



TELECHOICE INTERNATIONAL LIMITED  
(REG. NO. 199802072R)

# TeleChoice Reports Full-Year 2021 Results

- ***Achieved turnaround in 2H2021 with operating profit of S\$0.7 million; narrowed full-year losses in FY2021***
- ***All Business Divisions registered higher revenue and operating profit in 2H2021 as compared to 1H2021***
- ***Proposed full-year dividend of 0.125 cents per share***

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Singapore, 25 February 2022 – SGX mainboard-listed TeleChoice International Limited (“TeleChoice” or the “Group”), a regional diversified provider and enabler of innovative info-communications products and services, announced its results for the second half (“2H2021”) and full-year (“FY2021”) ended 31 December 2021.

Mr Vincent Lim, President and CEO of TeleChoice said, “Following the gradual reopening of economies and partial recovery from the ongoing Covid-19 pandemic, all our Business Divisions have registered stronger performance in the second half of the year. The Group recorded operating profit of S\$0.7 million in 2H2021, narrowing the loss position of S\$2.9 million in 1H2021, to a loss before tax of S\$2.2 million in FY2021.

“Segmental wise, we are particularly encouraged by the performance of PCS Division which registered significant operating profit improvement in FY2021. ICT and Engineering Divisions also saw improved performances, with the former registering higher revenue for FY2021. Engineering Division managed to narrow its losses compared to FY2020, despite the challenges of operating in overseas markets with COVID-19 restrictions in place due to high infection rates there.

“Our balance sheet and net cash position remained healthy. The Board is mindful of the significance of distributing returns to shareholders, especially during these challenging times, and is pleased to propose a full-year dividend of 0.125 cents per share in appreciation of our shareholders for their continual support.”

## Results Highlights

S\$'M	2H2021	1H2021	+/- (%)	2H2021	2H2020	+/- (%)	FY2021	FY2020	+/- (%)
<b>Revenue</b>	<b>100.8</b>	93.6	7.7	<b>100.8</b>	112.8	-10.7	<b>194.4</b>	213.5	-9.0
<b>Gross Profit</b>	<b>9.5</b>	6.9	37.7	<b>9.5</b>	9.4	1.0	<b>16.4</b>	17.5	-6.5
<b>Gross Margin</b>	<b>9.4%</b>	7.3%	2.1 ppt	<b>9.4%</b>	8.4%	1.0 ppt	<b>8.4%</b>	8.2%	0.2 ppt
<b>Operating Profit/ (Loss) Before Tax</b>	<b>0.7</b>	(2.8)	nm	<b>0.7</b>	2.1	-65.6	<b>(2.1)</b>	0.4	nm
<b>Profit/ (Loss) Before Tax</b>	<b>0.7</b>	(2.9)	nm	<b>0.7</b>	(3.4)	nm	<b>(2.2)</b>	(5.2)	56.6
<b>Profit/ (Loss) Attributable to Equity Holders</b>	<b>0.5</b>	(3.2)	nm	<b>0.5</b>	(3.6)	nm	<b>(2.7)</b>	(5.6)	51.9
<b>Diluted EPS (cents)</b>	<b>0.10</b>	0.69)		<b>0.10</b>	(0.79)		<b>(0.59)</b>	(1.23)	
<b>NAV Per Share (cents)</b>							<b>12.64</b>	13.60	

Group revenue decreased by 10.7% to S\$100.8 million in 2H2021 from S\$112.8 million in 2H2020. On a full-year basis, Group revenue fell by 9.0% to S\$194.4 million in FY2021 as compared to S\$213.5 million in FY2020 due to lower revenue contribution from PCS and Engineering Divisions.

Profit wise, the Group recorded lower operating profit of S\$0.7 million in 2H2021, a 65.6% decrease compared to S\$2.1 million in 2H2020, mainly attributed to lower government grants received, and additional employee benefits contribution provision required under Indonesia's Omnibus law introduced in 2021 for its contract employees there. Nevertheless, compared to 1H2021, the Group's performance in 2H2021 improved as all three Business Divisions recorded better operating performance, leading the Group to reverse its loss of S\$2.9 million in 1H2021, leading to a lower loss before tax of S\$2.2 million in FY2021.

Segmentally, PCS Division registered a decrease in revenue in FY2021 due to lower mobile phones and prepaid card sales. However, the Division registered a profit and significant profit improvement in FY2021 on account of improved retail footfall, closure of non-performing retail stores and encouraging sales from Quair, an innovative clean air solution. ICT Division recorded higher revenue in FY2021 although it incurred a loss due primarily to lower product sales as well as lower project and services revenue recognition as customers remained prudent in capex spending with resultant delays in project tendering and awards. Engineering Division's FY2021 revenue was lower as it continued to be impacted by the COVID-19 pandemic situation in the region. However, it recorded a lower loss as compared to FY2020 due to its Philippines operations which managed to narrow its loss on the back of revenue from its new higher margin projects. The Division also incurred losses for the Singapore operations mainly due to lower revenue recognition and lower gross margins. These losses were partially mitigated by profit

contribution from its Indonesian operations which recorded gross margin improvements and lower financing cost.

The Group maintained a healthy balance sheet with total assets of S\$116.5 million against total liabilities of S\$59.2 million. NAV per share was 12.64 cents. The Group's working capital position improved with higher cash generated from operations and lower bank borrowings due to reduced sales activities.

Cash generated from operations amounted to S\$27.5 million. The Group posted a net cash position of S\$32.3 million as at 31 December 2021 after dividend payment of S\$2.3 million, an improvement of S\$19.1 million against the net cash position of S\$13.2 million as at 31 December 2020.

### ***FY2022 Outlook***

The Singapore economy expanded by 7.6 per cent in 2021, and the Ministry of Trade and Industry has maintained GDP growth forecast at 3.0 to 5.0 per cent for 2022. The Southeast Asian economies of Malaysia, Thailand and Indonesia, are also expected to grow at a faster pace this year due to a pickup in domestic demand and robust external demand with the further easing of restrictions in these economies<sup>1</sup>.

Although the economic outlook has improved compared to the previous year, rising energy prices and supply chain disruptions have led to broad-based inflation. The potential emergence of more virulent virus strains continues to cast a shadow over full reopening of economies despite aggressive vaccination roll-outs. 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.

Taking into account both the projected growth trajectory improvement for the Singapore and regional economy and the downside risks, the overall outlook in FY2022 is expected to be positive and the Group is cautiously optimistic that its revenue and operating profit will improve.

**Mr Lim added, "In spite of the cautious outlook, we have reason to be confident of successfully navigating the challenges and leveraging the opportunities for each of our Business Division both in the near and longer-term.**

**"PCS Division will continue to broaden its service and product range including its health tech wearables and other lifestyle products which have been well-received. It will also continue to rationalise and augment its retail operations and prepaid card business which could benefit from the further lifting of safety restrictions in the malls, expansion of Vaccinated Travel Lanes and the launch of new mobile handsets in the year.**

**"ICT Division will accelerate its service based offerings growth such as its ICT projects and the resultant maintenance support services, as well as transforming its voice and data services. To this end, the Division has invested in the Internet of Things ("IoT") and Cloud initiatives by developing its in-house IoT service platform and cloud-based Unified Communications and Contact Centre solutions.**

**"Engineering Division will leverage on the roll-out of 5G networks in Singapore and network upgrading in the region to grow its network engineering projects. The Philippines, one of its key markets, recorded recovery in sales in 2H2021. The country has eased travel restrictions and is also opening up its telco sector to foreign investment. Recovery in Indonesia, however, remains uncertain with the retightening of safety measures due to**

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<sup>1</sup> MTI Maintains 2022 GDP Growth Forecast at "3.0 to 5.0 per cent", Ministry of Trade and Industry, 17 February 2022

the spike in COVID-19 cases. Notwithstanding, the country's long-term prospects remain intact with the government's national digital transformation commitment to optimise the quality of 4G network services and to develop 5G networks.

**"The Group will continue to look for business opportunities in synergistic areas both locally and overseas, to further enhance our business capabilities and services while maintaining a strong balance sheet through financial discipline and operational efficiencies."**

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*This press release is to be read in conjunction with TeleChoice's results announcement posted on the SGXNET on 25 February 2022.*

*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.*

### **About TeleChoice International Limited (Co. Reg. No. 199802072R)**

TeleChoice International Limited ("TeleChoice") is a regional diversified provider and enabler of innovative info-communications products and services. Incorporated in Singapore on 28 April 1998 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 25 June 2004, TeleChoice is a subsidiary of ST Telemedia, an active investor in the Communications, Media and Technology (CMT) space..

TeleChoice offers a comprehensive suite of services and solutions for the info-communications industry under three business divisions, Personal Communications Solutions Services ("PCS"), Info-Communications Technology Services ("ICT") and Network Engineering Services ("Engineering").

For more information, please visit our website at [www.telechoice.com.sg](http://www.telechoice.com.sg)

**Issued by 29 Communications LLP for and on behalf of TeleChoice International Limited**

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