

**TeleChoice International Limited
and its Subsidiaries
Registration Number: 199802072R**

Condensed Interim Financial Statements
For the half year ended 30 June 2024



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

Table of contents

A	Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
B	Condensed Interim Statements of Financial Position	5
C	Condensed Interim Consolidated Statement of Cash Flows	6
D	Condensed Interim Statements of Changes in Equity	8
E	Notes to the Condensed Interim Financial Statements	10
F	Other Information Required by Listing Rule Appendix 7.2	22



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

A. Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for Period ended 30 June 2024

Consolidated Statement of Profit or Loss

In S\$'000	1H2024	1H2023	+/- %
Revenue (Note 1)	162,210	101,691	59.5%
Cost of sales (Note 1)	(148,143)	(92,911)	-59.4%
Gross profit (Note 2a)	14,067	8,780	60.2%
Gross margin % (Note 2b)	8.7%	8.6%	0.1 ppt
Other income (Note 3)	106	266	-60.2%
Selling and marketing expenses (Note 4)	(4,949)	(3,799)	-30.3%
Administrative expenses (Note 5)	(7,789)	(8,527)	8.7%
Other expenses (Note 6)	(309)	(245)	-26.1%
Net finance costs (Note 7)	(791)	(295)	-168.1%
Operating profit/(loss) before share of loss of associate and income tax	335	(3,820)	108.8%
Share of profit/(loss) of associate (net of tax) (Note 8)	86	(18)	577.8%
Profit/(loss) before income tax	421	(3,838)	111.0%
<i>% of revenue</i>	0.3%	-3.8%	4.1ppt
Income tax expense (Note 9)	(1,036)	(427)	-142.6%
Loss for the period	(615)	(4,265)	85.6%
Attributable to:			
Equity holders of the Company	(615)	(4,265)	85.6%
<i>% of revenue</i>	-0.4%	-4.2%	3.8 ppt
Non-controlling interests	-	-	-
	(615)	(4,265)	85.6%
Weighted average number of shares (in S\$'000)	451,274	452,173	
Earnings per share (in cents)			
Basic	(0.14)	(0.94)	
Diluted	(0.13)	(0.91)	



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

Consolidated Statement of Other Comprehensive Income

In S\$'000	1H2024	1H2023	+/- %
Loss for the period	(615)	(4,265)	85.6%
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Translation differences relating to financial statements of foreign subsidiaries	(474)	397	nm
Share of foreign currency translation differences of associate	4	(2)	nm
Exchange differences on monetary items forming part of net investment in a foreign operation	(54)	(29)	nm
Total comprehensive income for the period	(1,139)	(3,899)	70.8%
Attributable to:			
Equity holders of the Company	(1,139)	(3,899)	70.8%
Non-controlling interests	-	-	-
Total comprehensive income for the period	(1,139)	(3,899)	70.8%

nm - not meaningful

Explanatory Notes to the Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

- (1) The increase in the Group revenue in 1H2024 against 1H2023 was attributed to the PCS and Engineering Divisions. Correspondingly, cost of sales was higher.
- (2a) All divisions recorded an increase in gross profit in 1H2024 against 1H2023.
- (2b) The higher Group gross margin in 1H2024 against 1H2023 was attributed to the ICT and Engineering Divisions.
- (3) Other income was higher in 1H2023 due to a gain on disposal of a subsidiary recorded in 1H2023.
- (4) The increase in selling and marketing expenses in 1H2024 against 1H2023 was mainly due to higher marketing expenses and staff related costs incurred by the PCS Division to support the increase in sales activities.
- (5) The decrease in administrative expenses in 1H2024 against 1H2023 was mainly due to lower staff related costs, professional and IT fees.
- (6) Other expenses in 1H2024 were higher than 1H2023 mainly due to higher withholding tax expenses.
- (7) Higher finance costs in 1H2024 were mainly due to higher bank loans to finance the working capital required to support the fulfilment of Fourth Party logistics services (“4PL”) to U Mobile Sdn Bhd (“U Mobile”).
- (8) Share of profit/(loss) of associate was from MVI Systems Limited. A share of profit was recognized in 1H2024 against a share of loss in 1H2023. The improvement was mainly attributed to the higher revenue and gross margin for projects completed during 1H2024.
- (9) The increase in income tax expense in 1H2024 was largely due to higher profit recorded by the Malaysian and Indonesian operations.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

**B. Condensed Interim Statements of Financial Position
As at 30 June 2024**

In S\$'000	Group		Company	
	30/6/2024	31/12/2023	30/6/2024	31/12/2023
Non-current assets (Note (i))				
Subsidiaries	-	-	6,545	6,547
Associate	349	258	-	-
Plant and equipment	1,265	756	101	23
Right-of-use assets	3,131	1,930	2,281	709
Intangible assets	236	124	-	6
Deferred tax assets	820	840	341	341
Trade and other receivables	248	426	-	-
	6,049	4,334	9,268	7,626
Current assets (Note (ii))				
Inventories	27,834	33,507	11,317	19,056
Contract assets	22,842	15,161	-	-
Trade and other receivables	62,906	40,895	34,215	17,059
Cash and cash equivalents	23,341	32,820	3,227	6,013
	136,923	122,383	48,759	42,128
Total assets	142,972	126,717	58,027	49,754
Equity				
Share capital	21,987	21,987	21,987	21,987
Other reserves	5,442	5,892	14,455	14,381
Accumulated profits/(losses)	2,870	3,485	(15,761)	(15,214)
Equity attributable to equity holders of the Company	30,299	31,364	20,681	21,154
Non-controlling interests	-	-	-	-
Total equity (Note (iii))	30,299	31,364	20,681	21,154
Non-current liabilities (Note (iv))				
Lease liabilities	2,101	314	1,513	19
Provisions	10	365	-	339
Other payables	483	460	-	-
Contract liabilities	628	493	-	-
	3,222	1,632	1,513	358
Current liabilities (Note (ii))				
Trade and other payables	62,464	65,248	12,314	23,513
Contract liabilities	8,834	9,587	-	-
Provision	2,101	1,491	776	214
Current tax payable	873	29	-	-
Loans and borrowings	33,840	16,137	22,000	4,000
Lease liabilities	1,339	1,229	743	515
	109,451	93,721	35,833	28,242
Total liabilities	112,673	95,353	37,346	28,600
Total equity and liabilities	142,972	126,717	58,027	49,754

(i) The higher non-current assets as at 30 June 2024 were mainly due to addition of plant and equipment and right-of-use assets for the period.

(ii) The lower net current assets as at 30 June 2024 were mainly due to higher net debt and lower inventories, partially mitigated by higher trade and other receivables.

(iii) The lower total equity as at 30 June 2024 was due to tax loss and translation differences relating to the financial statements of foreign subsidiaries recorded in 1H2024.

(iv) The higher non-current liabilities as at 30 June 2024 was mainly due to increase in lease liabilities.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

C. Condensed Interim Consolidated Statement of Cash Flows
Period ended 30 June 2024

In S\$'000	1H2024	1H2023
Operating Activities		
Profit/(loss) before income tax	421	(3,838)
Adjustments for:		
Amortisation of intangible assets	102	278
Depreciation of plant and equipment	345	369
Depreciation of right-of-use assets	1,180	1,948
Finance costs	919	330
Finance income	(128)	(35)
Gain on disposal of plant and equipment	(7)	(9)
(Gain)/loss from derecognition of ROU assets	(6)	8
Gain on disposal of a subsidiary	-	(77)
Provision for warranties	272	-
Reversal of impairment loss on trade receivables	(20)	(4)
Share-based payments expenses	43	195
Share of (profit)/loss of an associate	(86)	18
Cash from/(used in) operating profit before working capital changes	3,035	(817)
Changes in working capital	(27,380)	3,756
Cash (used in)/ generated from operations	(24,345)	2,939
Income tax paid	(166)	(78)
Net cash (outflow)/inflow from operating activities	(24,511)	2,861
Investing Activities		
Disposal of a subsidiary, net of cash disposed of	-	(60)
Purchase of intangible assets	(211)	(20)
Purchase of plant and equipment	(321)	(149)
Proceeds from disposal of plant and equipment	7	18
Interest received	120	16
Net cash outflow from investing activities	(405)	(195)
Financing Activities		
Interest paid	(911)	(315)
Purchase of treasury shares	(118)	(55)
Payment for share options	-	(518)
Proceeds from bank loans	20,854	8,394
Repayment of short-term bank loans	(3,049)	(4,295)
Payment of lease liabilities	(1,054)	(1,523)
Net cash inflow from financing activities	15,722	1,688
Net (decrease)/increase in cash and cash equivalents	(9,194)	4,354
Cash and cash equivalents at beginning of period	32,820	18,372
Effect of exchange rate changes on balances held in foreign currencies	(285)	(35)
Cash and cash equivalents at end of period	23,341	22,691



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

Cash flows from operating activities

Net cash outflow in 1H2024 was mainly due to the negative changes in working capital attributable to higher trade and other receivables, net contract assets and lower payables balances, partially mitigated by lower inventories held. Net cash inflow in 1H2023 was mainly due to the positive changes in working capital attributable to lower trade receivables and net contract assets balances.

Cash flows from investing activities

Net cash outflow in 1H2024 and 1H2023 were mainly in capital expenditure. In 1H2023, there was a net cash outflow arising from disposal of NexWave Telecoms Pte. Ltd. on 31 May 2023.

Cash flows from financing activities

The net cash inflow in 1H2024 was mainly due to net proceeds from bank loans to finance the working capital required to support the fulfilment of 4PL to U Mobile. In 1H2023, due to the Company's low public float and low trading liquidity, the outstanding 2021 Restricted Share Plan ("RSP") was settled in cash.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

D. Condensed Interim Statements of Changes in Equity
Period ended 30 June 2024

In S\$'000	Share capital	Accumulated profits/ (losses)	Other reserves	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
GROUP						
At 1 January 2023	21,987	14,901	6,355	43,243	–	43,243
Total comprehensive income for the year	–	(4,265)	366	(3,899)	–	(3,899)
Payment for share options	–	80	(598)	(518)	–	(518)
Purchase of treasury shares	–	–	(55)	(55)	–	(55)
Issue of treasury shares	–	–	128	128	–	128
Share-based payments expenses	–	–	195	195	–	195
At 30 June 2023	21,987	10,716	6,391	39,094	–	39,094
At 1 January 2024	21,987	3,485	5,892	31,364	–	31,364
Total comprehensive income for the year	-	(615)	(524)	(1,139)	-	(1,139)
Purchase of treasury shares	-	-	(118)	(118)	-	(118)
Issue of treasury shares	-	-	149	149	-	149
Share-based payments expenses	-	-	43	43	-	43
At 30 June 2024	21,987	2,870	5,442	30,299	-	30,299



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

D. Condensed Interim Statements of Changes in Equity
Period ended 30 June 2024

In S\$'000	Share capital	Accumulated losses	Other reserves	Total equity
<u>COMPANY</u>				
At 1 January 2023	21,987	(2,226)	14,375	34,136
Total comprehensive income for the year	-	(165)	-	(165)
Purchase of treasury shares	-	-	(55)	(55)
Payment for share options	-	51	(388)	(337)
Issue of treasury shares	-	-	128	128
Share-based payments to employees of Company's subsidiaries	-	-	36	36
Share-based payments expenses	-	-	159	159
At 30 June 2023	21,987	(2,340)	14,255	33,902
At 1 January 2024	21,987	(15,214)	14,381	21,154
Total comprehensive income for the year	-	(547)	-	(547)
Purchase of treasury shares	-	-	(118)	(118)
Issue of treasury shares	-	-	149	149
Share-based payments to employees of Company's subsidiaries	-	-	(2)	(2)
Share-based payments expenses	-	-	45	45
At 30 June 2024	21,987	(15,761)	14,455	20,681



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

E. Notes to the Condensed Interim Financial Statements

1. Corporate information

TeleChoice International Limited (“the Company” or “TeleChoice”) is a company incorporated in the Republic of Singapore. The Company has its registered office at 25 North Bridge Road, Level 7, Singapore 179104 and its place of business at 15 Pandan Crescent, Level M3 Unit B, Tiong Woon Building, Singapore 128470.

These condensed interim financial statements as at and for the half year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the Group).

The principal activities of the Company during the financial period 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 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

The condensed interim financial statements for the half year ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

The preparation of the condensed interim 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.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

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.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different marketing and technical expertise. For each of the strategic business units, the Group's President & CEO reviews internal management reports on a monthly basis. The following describes the operations in each of the Group's reportable segments:

Personal Communications Solutions Services ("PCS"): This division is a regional provider of consumer fulfilment and managed services. It provides retail, e-commerce, distribution, and supply chain management services relating to mobile communication devices, wearables, and smart 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. 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, 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 also provides Internet Protocol television solutions for the hospitality industry.

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



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

Revenue	Personal communications solutions services		Info-communications technology services		Network engineering services		Total	
	1H2024	1H2023	1H2024	1H2023	1H2024	1H2023	1H2024	1H2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and cards sales	92,807	36,087	16,130	17,893	4,710	2,632	113,647	56,612
Voice services, mobile data and location tracking, fulfilment, and consultancy services	7,263	3,502	1,200	1,335	–	–	8,463	4,837
Maintenance support services	–	–	6,638	8,329	725	17	7,363	8,346
Network engineering projects	–	–	–	–	24,796	23,349	24,796	23,349
Info-communication technology projects	–	–	7,941	8,547	–	–	7,941	8,547
Total revenue from external customers	100,070	39,589	31,909	36,104	30,231	25,998	162,210	101,691
Inter-segment revenue	–	–	197	97	–	–	197	97
	100,070	39,589	32,106	36,201	30,231	25,998	162,407	101,788
Timing of revenue recognition								
Products transferred at a point in time	100,070	39,589	17,528	22,179	5,435	5,830	123,033	67,598
Products and services transferred over time	–	–	14,381	13,925	24,796	20,168	39,177	34,093
	100,070	39,589	31,909	36,104	30,231	25,998	162,210	101,691



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

	Personal communications solutions services		Info-communications technology services		Network engineering services		Total	
	1H2024 S\$'000	1H2023 S\$'000	1H2024 S\$'000	1H2023 S\$'000	1H2024 S\$'000	1H2023 S\$'000	1H2024 S\$'000	1H2023 S\$'000
Interest income	201	46	71	73	119	18	391	137
Interest expenses	(697)	(91)	(206)	(114)	(279)	(227)	(1,182)	(432)
Amortisation of intangible assets	(44)	(24)	(54)	(250)	(4)	(4)	(102)	(278)
Depreciation of plant and equipment	(32)	(86)	(135)	(165)	(178)	(118)	(345)	(369)
Depreciation of right-of-use assets	(1,024)	(1,873)	(82)	(17)	(74)	(58)	(1,180)	(1,948)
Reportable segment profit/(loss) before income tax	1,576	(451)	(1,470)	(2,674)	229	(695)	335	(3,820)
Share of profit/(loss) of associate (net of tax)	–	–	86	(18)	–	–	86	(18)
Reportable segment assets	64,902	25,853	43,331	41,096	34,390	36,380	142,623	103,329
Investment in associate	–	–	349	1,824	–	–	349	1,824
Capital expenditure								
- Plant and equipment	145	6	8	28	752	115	905	149
- Intangible assets	211	–	–	17	–	3	211	20
Reportable segment liabilities	49,521	11,207	46,135	38,691	17,017	16,161	112,673	66,059



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

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

Group	1H2024	1H2023	
	S\$'000	S\$'000	
Revenue			
Total revenue for reportable segments	162,407	101,788	
Elimination of inter-segment revenue	(197)	(97)	
Consolidated revenue	<u>162,210</u>	<u>101,691</u>	
Profit or loss			
Total profit/(loss) for reportable segments	335	(3,820)	
Share of profit/(loss) of associate	86	(18)	
Consolidated profit/(loss) before income tax	<u>421</u>	<u>(3,838)</u>	
Assets			
Total assets for reportable segments	142,623	103,329	
Investment in associate	349	1,824	
Consolidated total assets	<u>142,972</u>	<u>105,153</u>	
Liabilities			
Total liabilities for reportable segments	<u>112,673</u>	<u>66,059</u>	
	Reportable segment totals	Adjustments	Consolidated totals
	S\$'000	S\$'000	S\$'000
Other material items 1H2024			
Interest income	391	(263)	128
Interest expenses	(1,182)	263	(919)
Capital expenditure			
- plant and equipment	905	-	905
- intangible assets	211	-	211
Other material items 1H2023			
Interest income	137	(102)	35
Interest expenses	(432)	102	(330)
Capital expenditure			
- plant and equipment	149	-	149
- intangible assets	20	-	20



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

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.

30 June 2024	Revenue	Non-current assets*
	S\$'000	S\$'000
Revenue		
Singapore	94,958	3,440
Indonesia	22,438	895
Malaysia	43,894	297
Philippines	691	-
Hong Kong	1	349
Other countries	228	-
	162,210	4,981
	162,210	4,981
 30 June 2023		
	Revenue	Non-current assets*
	S\$'000	S\$'000
Revenue		
Singapore	75,116	3,684
Indonesia	20,970	236
Malaysia	4,245	92
Philippines	710	14
Hong Kong	4	1,824
Other countries	646	-
	101,691	5,850
	101,691	5,850

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



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

5. Financial assets and financial liabilities

	Amortised cost S\$'000	Other financial liabilities S\$'000	Total carrying amount S\$'000
Group			
30 June 2024			
Financial assets not measured at fair value			
Trade and other receivables*	56,770	–	56,770
Cash and cash equivalents	23,341	–	23,341
	<u>80,111</u>	<u>–</u>	<u>80,111</u>
Financial liabilities not measured at fair value			
Trade and other payables#	–	62,083	62,083
Loans and borrowings	–	33,840	33,840
	<u>–</u>	<u>95,923</u>	<u>95,923</u>
Company			
30 June 2024			
Financial assets not measured at fair value			
Trade and other receivables*	32,513	–	32,513
Cash and cash equivalents	3,227	–	3,227
	<u>35,740</u>	<u>–</u>	<u>35,740</u>
Financial liabilities not measured at fair value			
Trade and other payables#	–	12,314	12,314
Loans and borrowings	–	22,000	22,000
	<u>–</u>	<u>34,314</u>	<u>34,314</u>
Group			
31 December 2023			
Financial assets not measured at fair value			
Trade and other receivables*	35,859	–	35,859
Cash and cash equivalents	32,820	–	32,820
	<u>68,679</u>	<u>–</u>	<u>68,679</u>
Financial liabilities not measured at fair value			
Trade and other payables#	–	59,512	59,512
Loans and borrowings	–	16,137	16,137
	<u>–</u>	<u>75,649</u>	<u>75,649</u>
Company			
31 December 2023			
Financial assets not measured at fair value			
Trade and other receivables*	16,945	–	16,945
Cash and cash equivalents	6,013	–	6,013
	<u>22,958</u>	<u>–</u>	<u>22,958</u>
Financial liabilities not measured at fair value			
Trade and other payables#	–	23,509	23,509
Loans and borrowings	–	4,000	4,000
	<u>–</u>	<u>27,509</u>	<u>27,509</u>

* Excludes prepayments and deferred expenses

Excludes advances from customers

6. Profit/(loss) before tax

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

Group	Note	1H2024 S\$'000	1H2023 S\$'000
Amortisation of intangible assets	(a)	102	278
Depreciation of plant and equipment		345	369
Depreciation of right-of-use assets	(b)	1,180	1,948
Audit fees paid to:			
- auditors of the Company		124	124
- other auditors		129	120
Cost of inventories recognised as an expense in income statement	(c)	102,978	45,019
Directors' remuneration	(d)	276	236
Government grants	(e)	(86)	(119)
Net exchange loss	(f)	87	96
Reversal of impairment loss on trade receivables	(g)	(20)	(4)
Gain on disposal of plant and equipment		(7)	(9)
(Gain)/loss from derecognition of ROU assets		(6)	8
Write down of inventories to net realisable value, net	(h)	1,246	27
Gain on disposal of a subsidiary	(i)	-	(77)
Employee benefits expense			
Staff costs	(j)	18,777	20,471
Contributions to defined contribution plans, included in staff costs	(j)	1,357	1,475
Share-based payments expenses, included in staff costs	(k)	43	195
Finance income			
Interest income			
- banks and financial institutions		(119)	(19)
- interest accretion		(9)	(16)
	(l)	(128)	(35)
Finance costs			
Interest expense			
- banks and financial institutions		858	265
- leases liabilities		53	49
- interest accretion		8	16
	(m)	919	330

- (a) Amortisation of intangible assets in 1H2024 was lower than in 1H2023 mainly due to some assets having been fully amortised by June 2023.
- (b) The lower depreciation of right-of-use assets in 1H2024 was mainly attributed to closure of underperforming stores.
- (c) The increase in cost of inventories in 1H2024 was in line with the increase in equipment revenue from the PCS Division.
- (d) Directors' remuneration was higher due to an additional Risk and Sustainability Committee being established on 7 July 2023.
- (e) Lower government grants received in 1H2024 was due to lower headcount qualified for certain grants.
- (f) In 1H2024, net exchange loss was mainly from USD net liabilities due to the strengthening of USD against SGD, partially offset by unrealised gain from the revaluation of the SGD loan due from its Malaysian subsidiary.
- (g) The reversal of impairment loss on trade receivables in 1H2024 was attributed to a customer in Indonesia.



TELECHOICE INTERNATIONAL LIMITED

(REG. NO. 199802072R)

- (h) The write down of inventories to net realisable value in 1H2024 and 1H2023 was attributable to slow moving inventories in Singapore.
- (i) In 1H2023, the Group disposed of its wholly-owned subsidiary, NexWave Telecoms Pte. Ltd. on 31 May 2023.
- (j) Lower staff and related cost in 1H2024 were from the ICT and Engineering Divisions.
- (k) Lower share-based payments in 1H2024 were due to adjustment to prior year amounts as certain KPIs were not met.
- (l) Higher finance income in 1H2024 was mainly attributed to higher interest income earned from bank deposits.
- (m) The higher finance costs in 1H2024 were mainly due to increase in bank borrowings to support the new sales activities in Malaysia for the PCS Division.

7. Taxation

	Group	
	1H2024	1H2023
	S\$'000	S\$'000
Current tax expense		
Current year	978	427
Under provision in respect of prior years	58	–
Tax expense	1,036	427

8. Dividend

No exempt (one-tier) final dividend in respect of the previous financial year was approved and paid by the Group and Company during the interim period.

9. Net asset value

	Group		Company	
	30/6/2024	31/12/2023	30/6/2024	31/12/2023
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (in cents):	6.70	6.94	4.57	4.68



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

10. Intangible assets

Group	Computer software S\$'000	Goodwill S\$'000	Total S\$'000
At 31 December 2023			
Cost	2,573	11,853	14,426
Accumulated amortisation and impairment losses	(2,449)	(11,853)	(14,302)
Carrying amounts	124	–	124
Cost			
At 1 January 2024	2,573	11,853	14,426
Additions	211	–	211
Translation differences	(5)	–	(5)
At 30 June 2024	2,779	11,853	14,632
Accumulated amortisation and impairment losses			
At 1 January 2024	2,449	11,853	14,302
Amortisation charge for the year	102	–	102
Translation differences	(8)	–	(8)
At 30 June 2024	2,543	11,853	14,396
Carrying amounts			
At 30 June 2024	236	–	236



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

	Computer software S\$'000
Company	
At 31 December 2023	
Cost	1,372
Accumulated amortisation	(1,366)
Carrying amounts	<u>6</u>
Cost	
At 1 January 2024	1,372
Additions	–
At 30 June 2024	<u>1,372</u>
Accumulated amortisation	
At 1 January 2024	1,366
Amortisation charge for the year	6
At 30 June 2024	<u>1,372</u>
Carrying amounts	
At 30 June 2024	<u>-</u>

11. Plant and equipment

During the half year ended 30 June 2024, the Group acquired assets amounting to S\$905,000 (30 June 2023: S\$149,000), of which S\$584,000 (30 June 2023: S\$0) was acquired under finance lease and disposed of assets amounting to S\$nil (30 June 2023: S\$9,000).

12. Loan and borrowings*

	As at 30/6/2024 S\$'000	As at 31/12/2023 S\$'000
Amount repayable in one year or less		
Bank loan – unsecured	<u>33,840</u>	<u>16,137</u>

Details of any collateral

Nil

*Group borrowings exclude the lease liabilities recognised following the adoption of SFRS(I) 16 *Lease*



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

13. Share Capital

As at 30 June 2024, the share capital of the Company amounted to S\$21.987 million comprising 452,360,900 issued ordinary shares excluding treasury shares. (30 June 2023: 452,909,435 ordinary shares excluding treasury shares; 31 December 2023: 452,000,435 ordinary shares excluding treasury shares).

During the half year ended 30 June 2024, there was no issuance of new ordinary shares.

(i) Restricted Share Plan (“RSP”) and Performance Share Plan (“PSP”)

As at 30 June 2024, the number of outstanding shares granted under the Company’s RSP and PSP were 14,242,755 (30 June 2023: 10,982,735) and 7,446,250 (30 June 2023: 5,043,750) respectively.

(ii) Treasury Shares

During the half year ended 30 June 2024, a total of 1,608,700 ordinary shares were repurchased from the market at a total consideration of S\$118,322. During the half year ended 30 June 2024, a total of 1,716,000 (30 June 2023: 1,039,000) shares were transferred to the Directors in fulfillment of share awards granted under the RSP as part of the Directors’ remuneration for the financial year ended 31 December 2022 and 253,165 (30 June 2023: Nil) shares were transferred to participants of the Company’s share plans. As at 30 June 2024, there were 2,061,600 (30 June 2023: 1,513,065) treasury shares representing approximately 0.46% of the total issued share capital of the Company excluding treasury shares. Save as disclosed above, there was no sale, disposal, cancellation, or use of treasury shares in 1H2024.

(iii) Subsidiary Holdings

As at 30 June 2024, none of the Company’s subsidiaries held any shares in the Company (30 June 2023: Nil).

14. Subsequent events

There are no known subsequent events which led to adjustments to this set of condensed interim financial statements.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

F. Notes to the Condensed Interim Financial Statements

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The condensed interim consolidated statements of financial position as at 30 June 2024 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the half year ended 30 June 2024 and certain explanatory notes have not been audited or reviewed.

2. Review of Group performance

The Group registered revenue of S\$162.2 million in 1H2024, a 60% increase as compared to S\$101.7 million in 1H2023 due to higher revenue contribution from the PCS and Engineering Divisions. The Group recorded a profit before tax of S\$0.4 million as compared to loss before tax of S\$3.8 million in 1H2023. Both the PCS and Engineering Divisions reported a profit in 1H2024 while the ICT Division recorded a lower loss against 1H2023. The higher gross profit in 1H2024 was partially offset by higher operating and financing expenses mainly in sales and marketing as well as staff related costs to support the increase in sales activities for the PCS Division.

PCS Division recorded a revenue of S\$100.1 million in 1H2024, an increase of 153% against 1H2023. Profit before tax of S\$1.6 million was reported in 1H2024 as compared to a loss before tax of S\$0.5 million in 1H2023. The improvement in the division's financial performance was from both its Singapore and Malaysian operations. The Malaysian operations continued to be the main profit contributor and had recorded higher profit before tax due to higher revenue recognised from the recent 4PL fulfilment and managed services contract signed with U Mobile in February 2024. The Singapore operations recorded lower losses in 1H2024 as compared to 1H2023 due to higher revenue and closure of several underperforming stores. The higher interest expenses incurred in 1H2024 was to finance the initial stocks purchased from U Mobile.

ICT Division recorded a revenue of S\$31.9 million in 1H2024, a decrease of 12% against 1H2023. Despite the lower revenue, a lower loss before tax of S\$1.4 million was reported in 1H2024 as compared to a loss before tax of S\$2.7 million in 1H2023. This was due to higher gross margin and lower operating expenses mainly in staff related costs in 1H2024. The improvement was mainly from lower losses recorded from its Communications business. The division's loss was primarily from its Tech & Apps Services business due to its lower order book secured as well as the delay in completion of certain long term projects. This was partially mitigated by profits from its Digital Infrastructure business.

Engineering Division recorded a revenue of S\$30.2 million in 1H2024, an increase of 16% against 1H2023. The increase in revenue was from both its Singapore and Indonesian operations. Profit before tax of S\$0.2 million in 1H2024 was recorded as compared to a loss before tax of S\$0.7 million in 1H2023. The improvement was mainly due to higher profit recognition from its operations in Indonesia and reduced losses from the Singapore operations. The Indonesian operations continued to be the main profit contributor. The improvement from the Singapore operations was largely attributed to higher revenue and higher gross margin.

The Group recorded a net cash outflow from its operating activities in 1H2024 due to negative changes in working capital. As at 30 June 2024, the Group's net debts position was S\$10.5 million due to higher bank loans secured to finance the working capital required to support the fulfilment of 4PL to U Mobile.

3. Variance from prospect statement

No forecast was previously disclosed to the market.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

4. Prospects

The Group, having demonstrated improvements in revenue and gross profit, will continue to drive its upward trajectory. The focus will be on improving operational efficiencies, strengthening customer relationships, and capitalising on opportunities within the ICT and telecommunications industry. It will also continue to practise prudent financial management for sustainable growth. Notwithstanding the evolving landscape characterized by geopolitical tensions, and market volatility in an unpredictable macroeconomic environment, the Group believes that it is well-positioned to navigate the challenges ahead.

Segmentally, the PCS Division is poised for continued growth, with plans to enhance operations and drive expansion. In Malaysia, the Division will leverage its 4PL managed services contract with U Mobile and build on its expanded retail and distribution network for further revenue growth. In Singapore, the focus will be on optimising its retail network and delivering better customer experience and value. The ICT Division will enhance its service offerings and secure new contracts, building on its recent success from major projects secured in the hospitality, healthcare, and government sectors. The Engineering Division expects steady growth, driven by rising demand in Indonesia, its key market. It will capitalise on its strengths in network engineering and expand its product and service offerings in existing and new market segments. The Group believes that its transformation efforts are on track and will continue to drive improvements in operating and financial 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.

5. Dividend

(a) Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

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

No dividend has been declared or recommended for the current financial period reported as the Company wishes to preserve cash for working capital requirements.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

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

In S\$M	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	
		1H2024	1H2023
<u>Transactions for the sales of goods and services</u> Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	49.2	9.0
<u>Transactions for the purchases of goods and services</u> Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	6.0	5.8
Total Interested Person Transactions		55.2	14.8

There were no interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual).

8. 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.

9. 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) of the SGX-ST Listing Manual. 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.

10. Confirmation by the Board pursuant to Rule 705 (5) of the Listing Manual

On behalf of the Board of Directors of the Company, I, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the half year ended 30 June 2024 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Pauline Wong
President and CEO
Date: 13 August 2024