



**TELECHOICE INTERNATIONAL LIMITED**  
(REG. NO. 199802072R)

**FOR IMMEDIATE RELEASE**

**TeleChoice registers net profit of S\$1.3 million on revenue of S\$153.5 million in 1H2019**

- **Improved earnings and margins with focus on higher value-added services**

**Singapore, 14 August 2019** – 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 second quarter and first half (“2Q2019” and “1H2019”) results for the financial period ended 30 June 2019.

**RESULTS HIGHLIGHTS**

<b>S\$'M</b>	<b>2Q2019</b>	<b>2Q2018</b>	<b>+/- (%)</b>	<b>1H2019</b>	<b>1H2018</b>	<b>+/- (%)</b>
Revenue	75.1	121.1	-38.0	153.5	241.2	-36.3
Gross Profit	7.8	8.2	-4.2	15.4	14.9	3.3
Gross Margin	10.4%	6.7%	3.7 ppt	10.0%	6.2%	3.8ppt
<b>Profit Before Tax (“PBT”)</b>	<b>1.1</b>	<b>1.4</b>	<b>-19.5</b>	<b>2.2</b>	<b>2.0</b>	<b>10.8</b>
<b>Profit Attributable to Equity Holders</b>	<b>0.6</b>	<b>0.9</b>	<b>-36.2</b>	<b>1.3</b>	<b>1.3</b>	<b>2.9</b>
EPS (cents)	0.13	0.20		0.29	0.28	
	As at 30/06/19	As at 31/12/18				
NAV Per Share (cents)	14.86	15.57				

**Mr Vincent Lim, President of TeleChoice said, “In spite of the challenging operating environment marked by intense competition and market uncertainties amidst geopolitical tensions, we registered improved profit and margins over the same period last year as we successfully transformed from lower margin product distribution business to focus on more value-added services. Our Info-Communications Technology Services (“ICT”) Division is also tracking positively,**

**having restructured its operations with the disposal of its product distribution sales business and the strategic move to higher-margin service business.**

**“In line with our market guidance given in 1Q2019, our 1H2019 operating performance will keep us on track for our full-year performance which is expected to be maintained at the same level as FY2018.”**

## **RESULTS REVIEW**

Group revenue weakened in 1H2019 by 36.3% to S\$153.5 million stemming from Personal Communications Services (“PCS”) Division’s lower equipment sales to a major customer in Singapore as well as lower prepaid sales. ICT Division also registered decreased revenue due to lower software revenue and lower enterprise network product distribution sales with the disposal of the business in 3Q2018. These were partially mitigated by Engineering Division’s higher revenue contribution from all its operations except Singapore.

Profitability wise, Group gross profit increased 3.3% to S\$15.4 million in 1H2019. Gross margin also improved, by 3.8 ppt to 10.0% in 1H2019, attributed to higher gross margin from PCS and ICT divisions, in line with the Group’s shift to higher margin service revenue. Group PBT increased 10.8% to S\$2.2 million in 1H2019, driven by PCS Division’s higher-margin service revenue from its Singapore’s operations, offset by lower PBT from its Malaysia’s operations due to lower variable commission recognised. Although ICT Division recorded losses in 1H2019, it narrowed its losses compared with 1H2018 due to higher-margin service revenue. Engineering Division registered profit improvement from its Indonesia’s operations, offset by weaker performance from its other operations.

The Group continued to maintain a strong balance sheet with total assets of S\$154.6 million against total liabilities of S\$87.1 million, and cash and cash equivalents of S\$20.1 million. As at 30 June 2019, the Group net assets value per ordinary share stood at 14.86 cents.

## **NEW GROWTH ENGINES AND REGIONAL EXPANSION**

**Mr Vincent Lim added, “With the telcos and the mobile virtual network operators aggressively battling to increase market share, the telecommunications industry has witnessed margin erosion arising from intense competition on data packages and other value-added services. Added to this is the uncertain economic outlook which has led to a more cautious investment and capital spending climate.**

**“To mitigate the challenging environment with price pressures on downstream players such as ourselves, we need to intensify our efforts in broadening our revenue streams through new growth engines and new geographical markets.**

**“To this end, all our divisions are actively seeking opportunities to venture overseas and into new industries, capitalising and leveraging on our core expertise to acquire new revenue streams with higher-margin to improve on the quality of our earnings and to grow TeleChoice’s business in the future.”**

## **OUTLOOK**

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.

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*This press release is to be read in conjunction with TeleChoice's announcement posted on the SGXNET on 14 August 2019.*

## **ABOUT TELECHOICE INTERNATIONAL LIMITED (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, Data Centres, and Infrastructure Technology businesses.

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)

*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.*

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

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