TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

PART I - UNAUDITED RESULTS FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2018

1(a)(i) INCOME STATEMENT FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2018

In S$'000	4Q2018	4Q2017	+/- %	FY2018	FY2017	+/- %
Revenue	125,032	127,183	-1.7%	491,717	513,495	-4.2%
Cost of sales	(114,855)	(114,504)	0.3%	(459,731)	(475,799)	-3.4%
Gross profit (Note 1a)	**10,177**	**12,679**	-19.7%	**31,986**	**37,696**	-15.1%
Gross margin % (Note 1b)	*8.1%*	*10.0%*	*-1.9 ppt*	*6.5%*	*7.3%*	*-0.8 ppt*
Other income (Note 2)	(21)	111	nm	520	676	-23.1%
Selling and marketing expenses (Note 3)	(1,846)	(2,677)	-31.0%	(8,443)	(10,532)	-19.8%
Administrative expenses	(4,420)	(4,586)	-3.6%	(17,106)	(16,955)	0.9%
Other expenses (Note 4)	(62)	14	nm	(235)	(443)	-47.0%
Net finance costs (Note 5)	(289)	(248)	16.5%	(945)	(879)	7.5%
Operating profit before income tax	**3,539**	**5,293**	-33.1%	**5,777**	**9,563**	-39.6%
% of revenue	*2.8%*	*4.2%*	*-1.5 ppt*	*1.2%*	*1.9%*	*-0.7 ppt*
Share of (loss)/profit of associate (net of tax) (Note 6)	(65)	212	nm	314	318	-1.3%
Profit before income tax	**3,474**	**5,505**	-36.9%	**6,091**	**9,881**	-38.4%
% of revenue	*2.8%*	*4.3%*	*-1.5 ppt*	*1.2%*	*1.9%*	*-0.7 ppt*
Income tax expense (Note 7)	(766)	(411)	86.4%	(1,793)	(1,625)	10.3%
Profit for the period/year	2,708	5,094	-46.8%	4,298	8,256	-47.9%
Attributable to:						
Equity holders of the Company	**2,542**	**5,025**	-49.4%	**4,003**	**8,166**	-51.0%
% of revenue	*2.0%*	*4.0%*	*-2.0 ppt*	*0.8%*	*1.6%*	*-0.8 ppt*
Non-controlling interests	166	69	140.6%	295	90	227.8%
	2,708	5,094	-46.8%	4,298	8,256	-47.9%
Weighted average number of shares (in '000)	454,387	454,388		454,119	454,307	
Earnings per share (in cents)						
Basic	0.56	1.11		0.88	1.80	
Diluted	0.56	1.10		0.88	1.80	

nm - not meaningful

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STATEMENT OF COMPREHENSIVE INCOME FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2018

In S$'000	4Q2018	4Q2017	+/- %	FY2018	FY2017	+/- %
Profit for the period/year	2,708	5,094	-46.8%	4,298	8,256	-47.9%
Items that will not be reclassified to profit or loss:						
Defined benefit plan re-measurements	86	75	14.7%	86	75	14.7%
Tax on items that will not be reclassified to profit or loss	(21)	(19)	10.5%	(21)	(19)	10.5%
	65	56	16.1%	65	56	16.1%
Items that may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiaries	450	(128)	Nm	(596)	(805)	-26.0%
Share of foreign currency translation differences of associate	-	(7)	-100.0%	15	(48)	nm
Foreign currency translation differences on disposal of a foreign subsidiary reclassified to profit or loss	-	-	-	(44)	-	nm
Exchange differences on monetary items forming part of net investment in foreign operations	118	(105)	nm	(200)	(558)	-64.2%
	568	(240)	nm	(825)	(1,411)	-41.5%
Other comprehensive income for the period/year, net of tax	633	(184)	nm	(760)	(1,355)	-43.9%
Total comprehensive income for the period/year	3,341	4,910	-32.0%	3,538	6,901	-48.7%
Attributable to:						
Equity holders of the Company	3,175	4,841	-34.4%	3,243	6,811	-52.4%
Non-controlling interests	166	69	140.6%	295	90	227.8%
Total comprehensive income for the period/year	3,341	4,910	-32.0%	3,538	6,901	-48.7%

1(a)(ii) PROFIT AFTER TAXATION HAS BEEN ARRIVED AT AFTER CHARGING/(CREDITING):

In S$'000	4Q2018	4Q2017	+/- %	FY2018	FY2017	+/- %
Staff costs	12,172	11,228	8.4%	47,684	48,401	-1.5%
Provision of directors' remuneration, included in staff costs (Note 8)	88	122	-27.9%	471	510	-7.6%
Depreciation of property, plant and equipment (Note 9)	400	503	-20.5%	1,850	2,193	-15.6%
Amortisation of intangible assets (Note 10)	152	123	23.6%	606	476	27.3%
Provision for bad debts and bad debts written (back)/off (Note 11)	(3)	51	nm	(33)	21	nm
Exchange (gain)/loss (Note 12)	(8)	(86)	-90.7%	(141)	29	nm
Write (back)/down of inventories to net realisable value (Note 13)	(536)	622	nm	(986)	540	nm
Adjustments for under/(over) provision of tax in respect of prior years (Note 14)	103	(114)	nm	132	(133)	nm

nm - not meaningful

Notes:

(1a) The lower gross profit in 4Q2018 and FY2018, against the previous periods, were attributed to the PCS and ICT divisions.

(1b) The lower gross margin in 4Q2018 and FY2018, against the previous periods, were attributed to the PCS and ICT divisions.

(2) In 4Q2018, there was a reversal of other income. In FY2018, other income was lower as compared to FY2017 due to lower government grants received for the wage credit and temporary employment credit schemes.

(3) Selling and marketing expenses in 4Q2018 and FY2018 were lower due to lower staff costs and lower marketing and promotional expenses.

(4) Other expenses in 4Q2018 was higher mainly due to lower net exchange gain compared to 4Q2017. In FY2018, other expenses were lower due to higher net exchange gain compared to a net exchange loss in FY2017.

(5) Net finance costs in 4Q2018 and FY2018 were higher mainly due to higher interest costs and lower interest income.

(6) Share of (loss)/profit from associate was from MVI Systems Limited ("MVI"). Further to the completion of the profit guarantee period, with effect from August 2018, the Group's stake in MVI has increased from 25.19% to 29.41%. There was share of loss of associate in 4Q2018. In FY2018, there was a step-up acquisition gain recognised. In FY2017, there was a one-off expense of amortisation of the intangible assets identified on acquisition of the associate.

(7) Income tax expense in 4Q2017 and FY2017 were lower due to higher claims for allowances under the Productivity and Innovation Credit Scheme for the Singapore entities.

(8) Adjustment to directors' remuneration was due to a revision in line with benchmarking against comparable companies.

(9) Depreciation of property, plant and equipment in 4Q2018 and FY2018 were lower due to assets being fully depreciated.

(10) Higher amortisation of intangible assets in 4Q2018 and FY2018 were due to the effects of amortising the new ERP system implemented during the year.

(11) Bad debts written back in 4Q2018 and FY2018 compared to provision for bad debts in 4Q2017 and FY2017 were attributed to certain ICT customers.

(12) In 4Q2017, 4Q2018 and FY2018, net exchange gain arose mainly from revaluation gain of payables on depreciation of the US dollar. In FY2017, net exchange loss arose mainly from revaluation loss of receivables and bank balances on depreciation of the US dollar.

(13) In 4Q2018 and FY2018, there was a write back on inventories for mobile phones which have been sold.

(14) Adjustments for the under/(over) provision of taxes in FY2018 and FY2017 were due to the differences in final tax assessment and tax estimates made in prior years.

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1(b)(i) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

In S$'000	Group		Company	
	31/12/2018	31/12/2017 (Restated)	31/12/2018	31/12/2017 (Restated)
Non-current assets (Note 1)				
Subsidiaries	-	-	34,542	38,082
Associate	2,234	2,501	-	-
Property, plant and equipment	1,635	2,876	239	417
Intangible assets	12,952	13,072	347	425
Deferred tax assets	909	829	15	-
Trade and other receivables	1,148	3,450	-	-
	18,878	**22,728**	**35,143**	**38,924**
Current assets (Note 2)				
Inventories	20,258	19,082	17,386	15,751
Contract assets	32,473	25,484	-	-
Trade and other receivables	54,510	67,168	12,460	27,180
Cash and cash equivalents	28,759	42,926	10,277	14,273
	136,000	**154,660**	**40,123**	**57,204**
Total assets	**154,878**	**177,388**	**75,266**	**96,128**
Equity				
Share capital	21,987	21,987	21,987	21,987
Other reserves	6,789	7,551	13,349	13,286
Accumulated profits	41,994	45,196	11,301	12,119
Equity attributable to equity holders of the Company	**70,770**	**74,734**	**46,637**	**47,392**
Non-controlling interests	685	390	-	-
Total equity	**71,455**	**75,124**	**46,637**	**47,392**
Non-current liabilities (Note 3)				
Deferred tax liabilities	-	-	-	72
Provisions	162	-	-	-
Trade and other payables	79	2,071	-	-
	241	**2,071**	**-**	**72**
Current liabilities (Note 4)				
Trade and other payables	56,633	76,931	19,610	44,645
Contract liabilities	4,732	6,451	-	-
Provisions	155	324	-	-
Current tax payable	338	157	19	19
Loans and borrowings	21,324	16,330	9,000	4,000
	83,182	**100,193**	**28,629**	**48,664**
Total liabilities	**83,423**	**102,264**	**28,629**	**48,736**
Total equity and liabilities	**154,878**	**177,388**	**75,266**	**96,128**

Notes:

(1) Group non-current assets were lower at $18.9m by $3.8m due to trade and other receivables.

(2) Group current assets were lower at $136.0m by $18.7m mainly due to lower trade receivables due from related corporations and lower cash and cash equivalents.

(3) Group non-current liabilities were lower at $0.2m by $1.8m mainly due to reclassification of payables to current liabilities.

(4) Group current liabilities were lower at $83.2m by $17.0m due to lower trade and other payables.

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1(b)(ii) GROUP BORROWINGS

In S$'000	As at 31/12/2018	As at 31/12/2017
Amount repayable in one year or less		
Bank loan – unsecured	21,324	16,330
Amount repayable after one year		
Bank loan – unsecured	-	-
Total	21,324	16,330

Details of any collateral

Nil

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1(c) CONSOLIDATED CASH FLOW STATEMENT FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2018

In S$'000	4Q2018	4Q2017	FY2018	FY2017
Operating Activities				
Profit before income tax	3,474	5,505	6,091	9,881
Adjustments for:				
Amortisation of intangible assets	152	123	606	476
Depreciation of property, plant and equipment	400	503	1,850	2,193
Finance costs	330	314	1,132	1,190
Finance income	(41)	(66)	(187)	(311)
Loss/(Gain) on disposal of property, plant and equipment and intangible assets	1	5	(1)	13
Gain on disposal of a subsidiary	-	-	(26)	-
Provision for warranties	-	(36)	(1)	(30)
Share-based payments expenses	146	93	580	369
Share of loss/(profit) of an associate	65	(212)	(314)	(318)
Cash from operating profit before working capital changes	4,527	6,229	9,730	13,463
Changes in working capital	(11,311)	8,790	(18,302)	(10,213)
Cash generated from operations	(6,784)	15,019	(8,572)	3,250
Income tax paid	(335)	(243)	(1,104)	(1,741)
Net cash (outflow)/inflow from operating activities	**(7,119)**	**14,776**	**(9,676)**	**1,509**
Investing Activities				
Dividend received from associate	-	-	596	-
Purchase of intangible assets	(12)	(901)	(500)	(1,100)
Purchase of property, plant and equipment	(251)	(397)	(687)	(1,569)
Proceeds from disposal of property, plant and equipment	13	-	43	-
Interest received	13	19	37	56
Net cash outflow from investing activities	**(237)**	**(1,279)**	**(511)**	**(2,613)**
Financing Activities				
Capital contribution from non-controlling interests	-	-	-	294
Dividend paid	-	-	(7,270)	(7,270)
Interest paid	(311)	(283)	(1,017)	(1,002)
Purchase of treasury shares	-	-	(655)	(615)
Proceeds from bank loans	22,777	5,795	49,901	15,039
Repayment of short term bank loans	(17,894)	(4,350)	(44,908)	(10,816)
Net cash inflow/(outflow) from financing activities	**4,572**	**1,162**	**(3,949)**	**(4,370)**
Net (decrease)/increase in cash and cash equivalents	(2,784)	14,659	(14,136)	(5,474)
Cash and cash equivalents at beginning of period/year	31,350	28,513	42,926	48,870
Effect of exchange rate changes on balances held in foreign currencies	193	(246)	(31)	(470)
Cash and cash equivalents at end of period/year	**28,759**	**42,926**	**28,759**	**42,926**

Cash flows from operating activities

Net cash outflow in 4Q2018 and FY2018 were from negative change in working capital due to higher contract assets and lower trade and other payables.

Cash flows from investing activities

Net cash outflow in 4Q2018 and FY2018 were lower due to lower purchase of intangible assets and property, plant and equipment. In FY2018, there was dividend received from an associate.

Cash flow from financing activities

Net cash inflow in 4Q2018 was higher and net cash outflow in FY2018 was lower due to additional bank loans.

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1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 4TH QUARTER ENDED 31 DECEMBER 2018

In S$'000	Share capital	Accumulated profits	Other reserves	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
GROUP						
At 1 October 2017	**21,987**	**40,115**	**7,698**	**69,800**	**321**	**70,121**
Total comprehensive income for the period	-	5,081	(240)	4,841	69	4,910
Share-based payments expenses	-	-	93	93	-	93
At 31 December 2017	**21,987**	**45,196**	**7,551**	**74,734**	**390**	**75,124**
At 1 October 2018	**21,987**	**39,387**	**6,075**	**67,449**	**519**	**67,968**
Total comprehensive income for the period	-	2,607	568	3,175	166	3,341
Share-based payments expenses	-	-	146	146	-	146
At 31 December 2018	**21,987**	**41,994**	**6,789**	**70,770**	**685**	**71,455**
At 1 January 2017*	**21,987**	**44,244**	**9,053**	**75,284**	**6**	**75,290**
Total comprehensive income for the year	-	8,222	(1,411)	6,811	90	6,901
Purchase of treasury shares	-	-	(615)	(615)	-	(615)
Issue of treasury shares	-	-	155	155	-	155
Share-based payments expenses	-	-	369	369	-	369
Capital contribution from non-controlling interest	-	-	-	-	294	294
FY2016 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)	-	(7,270)
At 31 December 2017	**21,987**	**45,196**	**7,551**	**74,734**	**390**	**75,124**
At 1 January 2018*	**21,987**	**45,196**	**7,551**	**74,734**	**390**	**75,124**
Total comprehensive income for the year	-	4,068	(825)	3,243	295	3,538
Purchase of treasury shares	-	-	(655)	(655)	-	(655)
Issue of treasury shares	-	-	138	138	-	138
Share-based payments expenses	-	-	580	580	-	580
FY2017 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)	-	(7,270)
At 31 December 2018	**21,987**	**41,994**	**6,789**	**70,770**	**685**	**71,455**

* There were no adjustments to the opening retained earnings arising from the adoption of new accounting policies.

In S$'000	Share capital	Accumulated profits	Other reserves	Total equity
COMPANY				
At 1 October 2017	**21,987**	**11,617**	**13,193**	**46,797**
Total comprehensive income for the period	-	502	-	502
Share-based payments to employees of Company's subsidiaries	-	-	30	30
Share-based payments expenses	-	-	63	63
At 31 December 2017	**21,987**	**12,119**	**13,286**	**47,392**
At 1 October 2018	**21,987**	**9,034**	**13,203**	**44,224**
Total comprehensive income for the period	-	2,267	-	2,267
Share-based payments to employees of Company's subsidiaries	-	-	41	41
Share-based payments expenses	-	-	105	105
At 31 December 2018	**21,987**	**11,301**	**13,349**	**46,637**
At 1 January 2017 *	**21,987**	**14,236**	**13,377**	**49,600**
Total comprehensive income for the year	-	5,153	-	5,153
Purchase of treasury shares	-	-	(615)	(615)
Issue of treasury shares	-	-	155	155
Share-based payments to employees of Company's subsidiaries	-	-	117	117
Share-based payments expenses	-	-	252	252
FY2016 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)
At 31 December 2017	**21,987**	**12,119**	**13,286**	**47,392**
At 1 January 2018 *	**21,987**	**12,119**	**13,286**	**47,392**
Total comprehensive income for the year	-	6,452	-	6,452
Purchase of treasury shares	-	-	(655)	(655)
Issue of treasury shares	-	-	138	138
Share-based payments to employees of Company's subsidiaries	-	-	159	159
Share-based payments expenses	-	-	421	421
FY2017 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)
At 31 December 2018	**21,987**	**11,301**	**13,349**	**46,637**

* There were no adjustments to the opening retained earnings arising from the adoption of new accounting policies.

1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL

A) Share Capital

As at 31 December 2018, the share capital of the Company amounted to $21.987 million comprising 454,387,185 issued ordinary shares excluding treasury shares. (31 December 2017: 454,387,796 ordinary shares excluding treasury shares).

During the fourth quarter ended 31 December 2018, there was no issuance of new ordinary shares.

B) Restricted Share Plan ("RSP") and Performance Share Plan ("PSP")

As at 31 December 2018, the number of outstanding shares granted under the Company's RSP and PSP were 4,643,885 (31 December 2017: 5,875,855) and 3,400,000 (31 December 2017: 2,995,320) respectively.

C) Treasury Shares

During the fourth quarter ended 31 December 2018, the Company did not purchase any of its ordinary shares from the market.

During the year ended 31 December 2018, a total of 2,538,500 ordinary shares were repurchased from the market at a total consideration of $655,315 and 2,537,889 treasury shares were transferred to participants of the Company's share plans.

As at 31 December 2018, there were 35,315 (31 December 2017: 34,704) treasury shares representing approximately 0.0078% of the total issued share capital of the Company.

D) Subsidiary holdings

As at 31 December 2018, none of the Company's subsidiaries held any shares in the Company (31 December 2017: Nil).

2. AUDIT

The results have not been audited nor reviewed by the Company's auditor.

3. AUDITORS' REPORT

Not applicable.

4. ACCOUNTING POLICIES

The Group has applied the same accounting policies and method of computation in the preparation of the current year financial statements compared to those used in the annual report for the financial year ended 31 December 2017, except for the adoption of new or revised Singapore Financial Reporting Standards (International) ("**SFRS(I)**") and Interpretations to FRS ("**INT FRS**") which became effective from this financial year.

SFRS(I) 16 Leases is mandatory for adoption by the Group for annual periods beginning on or after 1 January 2019. The Group does not plan to adopt this standard early.

5. CHANGES IN ACCOUNTING POLICIES

In the current financial year, the Group and the Company have adopted all the new and revised SFRS(I)s and INT FRS that are relevant to its operations and effective for annual periods beginning on 1 January 2018. The adoption of these new/revised SFRS(I)s and INT FRS does not result in substantial changes to the Group's and the Company's accounting policies and had no material effect on the amounts reported for the current or prior periods, except as stated below:

SFRS(I) 15 Revenue from Contracts with Customers
SFRS (I) 15 establishes a five steps model to account for revenue arising from contracts with customers, and introduces new contract costs guidance. Under SFRS (I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The Group has adopted the retrospective approach. Accordingly, comparative financial information presented in this set of announcement has been restated.

SFRS(I) 9 Financial Instruments
SFRS (I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS (I) 9 are based on an expected credit loss model and replace the FRS 39 incurred loss model. There was no significant impact to the financial statements of the Group. Accordingly, the Group did not recognise any adjustments to the opening retained earnings on 1 January 2018.

6. EARNINGS PER ORDINARY SHARE (EPS)

Group	4Q2018	4Q2017	FY2018	FY2017
Basic	0.56	1.11	0.88	1.80
Diluted	0.56	1.10	0.88	1.80

7. NET ASSET VALUE PER ORDINARY SHARE

	GROUP		COMPANY	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	15.57	16.45	10.26	10.43

8. REVIEW OF GROUP PERFORMANCE

A) Revenue

S$M	4Q2018	4Q2017	Growth		FY2018	FY2017	Growth	
			$	%			$	%
Personal Communications Solutions Services ("**PCS**")	84.8	86.1	(1.3)	-2%	351.8	370.9	(19.1)	-5%
Info-Communications Technology Services ("**ICT**")	19.6	22.2	(2.6)	-12%	71.7	75.2	(3.5)	-5%
Network Engineering Services ("**Engineering**")	20.6	18.9	1.7	9%	68.2	67.4	0.8	1%
Group Revenue	125.0	127.2	(2.2)	-2%	491.7	513.5	(21.8)	-4%

- **PCS** – Revenue decreased in 4Q2018 and FY2018 were mainly due to lower equipment sales to a major customer in Singapore and lower prepaid revenue. This was partially mitigated by higher channel sales.
- **ICT** – Revenue decreased in 4Q2018 and FY2018 were mainly due to the sale of the enterprise network products distribution business in 3Q2018.
- **Engineering** – Revenue increased in 4Q2018 was mainly from Indonesia. In FY2018, the higher revenue was from the Philippines and Singapore operations.

B) PBT

S$M	4Q2018	4Q2017	Growth		FY2018	FY2017	Growth	
			$	%			$	%
PCS	1.2	1.6	(0.4)	-25%	4.1	6.3	(2.2)	-35%
ICT	0.3	2.4	(2.1)	-88%	(0.9)	1.3	(2.2)	-169%
Engineering	2.0	1.5	0.5	33%	2.9	2.3	0.6	26%
Group PBT	3.5	5.5	(2.0)	-37%	6.1	9.9	(3.8)	-38%

- **PCS** – PBT decreased in 4Q2018 was due to the Malaysian operations. The lower PBT from the Malaysian operations was due to lower revenue. The lower PBT in FY2018 was due to both the Singapore and Malaysian operations. The Malaysian operations had lower variable fee recognized. For the Singapore operations, there were lesser incentives received. In addition, the StarHub Logistics Contract was not renewed upon its expiry on 30 June 2017.
- **ICT** – PBT decreased in 4Q2018 and loss in FY2018 were due to lower gross profit with lower gross margin. There were also higher operating expenses incurred for restructuring.
- **Engineering** – PBT increased in 4Q2018 was mainly from the Indonesian operations. For FY2018, the PBT improvements were from the Indonesian, Philippines and Singapore operations.

9. VARIANCE FROM PROSPECT STATEMENT

There are no material variances between the prospect statement set out in the 3Q2018 announcement dated 14 November 2018 and the actual results for 4Q2018.

10. PROSPECTS

Based on the current outlook and barring any unforeseen circumstances, the Group expects operating performance for FY2019 to at least be maintained as the same period of last year. Overall, the operating environment remains challenging and uncertain.

The telecommunication industry in Singapore is undergoing a challenging period with the introduction of new fourth telco operator and multiple MVNOs. The rest of the region continues to perform in line with expectations. The Group continues to leverage on its capability in marketing, distribution and managed services. We will also tap on network rollout and upgrade opportunities with regional telecommunication operators to mitigate some of these challenges.

Following the challenging 2018 performance, we have restructured the ICT division and remain optimistic that the division will perform better in 2019.

The Group will continue to explore strategic initiatives to further enhance the business operating performance.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

11. DIVIDEND

(a) Any dividend declared for the current financial period reported on? Yes

Period	**4Q2018 and FY2018**
Name of Dividend	**Proposed Final**
Dividend Type	**Cash**
Dividend Rate	**S$0.01 per ordinary share**
Tax Rate	**One tier tax exempt**

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

Period	**4Q2017 and FY2017**
Name of Dividend	**Proposed Final**
Dividend Type	**Cash**
Dividend Rate	**S$0.016 per ordinary share**
Tax Rate	**One tier tax exempt**

(c) Date payable

The proposed dividend, if approved by shareholders, will be paid on 20 May 2019.

(d) Books closure date

Notice is hereby given that, subject to shareholders' approval of the payment of the abovementioned proposed final dividend at the forthcoming Annual General Meeting to be convened, the Share Transfer Books and Registers of Members of the Company will be closed on 6 May 2019. Duly completed transfers received by the Company's Registrar, M & C Services Private Limited, 112 Robinson Road #05-01 Singapore 068902, up to 5 p.m. on 3 May 2019 will be registered to determine shareholders' entitlement to the proposed dividends. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd ("CDP"), the proposed dividends will be paid by the Company to CDP which will, in turn, distribute the dividend entitlement to the shareholders.

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13. Interested Person Transactions - DISCLOSURE PURSUANT TO RULE 920(1)(a)(ii)

	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual			
In S$M	**4Q2018**	**4Q2017**	**FY2018**	**FY2017**
Transactions for the sales of goods and services Temasek Holdings (Private) Limited and its Associates	46.6	63.3	227.5	234.0
Transactions for the purchases of goods and services Temasek Holdings (Private) Limited and its Associates	15.7	25.1	68.6	98.0
Management services Temasek Holdings (Private) Limited and its Associates	0.1	0.1	0.1	0.1
Total Interested Person Transactions	**62.4**	**88.5**	**296.2**	**332.1**

There were no interested person transactions during the period 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).

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the SGX-ST Listing Manual.

PART II -- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

(a) Business segment

	Personal Communications Solutions Services		Info-Communications Technology Services		Network Engineering Services		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue and expenses								
Total revenue from external customers	351,828	370,932	71,729	75,151	68,160	67,412	491,717	513,495
Inter-segment revenue	-	9	247	234	-	125	247	368
Total revenue	**351,828**	**370,941**	**71,976**	**75,385**	**68,160**	**67,537**	**491,964**	**513,863**
Interest income	31	82	224	286	14	36	269	404
Interest expenses	248	275	169	269	797	739	1,214	1,283
Depreciation of property, plant and equipment	611	641	147	199	1,092	1,353	1,850	2,193
Amortisation of intangible assets	253	174	324	272	29	30	606	476
Reportable segment profit before income tax	**4,120**	**6,328**	**(1,286)**	**980**	**2,943**	**2,255**	**5,777**	**9,563**
Share of profit of an associate (net of tax)	-	-	314	318	-	-	314	318
Reportable segment assets	50,737	68,829	54,042	58,962	47,865	47,096	152,644	174,887
Investment in an associate	-	-	2,234	2,501	-	-	2,234	2,501
Capital expenditure								
- Property, plant and equipment	218	612	93	83	376	874	687	1,569
- Intangible assets	87	657	384	443	29	-	500	1,100
Reportable segment liabilities	32,972	46,760	29,772	32,490	20,679	23,014	83,423	102,264

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

	2018 $'000	2017 $'000
Revenue		
Total revenue for reportable segments	491,964	513,863
Elimination of inter-segment revenue	(247)	(368)
Consolidated revenue	491,717	513,495
Profit or loss		
Total profit or loss for reportable segments	5,777	9,563
Share of profit of an associate	314	318
Consolidation profit before income tax	6,091	9,881
Assets		
Total assets for reportable segments	152,644	174,887
Investments in an associate	2,234	2,501
Consolidated total assets	154,878	177,388
Liabilities		
Total liabilities for reportable segments	83,423	102,264

	Other material items 2018			*Other material items 2017*		
	Reportable segment totals	**Adjustments**	**Consolidated totals**	**Reportable segment totals**	**Adjustments**	**Consolidated totals**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Interest income	(269)	82	(187)	(404)	93	(311)
Interest expenses	1,214	(82)	1,132	1,283	(93)	1,190
Capital expenditure						
- Property, plant and equipment	687	-	687	1,569	-	1,569
- Intangible assets	500	-	500	1,100	-	1,100

(b) Geographical segments

	31 December 2018		31 December 2017	
	Revenue	**Non-current assets**	**Revenue**	**Non-current assets**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	436,182	13,763	452,486	14,369
Indonesia	43,316	683	45,219	1,267
Malaysia	7,839	62	8,987	125
Philippines	2,964	63	2,140	160
Hong Kong	1,073	2,234	4,048	2,501
Other countries	343	16	615	27
Consolidated total	491,717	16,821	513,495	18,449

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

a) Business segment

Refer to Note 8 – Review of Group Performance

b) Geographical segment

Refer to Note 15 (b)

17. Breakdown of sales

	FY2018 S$'000	FY2017 S$'000	Increase/(Decrease)	
			S$'000	%
Total revenue reported for first half year	241,215	263,584	(22,369)	-8.5
Operating profit after tax before deducting minority interests reported for first half year	1,342	2,097	(755)	-36.0
Total revenue reported for second half year	250,502	249,911	591	0.2
Operating profit after tax before deducting minority interests reported for second half year	2,956	6,159	(3,203)	-52.0

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:

	FY2018 S$'000	FY2017 S$'000
Ordinary shares (tax exempt 1- tier) - Final (Proposed)	4,544	7,270
Total Annual Dividend	**4,544**	**7,270**

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

The Company confirms that none of the personnel occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Lim Shuh Moh Vincent
President

Date: 22 February 2019