

PART I - UNAUDITED RESULTS FOR THE 2nd QUARTER AND HALF YEAR ENDED 30 JUNE 2019

1(a)(i) INCOME STATEMENT FOR THE 2nd QUARTER AND HALF YEAR ENDED 30 JUNE 2019

In S\$'000	2Q2019	2Q2018	+/- %	1H2019	1H2018	+/- %
Revenue (Note 1)	75,132	121,109	-38.0%	153,540	241,215	-36.3%
Cost of sales (Note 1)	(67,313)	(112,946)	-40.4%	(138,146)	(226,310)	-39.0%
Gross profit (Note 2a)	7,819	8,163	-4.2%	15,394	14,905	3.3%
Gross margin % (Note 2b)	10.4%	6.7%	3.7 ppt	10.0%	6.2%	3.8 ppt
Other income (Note 3)	28	113	-75.2%	210	295	-28.8%
Selling and marketing expenses (Note 4)	(1,753)	(2,302)	-23.8%	(3,807)	(4,533)	-16.0%
Administrative expenses	(4,320)	(4,272)	1.1%	(8,578)	(8,437)	1.7%
Other expenses (Note 5)	(309)	(137)	125.5%	(348)	(81)	329.6%
Net finance costs (Note 6a and 6b)	(431)	(191)	125.7%	(765)	(373)	105.1%
Operating profit before income tax	1,034	1,374	-24.7%	2,106	1,776	18.6%
% of revenue	1.4%	1.1%	0.3 ppt	1.4%	0.7%	0.7 ppt
Share of profit/(loss) of associate (net of tax) (Note 7)	71	(2)	nm	114	228	-50.0%
Profit before income tax	1,105	1,372	-19.5%	2,220	2,004	10.8%
% of revenue	1.5%	1.1%	0.4 ppt	1.4%	0.8%	0.6 ppt
Income tax expense (Note 8)	(498)	(393)	26.7%	(891)	(662)	34.6%
Profit for the period	607	979	-38.0%	1,329	1,342	-1.0%
Attributable to:						
Equity holders of the Company	592	928	-36.2%	1,315	1,278	2.9%
% of revenue	0.8%	0.8%	0 ppt	0.9%	0.5%	0.4 ppt
Non-controlling interests	15	51	-70.6%	14	64	-78.1%
	607	979	-38.0%	1,329	1,342	-1.0%
Weighted average number of shares (in '000)	454,156	454,095		454,271	454,241	
Earnings per share (in cents)						
Basic	0.13	0.20		0.29	0.28	
Diluted	0.13	0.20		0.29	0.28	

nm - not meaningful

STATEMENT OF COMPREHENSIVE INCOME FOR THE 2ND QUARTER AND HALF YEAR ENDED 30 JUNE 2019

In S\$'000	2Q2019	2Q2018	+/- %	1H2019	1H2018	+/- %
Profit for the period	607	979	-38.0%	1,329	1,342	-1.0%
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign subsidiaries	157	(104)	nm	140	(467)	nm
Share of foreign currency translation differences of associate	11	27	-59.3%	(1)	8	nm
Foreign currency translation differences on disposal of a foreign subsidiary reclassified to profit or loss	56	-	nm	56	-	nm
Exchange differences on monetary items forming part of net investment in a foreign operations	28	128	-78.1%	61	(68)	nm
Total comprehensive income for the period	859	1,030	-16.6%	1,585	815	94.5%
Attributable to:						
Equity holders of the Company	844	979	-13.8%	1,571	751	109.2%
Non-controlling interests	15	51	-70.6%	14	64	-78.1%
Total comprehensive income for the period	859	1,030	-16.6%	1,585	815	94.5%

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

In S\$'000	2Q2019	2Q2018	+/- %	1H2019	1H2018	+/- %
Staff costs (Note 9)	13,754	12,190	12.8%	26,271	23,620	11.2%
Provision of directors' remuneration, included in staff costs	118	127	-7.1%	236	255	-7.5%
Depreciation of property, plant and equipment (Note 10)	292	493	-40.8%	617	1,014	-39.2%
Depreciation of right-of-use assets (Note 11)	919	-	nm	1,802	-	nm
Amortisation of intangible assets	124	131	-5.3%	246	252	-2.4%
Provision for bad debts and bad debts written (back)/off (Note 12)	(8)	5	nm	(4)	2	nm
Net exchange gain (Note 13)	(25)	(34)	-26.5%	(1)	(168)	-99.4%
Write down/(back) of inventories to net realisable value (Note 14)	520	69	653.6%	887	(220)	nm
Finance costs (Note 6a)	454	249	82.3%	812	488	66.4%
Finance income (Note 6b)	(23)	(58)	-60.3%	(47)	(115)	-59.1%
Adjustments for under/(over) provision of tax in respect of prior years (Note 15)	102	(1)	nm	103	29	255.2%

nm - not meaningful



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Notes:

- (1) Group revenue was lower mainly attributed to the lower revenue from PCS division. Refer to paragraph 8A for the additional information. Correspondingly, cost of sales was lower.
- (2a) In 2Q2019 and 1H2019, PCS and Engineering divisions reported higher gross profit against previous periods.
- (2b) In 2Q2019 and 1H2019, PCS and ICT reported higher gross margins against previous periods.
- (3) Other income in 2Q2019 and 1H2019 were lower due to lower government grants received for the wage credit and temporary employment credit schemes.
- (4) Selling and marketing expenses in 2Q2019 and 1H2019 were lower due to lower staff costs.
- (5) Higher other expenses in 2Q2019 was due to prior year tax corrections and a loss on disposal of a dormant subsidiary of \$56,000 recognised. For 1H2019, there was also a lower net exchange gain.
- (6a) Higher finance costs in 2Q2019 and 1H2019 were due to higher interest expenses from higher bank borrowings at higher interest rate. There was also lease interest recognised arising from adoption of SFRS(I) 16 *Leases*.
- (6b) Finance income decreased due to lower interest accretion income recognised in both periods.
- (7) Share of profit/(loss) of associate was from MVI Systems Limited. The higher share of profit in 2Q2019 was due to more projects completed. The lower share of profit in 1H2019 was due to delay in completion of certain major projects.
- (8) Income tax expense in 2Q2019 was higher due to under provision of prior year tax. 1H2019 income tax expenses was higher due to higher taxable profit recognised.
- (9) Higher staff costs in 2Q2019 and 1H2019 were due to increase in headcount to support Engineering projects in Indonesia.
- (10) Depreciation of property, plant and equipment in 2Q2019 and 1H2019 were lower due to certain assets being fully depreciated.
- (11) Arising from adoption of SFRS(I) 16 *Leases* with effect from 1 January 2019.
- (12) Provision for bad debts in 2Q2019 and 1H2019 were attributed to certain ICT customers.
- (13) In 2Q2019 and 1H2019, net exchange gain arose mainly from USD bank balances due to strengthening of USD against SGD. In 2Q2018 and 1H2018, net exchange gain arose from USD payables due to weakening of USD against SGD and a gain recognised from the fair value of foreign currency contracts.
- (14) In 2Q2019 and 1H2019, there were higher inventory provisions due to slow moving inventory balances held. In 1H2018, there was a write back on inventories for mobile phones which have been sold in 1Q2018.
- (15) Adjustments for the under/(over) provision of taxes were due to the differences in final tax assessment and tax estimates made in the prior years.

1(b)(i) STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

In S\$'000	Group		Company	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
<u>Non-current assets</u>				
Subsidiaries	-	-	35,332	34,542
Associate	2,347	2,234	-	-
Property, plant and equipment	1,196	1,635	143	239
Right-of-use assets (Note 1)	10,394	-	6,212	-
Intangible assets	12,758	12,952	251	347
Deferred tax assets	1,175	909	15	15
Trade and other receivables	1,787	1,148	-	-
	29,657	18,878	41,953	35,143
<u>Current assets</u>				
Inventories	20,577	20,258	17,688	17,386
Contract assets	39,209	32,473	-	-
Trade and other receivables	45,041	54,510	7,925	12,460
Cash and cash equivalents	20,128	28,759	4,585	10,277
	124,955	136,000	30,198	40,123
Total assets	154,612	154,878	72,151	75,266
<u>Equity</u>				
Share capital	21,987	21,987	21,987	21,987
Other reserves	6,957	6,789	13,261	13,349
Accumulated profits	38,588	41,994	6,827	11,301
Equity attributable to equity holders of the Company	67,532	70,770	42,075	46,637
Non-controlling interests	12	685	-	-
Total equity	67,544	71,455	42,075	46,637
<u>Non-current liabilities</u>				
Lease liabilities (Note 1)	6,923	-	4,896	-
Provisions	497	162	294	-
Trade and other payables	78	79	-	-
	7,498	241	5,190	-
<u>Current liabilities</u>				
Trade and other payables	39,867	56,633	10,773	19,610
Contract liabilities	5,561	4,732	-	-
Provision	163	155	-	-
Current tax payable	1,029	338	-	19
Loans and borrowings	29,617	21,324	13,000	9,000
Lease liabilities (Note 1)	3,333	-	1,113	-
	79,570	83,182	24,886	28,629
Total liabilities	87,068	83,423	30,076	28,629
Total equity and liabilities	154,612	154,878	72,151	75,266

Notes:

- (1) The Group adopted SFRS(I) 16 *Leases* with effect from 1 January 2019 based on the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 *Leases* is recognised as an adjustment to the opening balance of accumulated profits at 1 January 2019, with no restatement of comparative information (see section 5 below).



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1(b)(ii) GROUP BORROWINGS*

In S\$'000	As at 30/06/2019	As at 31/12/2018
Amount repayable in one year or less		
Bank loan – unsecured	29,617	21,324
Amount repayable after one year		
Bank loan – unsecured	-	-
Total	<u>29,617</u>	<u>21,324</u>

Details of any collateral

Nil

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

1(c) CONSOLIDATED CASH FLOW STATEMENT FOR THE 2ND QUARTER AND HALF YEAR ENDED 30 JUNE 2019

In S\$'000	2Q2019	2Q2018	1H2019	1H2018
Operating Activities				
Profit before income tax	1,105	1,372	2,220	2,004
Adjustments for:				
Amortisation of intangible assets	124	131	246	252
Depreciation of property, plant and equipment	292	493	617	1,014
Depreciation of right-of-use assets	919	-	1,802	-
Finance costs	454	249	812	488
Finance income	(23)	(58)	(47)	(115)
Loss/(gain) on disposal of property, plant and equipment and intangible assets	38	(4)	39	(5)
Loss on disposal of a subsidiary	56	-	56	-
(Write back)/provision for warranties	(1)	3	1	(1)
Share-based payments expenses	211	198	357	288
Share of (profit)/loss of an associate	(71)	2	(114)	(228)
Cash from operating profit before working capital changes	3,104	2,386	5,989	3,697
Changes in working capital	1,449	(4,956)	(13,822)	(9,771)
Cash generated from operations	4,553	(2,570)	(7,833)	(6,074)
Income tax paid	(238)	(229)	(450)	(499)
Net cash inflow/(outflow) from operating activities	4,315	(2,799)	(8,283)	(6,573)
Investing Activities				
Acquisition of non-controlling interests	(85)	-	(685)	-
Purchase of intangible assets	(23)	(95)	(52)	(112)
Purchase of property, plant and equipment	(136)	(301)	(234)	(384)
Proceeds from disposal of property, plant and equipment	-	10	3	17
Interest received	3	12	6	19
Net cash outflow from investing activities	(241)	(374)	(962)	(460)
Financing Activities				
Dividend paid	(4,544)	(7,270)	(4,544)	(7,270)
Interest paid	(439)	(216)	(779)	(419)
Purchase of treasury shares	(574)	(310)	(574)	(310)
Proceeds from bank loans	10,486	6,647	25,072	9,736
Repayment of short term bank loans	(6,792)	(2,691)	(16,779)	(10,370)
Payment of lease liabilities	(919)	-	(1,776)	-
Net cash (outflow)/inflow from financing activities	(2,782)	(3,840)	620	(8,633)
Net increase/(decrease) in cash and cash equivalents	1,292	(7,013)	(8,625)	(15,666)
Cash and cash equivalents at beginning of period	18,800	34,136	28,759	42,926
Effect of exchange rate changes on balances held in foreign currencies	36	79	(6)	(58)
Cash and cash equivalents at end of period	20,128	27,202	20,128	27,202



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Cash flows from operating activities

Net cash inflow in 2Q2019 was positive from cash from operating profits and positive change in working capital due to lower inventories and trade receivables. Higher net cash outflow in 1H2019 was due to higher negative change in working capital from higher contract assets held and lower trade payables.

Cash flows from investing activities

Net cash outflow in 1H2019 was mainly due to consideration paid to acquire the remaining shares of a subsidiary from a non-controlling shareholder.

Cash flows from financing activities

Net cash outflow in 2Q2019 was lower and was positive in 1H2019 due to the lower dividend paid. In 1H2019, there were also additional bank loans. Payment of lease liabilities was disclosed following the adoption of SFRS(I) 16 *Leases*.

1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 2nd QUARTER ENDED 30 JUNE 2019

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 April 2018	21,987	45,546	7,063	74,596	403	74,999
Total comprehensive income for the period	-	928	51	979	51	1,030
Purchase of treasury shares	-	-	(310)	(310)	-	(310)
Share-based payments expenses	-	-	198	198	-	198
FY2017 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)	-	(7,270)
At 30 June 2018	21,987	39,204	7,002	68,193	454	68,647
At 1 April 2019	21,987	42,540	6,939	71,466	(3)	71,463
Total comprehensive income for the period	-	592	252	844	15	859
Purchase of treasury shares	-	-	(574)	(574)	-	(574)
Issue of treasury shares	-	-	129	129	-	129
Share-based payments expenses	-	-	211	211	-	211
FY2018 final dividend of 1.0 cents per share (one-tier tax exempt)	-	(4,544)	-	(4,544)	-	(4,544)
At 30 June 2019	21,987	38,588	6,957	67,532	12	67,544
At 1 January 2018	21,987	45,196	7,551	74,734	390	75,124
Total comprehensive income for the period	-	1,278	(527)	751	64	815
Purchase of treasury shares	-	-	(310)	(310)	-	(310)
Share-based payments expenses	-	-	288	288	-	288
FY2017 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)	-	(7,270)
At 30 June 2018	21,987	39,204	7,002	68,193	454	68,647
At 1 January 2019	21,987	41,994	6,789	70,770	685	71,455
Effect of adoption of SFRS(I) 16	-	(177)	-	(177)	-	(177)
Adjusted balance at 1 January 2019	21,987	41,817	6,789	70,593	685	71,278
Total comprehensive income for the period	-	1,315	256	1,571	14	1,585
Acquisition of non-controlling interests	-	-	-	-	(687)	(687)
Purchase of treasury shares	-	-	(574)	(574)	-	(574)
Issue of treasury shares	-	-	129	129	-	129
Share-based payments expenses	-	-	357	357	-	357
FY2018 final dividend of 1.0 cents per share (one-tier tax exempt)	-	(4,544)	-	(4,544)	-	(4,544)
At 30 June 2019	21,987	38,588	6,957	67,532	12	67,544

In S\$'000	Share capital	Accumulated profits	Other reserves	Total equity
<u>COMPANY</u>				
At 1 April 2018	21,987	15,651	13,377	51,015
Total comprehensive income for the period	-	380	-	380
Purchase of treasury shares	-	-	(310)	(310)
Issue of treasury shares	-	-	-	-
Share-based payments to employees of Company's subsidiaries	-	-	148	148
Share-based payments expenses	-	-	49	49
FY2017 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)
At 30 June 2018	21,987	8,761	13,264	44,012
At 1 April 2019	21,987	10,697	13,495	46,179
Total comprehensive income for the period	-	674	-	674
Purchase of treasury shares	-	-	(574)	(574)
Issue of treasury shares	-	-	129	129
Share-based payments to employees of Company's subsidiaries	-	-	64	64
Share-based payments expenses	-	-	147	147
FY2018 final dividend of 1.0 cents per share (one-tier tax exempt)	-	(4,544)	-	(4,544)
At 30 June 2019	21,987	6,827	13,261	42,075
At 1 January 2018	21,987	12,119	13,286	47,392
Total comprehensive income for the period	-	3,912	-	3,912
Purchase of treasury shares	-	-	(310)	(310)
Share-based payments to employees of Company's subsidiaries	-	-	78	78
Share-based payments expenses	-	-	210	210
FY2017 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)
At 30 June 2018	21,987	8,761	13,264	44,012
At 1 January 2019	21,987	11,301	13,349	46,637
Effect of adoption of SFRS(I) 16	-	(110)	-	(110)
Adjusted balance at 1 January 2019	21,987	11,191	13,349	46,527
Total comprehensive income for the period	-	180	-	180
Purchase of treasury shares	-	-	(574)	(574)
Issue of treasury shares	-	-	129	129
Share-based payments to employees of Company's subsidiaries	-	-	105	105
Share-based payments expenses	-	-	252	252
FY2018 final dividend of 1.0 cents per share (one-tier tax exempt)	-	(4,544)	-	(4,544)
At 30 June 2019	21,987	6,827	13,261	42,075



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

A) Share Capital

As at 30 June 2019, the share capital of the Company amounted to S\$21.987 million comprising 454,383,525 issued ordinary shares excluding treasury shares. (30 June 2018: 453,199,296 ordinary shares excluding treasury shares; 31 December 2018: 454,387,185 ordinary shares excluding treasury shares).

During the second quarter ended 30 June 2019, there was no issuance of new ordinary shares.

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

As at 30 June 2019, the number of outstanding shares granted under the Company's RSP and PSP were 5,649,545 (30 June 2018: 6,467,032) and 3,660,000 (30 June 2018: 3,565,741) respectively.

C) Treasury Shares

During the second quarter ended 30 June 2019, a total of 2,600,000 ordinary shares were repurchased from the market at a total consideration of S\$573,952 and 2,596,340 treasury shares were transferred to participants of the Company's share plans. As at 30 June 2019, there were 38,975 (30 June 2018: 1,223,204) treasury shares representing approximately 0.0086% of the total issued share capital of the Company.

D) Subsidiary holdings

As at 30 June 2019, none of the Company's subsidiaries held any shares in the Company (30 June 2018: 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 period financial statements compared to those used in the annual report for the financial year ended 31 December 2018, 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 as follows:

- SFRS(I) 16: Leases
- SFRS(I) INT 23: Uncertainty over Income Tax Treatments
- Amendments to SFRS(I) 9: Financial Instruments - Prepayment Features with Negative Compensation
- Amendments to SFRS(I) 1-28: Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures
- Amendments to SFRS(I) 1-19: Employee Benefits - Plan Amendment, Curtailment or Settlement

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 that are relevant to its operations and effective for annual periods beginning on 1 January 2019. The adoption of these new/revised SFRS(I)s 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) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. The adoption of SFRS(I) 16 resulted in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases was removed. Exceptions to this standard are short-term and low value leases. The accounting for lessors was not changed significantly.

Under the standard, an asset (“**ROU asset**”) and a financial liability to pay rentals are recognised in the balance sheet and depreciation charge on the ROU assets and interest expenses on the lease liabilities are recognised in the income statement.

The Group applied SFRS(I) 16 on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group applied the practical expedient to grandfather the definition of a lease on transition. SFRS(I) 16 is applied to lease contracts entered before 1 January 2019 and are identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The adoption of SFRS(I) 16 resulted in adjustments to the Statement of Financial Position of the Group as at 1 January 2019. The differences from the Statement of Financial Position as previously reported at 31 December 2018 are as follows:

Statement of Financial Position as at 1 January 2019 In S\$'000	Increase/ (Decrease)
Property, plant and equipment	(12)
Right-of-use assets	11,039
Lease liabilities	11,204
Accumulated profits	(177)

6. EARNINGS PER ORDINARY SHARE (“EPS”)

Group	2Q2019	2Q2018	1H2019	1H2018	FY2018
Basic	0.13	0.20	0.29	0.28	0.88
Diluted	0.13	0.20	0.29	0.28	0.88

7. NET ASSET VALUE PER ORDINARY SHARE

	GROUP		COMPANY	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
Net asset value per ordinary share based on issued share capital at the end of the financial period/year (in cents):	14.86	15.57	9.26	10.26



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8. REVIEW OF GROUP PERFORMANCE

A) Revenue

S\$M	2Q2019	2Q2018	Growth		1H2019	1H2018	Growth	
			S\$	%			S\$	%
Personal Communications Solutions Services (" PCS ")	40.8	83.3	(42.5)	-51%	87.3	174.1	(86.8)	-50%
Info-Communications Technology Services (" ICT ")	15.6	21.0	(5.4)	-26%	30.9	37.5	(6.6)	-18%
Network Engineering Services (" Engineering ")	18.7	16.8	1.9	11%	35.3	29.6	5.7	19%
Group Revenue	75.1	121.1	(46.0)	-38%	153.5	241.2	(87.7)	-36%

- **PCS** – Revenue decreased in 2Q2019 and 1H2019 mainly due to lower equipment sales to a major customer in Singapore and lower prepaid sales. This was partially mitigated by higher channel sales and field and cabling services revenue and commission income.
- **ICT** – Revenue decreased in 2Q2019 and 1H2019 mainly due to lower software revenue. There was also lower enterprise network products distribution sales with the disposal of the business in 3Q2018.
- **Engineering** – Revenue increased in 2Q2019 and 1H2019. Except for the Singapore operation, all other operations reported an increase.

B) PBT

S\$M	2Q2019	2Q2018	Growth		1H2019	1H2018	Growth	
			S\$	%			S\$	%
PCS	1.1	0.9	0.2	22%	2.4	2.2	0.2	9%
ICT	(0.1)	0.2	(0.3)	-150%	(0.6)	(0.8)	0.2	25%
Engineering	0.1	0.3	(0.2)	-67%	0.4	0.6	(0.2)	-33%
Group PBT	1.1	1.4	(0.3)	-21%	2.2	2.0	0.2	10%

- **PCS** – PBT increased in 2Q2019 and 1H2019 were from the Singapore operations. The higher PBT from the Singapore operations was due to higher margin service revenue. PBT from the Malaysia operations was lower due to lower variable commission recognised.
- **ICT** – Losses in 2Q2019 was from lower revenue and gross profit partially mitigated by lower operating expenses. Lower losses in 1H2019 was mainly due to higher margin service revenue. There was also a lower share of profit from an associate.
- **Engineering** – PBT decreased in 2Q2019 and 1H2019. The profit improvement from the Indonesian operation was partially offset by higher losses from all the other operations.



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9. VARIANCE FROM PROSPECT STATEMENT

The 1H2019 operating performance was broadly in line with the prospect statement set out in the 1Q2019 announcement dated 15 May 2019.

10. PROSPECTS

Based on the current outlook and barring any unforeseen circumstances, the Group expects operating performance for FY2019 to be maintained at the same level as FY2018. Overall, the operating environment remains challenging and uncertain.

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? 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) Books closure date

Not applicable.

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)

In S\$M	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual			
	2Q2019	2Q2018	1H2019	1H2018
<u>Transactions for the sales of goods and services</u>				
Temasek Holdings (Private) Limited and its Associates	13.2	55.9	36.7	118.0
<u>Transactions for the purchases of goods and services</u>				
Temasek Holdings (Private) Limited and its Associates	9.2	16.7	19.0	32.9
Total Interested Person Transactions	22.4	72.6	55.7	150.9

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).

14. Statement pursuant to Rule 705(5) of the SGX-ST Listing Manual

The Directors confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the above unaudited financial statements for the second quarter and half year ended 30 June 2019 to be false or misleading in any material aspect.

15. 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.

BY ORDER OF THE BOARD

Lim Shuh Moh Vincent
President

Date: 14 August 2019