	(9)	(26)	319
Receivables	36	(32)	–	(1)	3	(34)	–	–	(31)
Right-of-use assets	31	(7)	–	–	24	6	–	–	30
Unutilised capital allowances and tax losses	224	72	–	–	296	(40)	–	–	256
	968	100	(23)	1	1,046	(96)	(9)	(31)	910
Deferred tax liabilities									
Plant and equipment	(312)	4	–	–	(308)	10	–	–	(298)

NOTES TO THE FINANCIAL STATEMENTS

	At 1 January 2021 $'000	Recognised in income statement $'000	At 31 December 2021 $'000	Recognised in income statement $'000	At 31 December 2022 $'000
Company					
Deferred tax assets					
Inventories	22	–	22	–	22
Accruals	27	–	27	–	27
Right-of-use assets	17	–	17	–	17
	66	–	66	–	66
Deferred tax liability					
Plant and equipment	(38)	–	(38)	–	(38)

The amounts determined after appropriate offsetting are included in the statement of financial position as follows:

	Group 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Deferred tax assets	612	738	28	28

Unrecognised deferred tax assets

The following deductible temporary differences have not been recognised:

	Group 2022 $'000	Group 2021 $'000
Deductible temporary differences	1,104	798
Unutilised capital allowances	1	119
Unutilised tax losses	12,600	6,482
	13,705	7,399

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 $1,331,000 (2021: $1,679,000) for temporary differences of $13,120,000 (2021: $16,585,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

9 Inventories

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Raw materials	3,455	1,987	–	–
Inventories held for resale	8,898	8,584	7,291	6,778
	12,353	10,571	7,291	6,778

In 2022, inventories of $119,371,000 (2021: $90,031,000) 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 $93,000 and $141,000 respectively (2021: $218,000 and $177,000 respectively), and are included in "cost of sales".

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		Company	
		2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivables		30,158	21,425	5,025	3,744
Allowance for doubtful receivables		(42)	(12)	–	–
		30,116	21,413	5,025	3,744
Unbilled receivables		1,347	166	49	35
Other receivables and deposits	11	3,757	4,142	2,874	2,837
Amounts due from:					
- related parties	12	4,821	3,760	629	619
- subsidiaries	13	–	–	3,065	1,278
		40,041	29,481	11,642	8,513
Prepayments		2,980	1,100	144	82
Deferred expenses		4,424	873	–	–
		47,445	31,454	11,786	8,595

NOTES TO THE FINANCIAL STATEMENTS

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Non-current	1,065	813	–	–
Current	46,380	30,641	11,786	8,595
	47,445	31,454	11,786	8,595

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	
	2022	2021
	$'000	$'000
Balance at 1 January	12	8
Acquisition through business combination	40	–
(Reversal of impairment loss)/Impairment loss recognised during the year	(10)	6
Amounts written off during the year	–	(2)
Balance at 31 December	42	12

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.

11 Other receivables and deposits

	Group		Company	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
Deposits	942	1,286	25	17
Dividend receivable from subsidiaries	–	–	2,710	2,700
Other receivables	2,815	2,856	139	120
	3,757	4,142	2,874	2,837
Non-current	757	813	–	–
Current	3,000	3,329	2,874	2,837
	3,757	4,142	2,874	2,837

Other receivables relate mainly to tax recoverable and marketing incentives receivable from suppliers. Other receivables and deposits do not carry any credit terms.

NOTES TO THE FINANCIAL STATEMENTS

12 Amounts due from/(to) related parties

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Amounts due from related parties:				
- subsidiaries of holding companies (trade)				
- Billed portion	3,876	2,918	629	619
- Unbilled portion	945	756	–	–
- subsidiaries of holding companies (non-trade)	–	86	–	–
	4,821	3,760	629	619
Amounts due to related parties:				
- subsidiaries of holding companies (trade)	(246)	(155)	–	–
- subsidiaries of holding companies (non-trade)	(19)	(12)	(6)	(3)
	(265)	(167)	(6)	(3)

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.

13 Amounts due from/(to) subsidiaries

	Company	
	2022 $'000	2021 $'000
Amounts due from subsidiaries:		
- trade	587	1,004
- non-trade	2,478	274
	3,065	1,278
Amounts due to subsidiaries (non-trade)	(26)	(5)

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.

NOTES TO THE FINANCIAL STATEMENTS

14 Cash and cash equivalents

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash at banks and in hand	18,372	34,811	2,024	10,030

As at 31 December 2022, the Group has cash and cash equivalents totalling $3,982,000 (2021: $7,060,000) which are held in countries with foreign exchange controls.

15 Share capital

	Group and Company			
	2022		2021	
	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 1,477,900 (2021: 1,100,000) ordinary shares under the terms of the Share Purchase Mandate approved by its shareholders on 28 April 2022. The total consideration for these shares bought back from the market is $169,000 (2021: $198,000), being the market price, including incidental cost. This amount was classified as a deduction from equity under "reserve for own shares".

During the year, 643,000 (2021: no) 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 2022, the Company held 1,938,065 (2021: 1,103,165) 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 6% to 10% (2021: 6% to 10%). In 2022, the return was -23.5% (2021: -3.3%). In comparison, the interest expense on interest-bearing borrowings (excluding liabilities with imputed interest and lease liabilities) was 3.93% to 8.25% (2021: 2.84% to 5.60%) per annum.

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.

NOTES TO THE FINANCIAL STATEMENTS

16 Reserves

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Capital reserves	16,603	16,605	12,878	12,881
General reserve	27	27	–	–
Reserve for own shares	(252)	(199)	(252)	(199)
Share option reserve	1,812	1,466	1,749	1,402
Goodwill written off	(1,538)	(1,538)	–	–
Exchange translation reserve	(10,297)	(8,724)	–	–
	6,355	7,637	14,375	14,084

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 (2021: $17,024,000) and losses on the reissuance of treasury shares of $421,000 (2021: $419,000), totalling $16,603,000 (2021: $16,605,000).

Merger reserve comprises the following:

	2022 $'000	2021 $'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 2022, the Group held 1,938,065 of the Company's shares (2021: 1,103,165 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	
	2022	**2021**
	$'000	**$'000**
Paid by the Company to owners of the Company		
0.125 cents per qualifying ordinary share (2021: 0.5 cents)	567	2,272

17 Trade and other payables

	Note	Group		Company	
		2022	**2021**	**2022**	**2021**
		$'000	**$'000**	**$'000**	**$'000**
Trade payables		38,332	34,778	4,232	10,761
Accruals for payroll and staff related costs		4,059	3,825	1,198	967
Accrued expenses		8,773	5,900	856	1,071
Amounts due to:					
- related parties	12	265	167	6	3
- subsidiaries	13	–	–	26	5
Financial liabilities at amortised cost		51,429	44,670	6,318	12,807
Employee benefits obligation	18	407	459	–	–
Advances from customers		1,380	300	4	15
		53,216	45,429	6,322	12,822
Non-current		407	–	–	–
Current		52,809	45,429	6,322	12,822
		53,216	45,429	6,322	12,822

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	
	2022	**2021**
	$'000	**$'000**
Post-employment benefits	400	448
Other long-term employee benefits	7	11
	407	459

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 24 and 25 employees in 2022 and 2021, respectively.

NOTES TO THE FINANCIAL STATEMENTS

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.

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	**OLB**	**Total**
	$'000	**$'000**	**$'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)

NOTES TO THE FINANCIAL STATEMENTS

	Group PEB $'000	OLB $'000	Total $'000
2021			
Service cots:			
- current service cost	46	1	47
- interest cost	39	1	40
- past service cost due to plan amendment	(97)	–	(97)
- remeasurement of OLB	–	(3)	(3)
Components of defined benefits costs recognised in consolidated income statement	(12)	(1)	(13)
Remeasurement on the net defined benefit liability:			
- actuarial gains arising from changes in financial assumptions	(10)	–	(10)
- actuarial gains due to changes in estimates of future employee turnover, mortality or increases in salaries	(96)	–	(96)
Components of defined benefits costs recognised in consolidated statement of comprehensive income	(106)	–	(106)

Movements in the present value of the defined benefit obligation are as follows:

	Group PEB $'000	OLB $'000	Total $'000
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

NOTES TO THE FINANCIAL STATEMENTS

	PEB $'000	Group OLB $'000	Total $'000
2022			
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
2021			
Opening defined benefit obligation	562	12	574
- current service cost	46	1	47
- interest cost	39	1	40
- benefits paid	–	(1)	(1)
- past service cost due to plan amendment	(97)	–	(97)
- remeasurement of OLB	–	(3)	(3)
Components of defined benefits costs recognised in consolidated income statement	550	10	560
Remeasurement on the net defined benefit liability:			
- actuarial gains arising from changes in financial assumptions	(10)	–	(10)
- actuarial gains due to changes in estimates of future employee turnover, mortality or increases in salaries	(96)	–	(96)
Components of defined benefits costs recognised in consolidated statement of comprehensive income	(106)	–	(106)
Translation differences on consolidation	4	1	5
Total	448	11	459

NOTES TO THE FINANCIAL STATEMENTS

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	
	2022	**2021**
Discount rate	5.18% - 7.55%	3.07% - 7.55%
Salary increment rate	4%	4%
Disability rate	10%	10%
Resignation rate	#	#
Normal retirement age	62	62

\# 10% (2021: 10%) for employee before the age of 30 and will linearly decrease to 0% (2021: 0%) at the age of 57.

19 Loans and borrowings

	Group	
	2022 $'000	**2021 $'000**
Current liability		
Unsecured bank loans	2,578	2,502

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 2022				
Floating rate loans	3.93 – 8.25	2023	2,578	2,578
31 December 2021				
Floating rate loans	2.84 – 5.60	2022	2,502	2,502

For certain loans, Group entities are obliged to comply with a number of financial covenants, including maintaining certain financial ratios. All covenants were complied during the financial year.

NOTES TO
THE FINANCIAL STATEMENTS

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					
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)
2021					
Unsecured bank loans		2,502	(2,524)	(2,524)	–
Lease liabilities	20	6,722	(6,903)	(3,433)	(3,470)
Trade and other payables*	17	44,670	(44,670)	(44,670)	–
		53,894	(54,097)	(50,627)	(3,470)
Company					
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)
2021					
Lease liabilities	20	3,040	(3,114)	(1,319)	(1,795)
Trade and other payables*	17	12,807	(12,807)	(12,807)	–
		15,847	(15,921)	(14,126)	(1,795)

* *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 2021	6,809	14,131	20,940
Changes from financing cash flows			
Interest paid	(159)	(457)	(616)
Proceeds from borrowings	–	23,362	23,362
Repayment of borrowings	–	(34,991)	(34,991)
Payment of lease liabilities	(4,499)	–	(4,499)
Total changes from financing cash flows	(4,658)	(12,086)	(16,744)
The effect of changes in foreign exchange rates	(1)	–	(1)
Other changes			
Interest expense	159	457	616
Derecognition of leases	(132)	–	(132)
New leases	4,545	–	4,545
Total other changes	4,572	457	5,029
Balance at 31 December 2021	6,722	2,502	9,224
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

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				
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
2021				
Balance at 1 January	6,867	41	–	6,908
Additions to right-of-use assets	4,429	90	26	4,545
Depreciation charge for the year	(4,375)	(47)	(13)	(4,435)
Derecognition of right-of-use assets	(93)	–	–	(93)
Translation difference on consolidation	5	–	–	5
Balance at 31 December	6,833	84	13	6,930
Company				
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

NOTES TO THE FINANCIAL STATEMENTS

	Leasehold improvements $'000	Office equipment $'000	Motor vehicles $'000	Total $'000
Company				
2021				
Balance at 1 January	4,250	24	–	4,274
Additions to right-of-use assets	–	60	26	86
Depreciation charge for the year	(1,255)	(28)	(13)	(1,296)
Balance at 31 December	2,995	56	13	3,064

Lease liabilities

	Group		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Non-current	983	3,422	490	1,770
Current	3,405	3,300	1,280	1,270
	4,388	6,722	1,770	3,040

Amounts recognised in the income statement

	Note	2022 $'000	2021 $'000
Interest on lease liabilities	24	154	159
Expenses relating to short-term leases		1,949	1,495
Variable lease payments not included in the measurement of lease liabilities		250	227

Amounts recognised in statement of cash flows

	2022 $'000	2021 $'000
Total cash outflow for leases	3,887	4,658

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.

NOTES TO THE FINANCIAL STATEMENTS

21 Provisions

	Warranties $'000	Reinstatement costs $'000	Restructuring	Onerous contracts	Total $'000
Group					
At 1 January 2021	118	538	–	–	656
Provision made during the year	–	41	–	–	41
Provision utilised during the year	–	(119)	–	–	(119)
Provision written back during the year	(50)	–	–	–	(50)
Translation difference	1	–	–	–	1
At 31 December 2021	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
31 December 2022					
Non-current	–	432	–	–	432
Current	38	–	223	224	485
	38	432	223	224	917
31 December 2021					
Non-current	–	412	–	–	412
Current	69	48	–	–	117
	69	460	–	–	529

	Reinstatement costs $'000
Company	
At 1 January 2021	294
Provision made during the year	–
At 31 December 2021	294
Provision made during the year	–
At 31 December 2022	294

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 2022, the Group committed to a plan to restructure business structure in NexWave Technologies Pte Ltd. The Group recognised a provision of $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 March 2023.

Onerous contracts

During 2022, a provision of $224,000 is 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.

NOTES TO THE FINANCIAL STATEMENTS

(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 2022, the initial awards of 16,554,640 (2021: 15,328,390) shares under the TeleChoice PSP and the initial awards of 39,952,170 (2021: 36,410,420) shares under the TeleChoice RSP were made to Eligible Persons. As at 31 December 2022, awards of 3,678,750 (2021: 3,709,200) shares under the TeleChoice PSP and 11,171,700 (2021: 8,915,950) shares under the TeleChoice RSP were outstanding.

The key assumptions applied in estimating the fair values under the TeleChoice PSP are as follows:

Date of grant of shares	1 June 2022	1 June 2021	3 June 2020	3 June 2019	1 June 2018
Fair value at grant date	$0.078	$0.121	$0.133	$0.138	$0.160
Assumptions under Monte-Carlo Model Expected Volatility					
TeleChoice International Limited	18.47%	16.77%	15.10%	10.44%	13.75%
Straits Times Index	17.83%	N/A	N/A	N/A	N/A
Risk-free interest rates	2.38%	0.49%	0.43%	1.89%	2.05%

The key assumptions applied in estimating the fair values under the TeleChoice RSP are as follows:

Date of grant of shares	1 June 2022	1 June 2021	3 June 2020	3 June 2019	1 June 2018
Fair value at grant date:					
For RSP vested 12 months from grant date	$0.113	$0.167	$0.188	$0.212	N/A
For RSP vested 24 months from grant date	$0.111	$0.162	$0.180	$0.203	$0.240
For RSP vested 36 months from grant date	$0.110	$0.158	$0.171	$0.194	$0.225
For RSP vested 48 months from grant date	N/A	N/A	N/A	N/A	$0.211
Assumptions under Monte-Carlo Model Expected Volatility					
TeleChoice International Limited	18.47%	16.77%	15.10%	10.44%	13.75%
Risk-free interest rates					
Singapore 1-year Government Bond yield	1.94%	0.30%	0.29%	1.84%	1.71%
Singapore 2-year Government Bond yield	2.26%	0.36%	0.35%	1.87%	1.93%
Singapore 3-year Government Bond yield	2.38%	0.49%	0.43%	1.89%	2.05%

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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 $406,000 (2021: $485,000) to the income statement based on the fair value of the PSP and RSP at the grant date.

23 Revenue

	Group	
	2022	**2021**
	$'000	**$'000**
Equipment and cards sales	138,266	105,639
Voice services, mobile data and location tracking services	2,099	2,227
Logistic and consultancy services	7,876	9,590
Maintenance support services	22,340	16,476
Network engineering projects	47,519	47,703
Info-communication technology projects	14,503	12,715
Revenue from contracts with customers	232,603	194,350

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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.
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.

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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.

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.

	2022 $’000	**2021 $’000**
Trade receivables	30,116	21,413
Unbilled receivables	1,347	166
Amount due from related parties	4,821	3,674
Contract assets	25,047	21,999
Contract liabilities	(7,276)	(3,959)

	Contract liabilities	
	2022 $’000	**2021 $’000**
Non-current	82	123
Current	7,194	3,836
	7,276	3,959

NOTES TO THE FINANCIAL STATEMENTS

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	–	–	2,489	2,971
Increases due to cash received/progress billings, excluding amounts recognised as revenue during the year	–	–	(5,806)	(3,047)
Contract assets recognised, net of reclassification to receivables	3,048	(2,486)	–	–

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	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Maintenance support services and info-communication technology projects	2,985	1,769	7,538	2,410	10,523	4,179

Variable consideration that is constrained and therefore not included in the transaction price is excluded in the amounts presented above.

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.

NOTES TO THE FINANCIAL STATEMENTS

24 Loss before tax

Loss before tax is arrived at after charging/(crediting) the following items:

	Note	Group 2022 $'000	Group 2021 $'000
Amortisation of intangible assets	5	442	261
Depreciation of plant and equipment	4	786	708
Depreciation of right-of-use assets	20	3,894	4,435
Audit fees paid to:			
- auditors of the Company		297	225
- other auditors		237	199
Non-audit fees		–	–
Cost of inventories recognised as an expense in consolidated income statement		119,371	90,031
Directors' remuneration		471	471
Grant income from Job Support Scheme		(20)	(2,147)
Other government grants		(443)	(1,121)
Impairment loss on goodwill	5	6,407	–
Negative goodwill on acquisition of interest in subsidiaries	30	(16)	–
Gain on liquidation of a subsidiary	6	–	(17)
Gain on derecognition of right-of-use assets		(17)	(39)
Exchange loss		207	27
(Reversal of impairment loss)/Impairment loss on trade receivables	10	(10)	6
Gain on disposal of plant and equipment		(56)	(73)
Employee benefits expense			
Staff costs		42,436	42,390
Contributions to defined contribution plans, included in staff costs		3,131	3,132
Termination benefits	21	223	–
Share-based payments expenses, included in staff costs	22	406	485
Finance income			
Interest income			
- banks and financial institutions		(60)	(16)
- interest accretion		(46)	(51)
		(106)	(67)
Finance costs			
Interest expense			
- banks and financial institutions		407	457
- leases liabilities	20	154	159
- interest accretion		39	34
		600	650

NOTES TO THE FINANCIAL STATEMENTS

25 Tax expense

	Group 2022 $'000	Group 2021 $'000
Current tax expense		
Current year	441	567
Under provision in respect of prior years	40	2
	481	569
Deferred tax expense/(credit)		
Origination and reversal of temporary differences	68	(41)
Under/(Over) provision in respect of prior years	18	(63)
	86	(104)
Tax expense	567	465

	Group 2022 $'000	Group 2021 $'000
Reconciliation of effective tax rate		
Loss before taxation	(11,683)	(2,235)
Income tax using Singapore tax rate of 17% (2021: 17%)	(1,986)	(380)
Non-deductible expenses	1,359	323
Non-taxable income	(62)	(382)
Deferred tax assets not recognised	1,072	829
Effect of results of associate presented net of tax	(5)	23
Effect of different tax rates in other countries	131	113
Under/(Over) provision in respect of prior years	58	(61)
	567	465

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 2022 $'000	Group 2021 $'000
Loss attributable to equity holders of the Company	(12,250)	(2,700)

NOTES TO THE FINANCIAL STATEMENTS

	Group Number of shares 2022 ('000)	Group Number of shares 2021 ('000)
Issued ordinary shares at beginning of the year	454,423	454,423
Effect of own shares held	(1,338)	(551)
Weighted average number of ordinary shares during the year	453,085	453,872

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 2022 $'000	Group 2021 $'000
Diluted earnings per share is based on:		
Loss attributable to equity holders of the Company	(12,250)	(2,700)

	Group Number of shares 2022 ('000)	Group Number of shares 2021 ('000)
Weighted average number of ordinary shares (basic)	453,085	453,872
Effect of RSP shares vested but not released	15,234	6,816
Weighted average number of ordinary shares (diluted) during the year	468,319	460,688

	Group 2022	Group 2021
Earnings per share		
Basic earnings per share (cents)	(2.70)	(0.59)
Diluted earnings per share (cents)	(2.62)	(0.59)

NOTES TO THE FINANCIAL STATEMENTS

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	
	2022	**2021**
	$'000	**$'000**
Ultimate holding company		
Revenue from sale of products and provision of services	–	64
Immediate holding company		
Revenue from sale of products and provision of services	59	53
Management fees paid/payable	–	(13)
Other related parties		
Revenue from sale of products and provision of services	16,920	23,152
Purchase of products and services	(9,655)	(12,123)
Shared service expense	(1,410)	(1,304)
Telecommunication services received	(341)	(460)

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	
	2022	**2021**
	$'000	**$'000**
Short-term employment benefits		
- Directors	342	342
- Other key management personnel	2,203	2,273
Post-employment benefits (including defined contribution plans)		
- Other key management personnel	349	349
Share-based payments		
- Directors	129	129
- Other key management personnel	294	456
	3,317	3,549

NOTES TO THE FINANCIAL STATEMENTS

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 distribution, supply chain fulfilment and retail managed services relating to mobile communication devices and accessories. It also engages in the provision of product management, marketing, e-commerce and last mile delivery for smart and green products and services. In Singapore, it operates a retail chain under the Planet Telecoms brand, and it is the only StarHub Ltd ("StarHub") Exclusive Partner to manage StarHub Platinum Shops. In addition, it is the master distributor of StarHub's prepaid card business. PCS also manages retail concept stores for major mobile device manufacturers such as Samsung and OPPO. In Malaysia, PCS provides supply chain fulfilment and managed retail services to U Mobile Sdn Bhd, a data-centric and multiple award-winning mobile data service company. PCS also operates an e-commerce site, www.eplanetworld.com, which offers the latest smart mobile devices, accessories as well as smart and green gadgets and wearables for online shoppers.

Info-Communications Technology Services ("ICT"): This Division is a leading regional integrated info-communications solutions provider. It offers consultancy and system integration services for enterprise IT infrastructure, and cutting-edge business solutions and applications. Its extensive offerings include on-premise and cloud-based solutions and services for campus management, customer relationship management, contact centre and unified communications and Internet of Things ("IoT") applications as well as fixed and wireless networking solutions. It also provides consultancy and managed services to help companies adopt cloud, big data, analytics, IoT, integrated learning and smart building solutions to transform their businesses. In addition, ICT provides Internet Protocol television solutions for the hospitality industry and has a Service-Based Operator licence that offers IDD, SMS broadcast and other enterprise mobility solutions and services.

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 for cellular (including 5G) network services. Engineering also offers 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.

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Information about reportable segments

	Personal communications solutions services		Info-communications technology services		Network engineering services		Total	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Equipment and cards sales	98,365	78,576	35,718	22,926	4,183	4,137	138,266	105,639
Voice services, mobile data and location tracking services	–	–	2,099	2,227	–	–	2,099	2,227
Logistic and consultancy services	7,876	9,590	–	–	–	–	7,876	9,590
Maintenance support services	–	–	22,250	16,446	90	30	22,340	16,476
Network engineering projects	–	–	–	–	47,519	47,703	47,519	47,703
Info-communication technology projects	–	–	14,503	12,715	–	–	14,503	12,715
Total revenue from external customers	106,241	88,166	74,570	54,314	51,792	51,870	232,603	194,350
Inter-segment revenue	1	17	126	103	–	–	127	120
	106,242	88,183	74,696	54,417	51,792	51,870	232,730	194,470
Timing of revenue recognition								
Products transferred at a point in time	106,241	88,166	49,381	36,001	10,620	13,418	166,242	137,585
Products and services transferred over time	–	–	25,189	18,313	41,172	38,452	66,361	56,765
	106,241	88,166	74,570	54,314	51,792	51,870	232,603	194,350

NOTES TO THE FINANCIAL STATEMENTS

	Personal communications solutions services		Info-communications technology services		Network engineering services		Total	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Interest income	34	21	84	58	59	11	177	90
Interest expenses	(308)	(280)	(117)	(40)	(246)	(353)	(671)	(673)
Amortisation of intangible assets	(54)	(49)	(386)	(208)	(2)	(4)	(442)	(261)
Depreciation of plant and equipment	(195)	(131)	(305)	(203)	(286)	(374)	(786)	(708)
Depreciation of right-of-use assets	(3,735)	(4,122)	(12)	(15)	(147)	(298)	(3,894)	(4,435)
Reportable segment profit/(loss) before income tax	559	371	(3,719)	(1,832)	(2,145)	(640)	(5,305)	(2,101)
Share of profit/(loss) of associate (net of tax)	–	–	29	(134)	–	–	29	(134)
Impairment of goodwill	–	–	(6,407)	–	–	–	(6,407)	–
Reportable segment assets	29,318	39,017	46,460	41,603	34,028	34,029	109,806	114,649
Investment in associate	–	–	1,844	1,818	–	–	1,844	1,818
Capital expenditure								
- plant and equipment	186	185	201	521	94	228	481	934
- intangible assets	9	21	245	205	17	–	271	226
Reportable segment liabilities	12,829	22,563	41,616	23,814	13,962	12,781	68,407	59,158

NOTES TO THE FINANCIAL STATEMENTS

Reconciliations of reportable segment revenue, profit or loss, assets and liabilities and other material items:

	Group 2022 $'000	Group 2021 $'000
Revenue		
Total revenue for reportable segments	232,730	194,470
Elimination of inter-segment revenue	(127)	(120)
Consolidated revenue	232,603	194,350
Profit or loss		
Total profit or loss for reportable segments	(5,305)	(2,101)
Impairment of goodwill	(6,407)	–
Share of profit/(loss) of associate	29	(134)
Consolidated loss before income tax	(11,683)	(2,235)
Assets		
Total assets for reportable segments	109,806	114,649
Investment in associate	1,844	1,818
Consolidated total assets	111,650	116,467
Liabilities		
Total liabilities for reportable segments	68,407	59,158

	Reportable segment totals $'000	Adjustments $'000	Consolidated totals $'000
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
Other material items 2021			
Interest income	90	(23)	67
Interest expenses	(673)	23	(650)
Capital expenditure			
- plant and equipment	934	–	934
- intangible assets	226	–	226

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.

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	Revenue $'000	Non-current assets* $'000
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
31 December 2021		
Singapore	149,142	14,349
Indonesia	32,487	601
Malaysia	6,630	30
Philippines	5,346	95
Hong Kong	23	1,818
Other countries	722	1
	194,350	16,894

* Non-current assets presented consist of plant and equipment, intangible assets, right-of-use assets and investment in associate.

Major customer

Revenue from two (2021: two) customers of the Group represents approximately 20% (2021: 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.

NOTES TO THE FINANCIAL STATEMENTS

(iii) Share-based payments

The fair value measurement for share-based payments is described in Note 22.

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 is 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 estimates 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:

	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 $65,000 on legal fees and due diligence costs. These costs have been included in "administrative expenses".

NOTES TO THE FINANCIAL STATEMENTS

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	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:

	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 2022, the Group has 13% (2021: 15%) of total receivables due from 2 (2021: 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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 on financial assets recognised in the income statement were as follows:

	Note	Group 2022 $'000	Group 2021 $'000
(Reversal of impairment loss)/Impairment loss on trade receivables	10	(10)	6

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 2022 $'000	Group 2021 $'000	Company 2022 $'000	Company 2021 $'000
Related companies	7,051	5,723	1,216	1,623
Multinational companies	10,501	10,231	–	–
Other companies	43,779	31,298	5,074	3,779
	61,331	47,252	6,290	5,402

NOTES TO THE FINANCIAL STATEMENTS

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 2022 $'000	Impairment 2022 $'000	Gross 2021 $'000	Impairment 2021 $'000
Group					
No credit terms	–	27,129	–	22,699	–
Not past due	–	28,244	–	20,021	–
Past due 0 – 30 days	–	3,051	–	2,704	–
Past due 31 – 120 days	–/0.28	2,501	–	1,070	(3)
Past due 121 – 360 days	1.69/0.13	59	(1)	759	(1)
More than one year	10.54/72.73	389	(41)	11	(8)
		61,373	(42)	47,264	(12)
Company					
No credit terms	–	49	–	35	–
Not past due	–	4,838	–	4,333	–
Past due 0 – 30 days	–	675	–	1,029	–
Past due 31 – 120 days	–	728	–	5	–
		6,290	–	5,402	–

Other receivables

The Group and the Company has other receivables of $3,757,000 and $2,874,000 (2021: $4,142,000 and $2,837,000) 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 $Nil (2021: $86,000) and $2,478,000 (2021: $274,000) 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.

NOTES TO THE FINANCIAL STATEMENTS

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 $142 million (2021: $135 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

The Group's main IBOR exposure as at 31 December 2022 was indexed to Kuala Lumpur Interbank Offered Rate ("KLIBOR") published by Bank Negara Malaysia ("BNM"). On 24 September 2021, BNM announced the cessation of 2-month and 12-month KLIBOR tenors with effect from 1 January 2023. The remaining 1-month, 3-month and 6-month KLIBOR tenors have been under review since the second half of 2022 and subject to any further announcements or directions from 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 2022		
Financial liabilities		
Unsecured bank loans	3.93 – 8.25	2,578
31 December 2021		
Financial liabilities		
Unsecured bank loans	2.84 – 5.60	2,502

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 2022		
Loans and borrowings	(26)	26
31 December 2021		
Loans and borrowings	(25)	25

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 2022	
Trade and other receivables	726
Cash and cash equivalents	1,301
Trade and other payables	(1,488)
Net exposure	201
31 December 2021	
Trade and other receivables	707
Cash and cash equivalents	1,734
Trade and other payables	(3,942)
Net exposure	(1,501)

	USD $'000
Company	
31 December 2022	
Cash and cash equivalents	78
31 December 2021	
Cash and cash equivalents	41

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 2022		
USD	20	8
31 December 2021		
USD	(150)	4

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.

NOTES TO THE FINANCIAL STATEMENTS

Estimating the fair values

As at 31 December 2022, the fair value of non-current receivables and payables amounted to $1,065,000 (2021: $813,000) and $407,000 (2021: $Nil) 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.

Accounting classifications

	Note	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
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
Group				
31 December 2021				
Financial assets not measured at fair value				
Trade and other receivables*	10	29,481	–	29,481
Cash and cash equivalents	14	34,811	–	34,811
		64,292	–	64,292
Financial liabilities not measured at fair value				
Trade and other payables#	17	–	44,670	44,670
Loans and borrowings	19	–	2,502	2,502
		–	47,172	47,172

NOTES TO THE FINANCIAL STATEMENTS

	Note	Amortised cost $'000	Other financial liabilities $'000	Total carrying amount $'000
Company				
31 December 2021				
Financial assets not measured at fair value				
Trade and other receivables*	10	8,513	–	8,513
Cash and cash equivalents	14	10,030	–	10,030
		18,543	–	18,543
Financial liabilities not measured at fair value				
Trade and other payables#	17	–	12,807	12,807

* *Exclude prepayments and deferred expenses*
# *Exclude employee benefits obligation and advances from customers*

32 Contingencies

The Company issued corporate guarantees amounting to $34,002,000 (2021: $35,396,000) 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 2022, the net liabilities of the subsidiaries amounted to approximately $2,706,000 (2021: $1,323,000).

33 Subsequent event

On 17 February 2023, the Remuneration Committees approved for the payment of financial year 2021 long-term incentive grants under TeleChoice RSP (as amended) approximately 3,004,405 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 Directors' Fee and Benefits for Non-Executive Directors) for the financial years ended 2022 and 2021.

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 SGX-ST Listing Manual	
		2022 $'000	2021 $'000
Transactions for the sales of goods and services			
Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	16,979	23,269
Transactions for the purchase of goods and services			
Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	11,407	13,887
Management services			
Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	–	13
Total Interested Person Transactions		28,386	37,169

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 2023

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	3	0.15	187	0.00
100 – 1,000	85	4.36	76,173	0.02
1,001 – 10,000	841	43.10	4,497,892	0.99
10,001 – 1,000,000	1,001	51.31	84,959,406	18.69
1,000,001 and above	21	1.08	364,888,842	80.30
	1,951	100.00	454,422,500	100.00

TOP 20 SHAREHOLDERS

NO.	NAME OF SHAREHOLDER	NO. OF SHARES	%*
1	STT COMMUNICATIONS LTD	228,937,500	50.62
2	LEAP INTERNATIONAL PTE LTD	83,804,200	18.53
3	DBS NOMINEES PTE LTD	8,172,790	1.81
4	HONG LEONG FINANCE NOMINEES PTE LTD	5,134,000	1.13
5	TAN CHWEE HUAT	5,030,000	1.11
6	PAULINE WONG MAE SUM (PAULINE HUANG MEIXIN)	3,728,778	0.82
7	NG HIAN CHOW	3,667,100	0.81
8	LEE YOONG KIN	3,213,038	0.71
9	LOH SUR JIN ANDREW	2,974,300	0.66
10	LIM SHUH MOH	2,611,233	0.58
11	RAFFLES NOMINEES (PTE) LIMITED	2,241,900	0.50
12	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	2,200,000	0.49
13	UNITED OVERSEAS BANK NOMINEES P L	2,091,700	0.46
14	OCBC NOMINEES SINGAPORE PTE LTD	1,689,900	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
		362,950,777	80.25

* The percentage of shareholdings was computed based on the issued share capital of the Company as at 8 March 2023 of 452,298,935 shares (which excludes 2,123,565 shares which are held as treasury shares representing approximately 0.47% 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 2023.

SHAREHOLDINGS STATISTICS

AS AT 8 MARCH 2023

Shareholdings Held in Hands of Public

Based on information available to the Company, approximately 29.90% 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	18.53%	–	–
Lim Chai Hock Clive[1]	183,000	0.04%	83,804,200	18.53%
STT Communications Ltd[2]	228,937,500	50.62%	–	–
Singapore Technologies Telemedia Pte Ltd[2]	–	–	228,937,500	50.62%
Temasek Holdings (Private) Limited[2]	–	–	228,937,500	50.62%

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 83,987,200 shares, representing 18.57% 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 2023 of 452,298,935 shares (which excludes 2,123,565 shares which are held as treasury shares as at that date).

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Fifth Annual General Meeting of TeleChoice International Limited ("**Company**") will be held at Sunflower Room L1 @ The Chevrons, 48 Boon Lay Way, Singapore 609961 on 27 April 2023 at 10.30 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 2022 together with the Auditors' Report thereon. **Resolution 1**

2. To re-elect Mr Ronald Seah Lim Siang, who is retiring in accordance with Regulation 99 of the Constitution of the Company. **Resolution 2**

   See Explanatory Note (a)

3. To re-elect Ms Cheah Sui Ling, who is retiring in accordance with Regulation 99 of the Constitution of the Company. **Resolution 3**

   See Explanatory Note (b)

4. To re-elect Mr Yeo Siew Chye Stephen, who is retiring in accordance with Regulation 99 of the Constitution of the Company. **Resolution 4**

   See Explanatory Note (c)

5. To re-elect Mr Nicholas Tan Kok Peng, who is retiring in accordance with Regulation 105 of the Constitution of the Company. **Resolution 5**

   See Explanatory Note (d)

6. To approve the sum of $429,000 to be paid as Directors' Remuneration to all of the Directors (other than Mr Lim Chai Hock Clive) for the financial year ended 31 December 2022 comprising: **Resolution 6**

   (a) $300,300 to be paid in cash (2021: $300,300) (2020: $306,921); and

   (b) $128,700 to be paid in the form of restricted share awards pursuant to the TeleChoice Restricted Share Plan (as amended) ("**TeleChoice RSP**") (2021: $128,700) (2020: $131,538).

   See Explanatory Note (e)

7. To approve the sum of $42,000 to be paid as Directors' Remuneration to Mr Lim Chai Hock Clive for the financial year ended 31 December 2022 in cash (2021: $42,000) (2020: $42,000). **Resolution 7**

   See Explanatory Note (f)

8. To re-appoint KPMG LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 8**

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

9. That authority be and is hereby given to the Directors to: **Resolution 9**

(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 9(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 9(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 9(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

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

(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 (g)

10. That authority be and is hereby given to the Directors to: **Resolution 10**

(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

(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 (h)

11. That: **Resolution 11**

(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 5 April 2023 ("**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 11(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 (i)

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

12. That: **Resolution 12**

(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 12(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 12(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**");

(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 12(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;

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

"**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 (j)

Other Business

13. 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, 5 April 2023

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

Notes:

1. The Annual General Meeting will be held, in a wholly physical format, at Sunflower Room L1 @ The Chevrons, 48 Boon Lay Way, Singapore 609961 on 27 April 2023, Thursday, at 10.30 a.m., pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. **There will be no option for shareholders to participate virtually.** Printed copies of this Notice will not be sent to shareholders. Instead, this Notice will be sent to shareholders by electronic means via publication 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. Arrangements relating to attendance by shareholders, including CPF and SRS investors, at the Annual General Meeting, submission of questions to the Chairman of the Annual General Meeting in advance of, or at, the Annual General Meeting by shareholders, including CPF and SRS investors, addressing of substantial and relevant questions in advance of, or at, the Annual General Meeting and voting by shareholders, including CPF and SRS investors, or (where applicable) duly appointed proxy or proxies at the Annual General Meeting, are set out in the Company's announcement dated 5 April 2023. This announcement may be accessed on the Company's corporate website at URL: http://telechoice.listedcompany.com/newsroom.html and will also be made available on the SGXNet website at URL: https://www.sgx.com/securities/company-announcements.

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 17 April 2023.

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, M & C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, M & C Services Private Limited, at gpb@mncsingapore.com,

   in either case, by 10.30 a.m. on 24 April 2023.

   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.

7. The Company's Annual Report for the financial year ended 31 December 2022 ("**2022 Annual Report**") and the Appendix to Annual Report dated 5 April 2023 in relation to the proposed renewal of the Shareholders' Mandate for Interested Person Transactions and Share Purchase Mandate ("**2022 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 2022 Annual Report may be accessed at URL: http://telechoice.listedcompany.com/ar.html.

   (b) The 2022 Appendix may be accessed at URL: http://telechoice.listedcompany.com/appendix.html.

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

EXPLANATORY NOTES:

(a) Ordinary Resolution No. 2 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 remain as the Chairman of the Board of Directors of the Company, an Independent Director of the Company and Chairman of the Remuneration Committee, Nominating Committee and Executive Committee of the Company. 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 2022 Annual Report.

(b) Ordinary Resolution No. 3 is to approve the re-election of Ms Cheah Sui Ling, who is retiring by rotation, in accordance with Regulation 99 of the Constitution of the Company. Upon her re-election, Ms Cheah will remain as an Independent Director of the Company and a member of the Audit Committee of the Company. Detailed information of Ms Cheah 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 2022 Annual Report.

(c) Ordinary Resolution No. 4 is to approve the re-election of Mr Yeo Siew Chye Stephen, who is retiring by rotation, in accordance with Regulation 99 of the Constitution of the Company. Upon his re-election, Mr Yeo will remain as an Independent Director of the Company and a member of the Remuneration Committee and Nominating Committee of the Company. Detailed information of Mr Yeo 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 2022 Annual Report.

(d) Ordinary Resolution No. 5 is to approve the re-election of Mr Nicholas Tan Kok Peng, who is retiring in accordance with Regulation 105 of the Constitution of the Company. Upon his re-election, Mr Tan will remain as an Independent Director of the Company and the Chairman of the Audit Committee of the Company. Detailed information of Mr Tan 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 2022 Annual Report.

(e) Ordinary Resolution No. 6 is to approve the payment of an aggregate sum of $429,000 as Directors' remuneration for the financial year ended 31 December 2022 to all of the Directors (other than Mr Lim Chai Hock Clive). If Ordinary Resolution No. 6 is approved, each of the Directors (other than Mr Lim Chai Hock Clive) will receive approximately 70% of his Directors' remuneration in cash and approximately 30% of his Directors' 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 37 to 43 of the Company's 2022 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 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.

(f) Ordinary Resolution No. 7 is to approve the payment of $42,000 as Director's remuneration for the financial year ended 31 December 2022 to Mr Lim Chai Hock Clive. It is proposed that the entire amount of his Director's remuneration (including the amount of $12,600 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 (e) 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.

(g) Ordinary Resolution No. 9 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. 9 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. 9 is passed, and (ii) any subsequent bonus issue, consolidation or subdivision of Shares.

NOTICE OF TWENTY-FIFTH ANNUAL GENERAL MEETING

(h) Ordinary Resolution No. 10 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.

(i) Ordinary Resolution No. 11 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 5 April 2023 ("**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.

(j) Ordinary Resolution No. 12 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 2022, based on certain assumptions, are set out in paragraph 3.7.3 of the Letter to Shareholders in the Appendix.

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 result of the member's breach of warranty.

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

The following information relating to Mr Ronald Seah Lim Siang, Mr Nicholas Tan Kok Peng, Ms Cheah Sui Ling and Mr Yeo Siew Chye Stephen, each of whom is standing for re-election at the Twenty-Fifth Annual General Meeting of TeleChoice International Limited ("**Company**" or "**TeleChoice**") on 27 April 2023, is provided pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Name of Director	Ronald Seah Lim Siang	Nicholas Tan Kok Peng	Cheah Sui Ling	Yeo Siew Chye Stephen
Date of Appointment	3 May 2012	1 January 2023	3 June 2020	3 June 2020
Date of last Re-appointment (if applicable)	28 April 2021	Not applicable	28 April 2021	28 April 2021
Age	75	64	51	68
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations and the search and nomination process)	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 an Independent Director of TeleChoice. Please refer to pages 27 to 31 and 33 to 34 of the Corporate Governance Report in this Annual Report 2022 on the process for selection, appointment and re-appointment of directors and the board diversity considerations.	Mr Tan has wide-ranging finance and business experience spanning over 35 years. 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 Tan's qualifications, experience and skillsets, and approved the re-election of Mr Tan as an Independent Director of TeleChoice. Please refer to pages 27 to 31 and 33 to 34 of the Corporate Governance Report in this Annual Report 2022 on the process for selection, appointment and re-appointment of directors and the board diversity considerations.	Ms Cheah has over 20 years of international investment banking and corporate experience. The Board of Directors is of the view that her 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 Ms Cheah's qualifications, experience and skillsets, and approved the re-election of Ms Cheah as an Independent Director of TeleChoice. Please refer to pages 27 to 31 and 33 to 34 of the Corporate Governance Report in this Annual Report 2022 on the process for selection, appointment and re-appointment of directors and the board diversity considerations.	Mr Yeo has over 40 years of operational and management experience in the private and public sectors. 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 Yeo's qualifications, experience and skillsets, and approved the re-election of Mr Yeo as an Independent Director of TeleChoice. Please refer to pages 27 to 31 and 33 to 34 of the Corporate Governance Report in this Annual Report 2022 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	Non-executive	Non-executive

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Name of Director	Ronald Seah Lim Siang	Nicholas Tan Kok Peng	Cheah Sui Ling	Yeo Siew Chye Stephen
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Chairman of the Board and Chairman of the Nominating Committee, Remuneration Committee, and Executive Committee	Independent Director Chairman of Audit Committee	Independent Director Member of the Audit Committee	Independent Director Member of Nominating Committee and Remuneration Committee
Professional Qualifications	Bachelor of Arts and Social Sciences (Second Class Honours (Upper)) in Economics from the University of Singapore	Bachelor of Accountancy from the National University of Singapore	Magna Cum Laude with a Bachelor of Arts in Economics and French from Wellesley College, Massachusetts, US	Bachelor of Arts (Honours) in Engineering Science from Oxford University, UK Master of Science in Industrial Engineering from the National University of Singapore, Singapore Master of Business Administration in International Business from the University of Southern California, US
Working experience and occupation(s) during the past 10 years	Please refer to pages 7 to 11 of the Annual Report 2022	Please refer to pages 7 to 11 of the Annual Report 2022	Please refer to pages 7 to 11 of the Annual Report 2022	Please refer to pages 7 to 11 of the Annual Report 2022
Shareholding interest in TeleChoice and its subsidiaries	Direct interest of 584,000 shares in TeleChoice	None	Direct interest of 61,000 shares in TeleChoice	Director interest of 51,000 shares in TeleChoice
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	No	No
Conflict of interest (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to TeleChoice	Yes	Yes	Yes	Yes

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Name of Director	Ronald Seah Lim Siang	Nicholas Tan Kok Peng	Cheah Sui Ling	Yeo Siew Chye Stephen
Other Principal Commitments* including Directorships – Past (for the last 5 years)	• 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	Nil	Nil	• NTUC LearningHub (Director) • NTUC Link (Director) • Asia Pacific Jets Pte Ltd (Director)
Other Principal Commitments* including Directorships – Present	Soft Capital SG (sole proprietorship – business consultancy services)	Nil	• M&C REIT Management Limited (Director) • M&C Business Trust Management Limited (Director) • Parkway Trust Management Limited (Director) • Pathology Asia Holdings Pte. Ltd. (Director) • ECOSPIRITS Pte. Ltd. (Director) • Wavemaker Partners (Venture Partner)	Nil

* "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

Name of Director		Ronald Seah Lim Siang (Yes/No)	Nicholas Tan Kok Peng (Yes/No)	Cheah Sui Ling (Yes/No)	Yeo Siew Chye Stephen (Yes/Not)
(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	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	No	No
(c)	Whether there is any unsatisfied judgment against him?	No	No	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	No	No

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Name of Director	Ronald Seah Lim Siang (Yes/No)	Nicholas Tan Kok Peng (Yes/No)	Cheah Sui Ling (Yes/No)	Yeo Siew Chye Stephen (Yes/Not)
(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	No	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	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	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	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	No	No

ADDITIONAL INFORMATION IN RELATION TO DIRECTORS STANDING FOR RE-ELECTION

Name of Director	Ronald Seah Lim Siang (Yes/No)	Nicholas Tan Kok Peng (Yes/No)	Cheah Sui Ling (Yes/No)	Yeo Siew Chye Stephen (Yes/Not)
(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	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	No	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	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,	No	No	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?				
(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	No	No

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TELECHOICE INTERNATIONAL LIMITED
(Registration No. 199802072R)
(Incorporated in the Republic of Singapore)

PROXY FORM
Twenty-Fifth Annual General Meeting

IMPORTANT
1. The Twenty-Fifth Annual General Meeting ("**AGM**") will be held, in a wholly physical format, at Sunflower Room L1 @ The Chevrons, 48 Boon Lay Way, Singapore 609961 on Thursday, 27 April 2023 at 10.30 a.m. (Singapore time), pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. There will be no option for shareholders to participate virtually. Printed copies of the Notice of AGM will not be sent to members. Instead, the Notice of AGM will be sent to members by electronic means via publication 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. Arrangements relating to attendance by shareholders, including CPF and SRS investors, at the AGM, submission of questions to the Chairman of the AGM in advance of, or at, the AGM by shareholders, including CPF and SRS investors, addressing of substantial and relevant questions in advance of, or at, the AGM and voting by shareholders, including CPF and SRS investors, or (where applicable) duly appointed proxy or proxies at the AGM, are set out in the Company's announcement dated 5 April 2023. This announcement may be accessed on the Company's corporate website at URL: http://telechoice.listedcompany.com/newsroom.html and will also be made available on the SGXNet website at URL: https://www.sgx.com/securities/company-announcements.
3. Please read the notes overleaf which contain instructions on, among other things, the appointment of a proxy(ies).
4. 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 17 April 2023.
5. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 5 April 2023.

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 Thursday, 27 April 2023 at 10.30 a.m. (Singapore time) at Sunflower Room L1 @ The Chevrons, 48 Boon Lay Way, Singapore 609961 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 Ronald Seah Lim Siang as Director			
3.	Re-election of Ms Cheah Sui Ling as Director			
4.	Re-election of Mr Yeo Siew Chye Stephen as Director			
5.	Re-election of Mr Nicholas Tan Kok Peng as Director			
6.	Approval of Directors' Remuneration to be paid to all of the Directors (other than Mr Lim Chai Hock Clive)			
7.	Approval of Directors' Remuneration to be paid to Mr Lim Chai Hock Clive			
8.	Re-appointment of KPMG LLP as Auditors			
	Special Business			
9.	Authority for Directors to issue shares			
10.	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)			
11.	Approval of Renewal of the Shareholders' Mandate for Interested Person Transactions			
12.	Approval of Renewal of the Share Purchase Mandate			

* Delete whichever is inapplicable.

Dated this __________ day of ____________________ 2023.

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, M & C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902; or

   (b) if submitted electronically, be submitted via email to the Company's Share Registrar, M & C Services Private Limited, at gpb@mncsingapore.com,

   in each case, not less than 72 hours before the time appointed for holding the AGM.

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 10.30 a.m. on 24 April 2023, as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix
Postage
Stamp

TELECHOICE INTERNATIONAL LIMITED
c/o M & C Services Private Limited
112 Robinson Road #05-01
Singapore 068902

Attention: Company Secretary

Fold along this line

TELECHOICE INTERNATIONAL LIMITED

6 SERANGOON NORTH AVENUE 5
#03-16 • SINGAPORE 554910
TEL: 65 6826 3600 • FAX: 65 6826 3610
WWW.TELECHOICE.COM.SG
COMPANY REGISTRATION
NO. 199802072R