TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

FOR IMMEDIATE RELEASE

TELECHOICE'S FIRST HALF 2014 NET PROFIT UP 19.0% to S$3.4 million

- **Improved performance driven by Personal Communications Solutions ("PCS") and Network Engineering Services ("Engineering") Divisions**
- **Second half 2014's operating performance expected to be better than first half 2014**

FINANCIAL HIGHLIGHTS

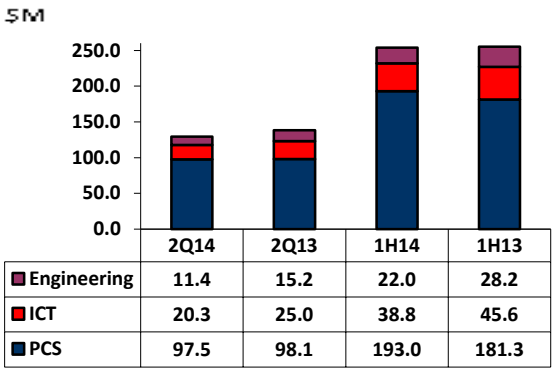
S$'M	2Q14	2Q13	+/- (%)	1H14	1H13	+/- (%)
Revenue	129.2	138.3	-6.6	253.8	255.1	-0.5
Gross Profit	9.9	10.4	-4.7	19.5	19.6	-0.2
Gross Margin	7.7%	7.5%	0.2ppt	7.7%	7.7%	-
Profit Before Tax ("PBT")	2.2	2.2	-1.6	4.6	3.9	18.4
Profit attributable to equity holders	1.8	1.7	4.9	3.4	2.9	19.0
EPS (cents)	0.39	0.38	2.6	0.75	0.63	19.0
	As at 30/06/14	**As at 31/12/13**				
NAV Per Share (cents)	14.50	15.30				

Singapore, 14 August 2014 – SGX mainboard listed TeleChoice International Limited ("TeleChoice" or the "Group"), a regional diversified provider and enabler of innovative info-communications products and services, reported a 19.0% increase in net profit to S$3.4 million for the first half ("1H14") ended 30 June 2014. The Group's 2Q14 net profit was S$1.8 million, 4.9% higher than S$1.7 million in 2Q13.

Mr Vincent Lim, President of TeleChoice International Limited said, **"Our performance in the first half of FY2014 surpassed our initial outlook. Our improved profitability was attributed to the positive performance of Personal Communications Solutions ("PCS") and Network Engineering ("Engineering") Services divisions, tempered by the challenging business environment faced by the Info-Communications Technology ("ICT") Services division. Group gross margins has remained relatively stable at 7.7% in 2Q14 and 1H14."**

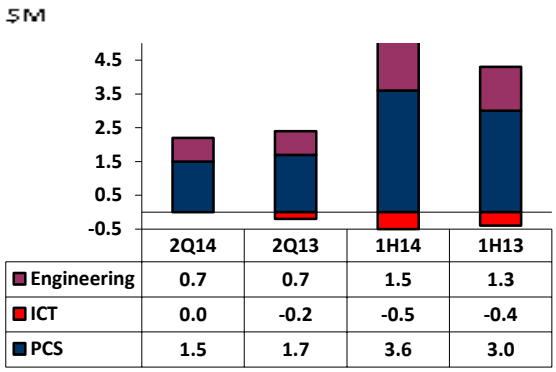
PERFORMANCE REVIEW & SEGMENTAL UPDATE

Revenue Breakdown



	2Q14	2Q13	1H14	1H13
Engineering	11.4	15.2	22.0	28.2
ICT	20.3	25.0	38.8	45.6
PCS	97.5	98.1	193.0	181.3

PBT Breakdown



	2Q14	2Q13	1H14	1H13
Engineering	0.7	0.7	1.5	1.3
ICT	0.0	-0.2	-0.5	-0.4
PCS	1.5	1.7	3.6	3.0

The Group's revenue decreased by 6.6% to S$129.2 million in 2Q14 and 0.5% to S$253.8 million in 1H14 as compared with the same periods last year. PCS Services division's revenue in 2Q14 decreased by 1% to S$97.5 million from lower prepaid card sales and sales to a major Singapore customer. Over the six-month period, however, its revenue improved by 6% to S$193.0 million on higher channel and regional sales offset by lower sales to a major Singapore customer and lower prepaid card sales. ICT Services division's weaker sales in 2Q14 and 1H14 (a decrease by 19% and 15% over 2Q13 and 1H13, respectively) was on account of lower sales by S & I Systems Pte Ltd ("S&I") and NxGen Communications Pte Ltd mitigated by higher wholesale revenue. Engineering Services division had to contend with lower transmission equipment sales in Singapore and lower revenue recognition from Radio Network Planning projects in Indonesia with a resultant 25% fall in revenue to S$11.4 million in 2Q14 and by 22% to S$22.0 million in 1H14.

Group PBT improved by 18.4% to S$4.6 million in 1H14, while decreased by 1.6% to S$2.2 million in 2Q14. The improved profitability for the first half of FY14 was driven by PCS Services division which registered a 20% increase to S$3.6 million in 1H14 on the back of higher retail commission income from both Singapore and Malaysia operations. PCS' 2Q14 PBT decreased 12% to S$1.5 million from lower rebates received in the quarter. ICT Services division succeeded in stemming its losses of S$0.2 million in 2Q14 as compared with 2Q13 although in 1H14, its losses increased by 25% to S$0.5 million due to lower revenue and gross profits. Engineering Services' division PBT was maintained at S$0.7 million in 2Q14 and higher by 15% to S$1.5million in 1H14 attributed to improvements in Singapore and Malaysia offset by lower profit contribution from Indonesia.

The Group's balance sheet remains strong with a cash balance of S$35.2 million as at 30 June 2014 despite a $7.3 million dividend payout in 2Q14.

Mr Lim said, **"We are gradually consolidating our operations from our new headquarters as we leverage on the various competencies within our group and the synergies across our**

business divisions to achieve greater efficiencies. Segmentally, we continued to pursue division-specific strategies in line with the overarching Group strategy of increasing market share and value-added services to our customers and expanding into markets and services offerings.

"PCS Services division augmented its retail presence in Singapore with the opening of a fifth StarHub Platinum store at Parkway Parade. We will continue to work closely with our major customers to expand our service offerings and with our principals to bring in new brands and mobile handsets. In the online space, our e-commerce store, www.eplanetworld.com, increased its products offerings to cater to the ever widening range of customer needs.

ICT Services division will look for ways to streamline and improve its operations while growing its competencies and service offerings. In the last quarter, Nexwave Telecoms was appointed distributor for Alcatel Lucent's Fixed and Wireless Data Products and S&I has been qualified by iDA for the bulk tender supply of Agile Application Development and User Experience Design Services for the Singapore Government's ICT projects. S&I is among 13 companies qualified due to its strong track record, and the qualification will help further strengthen our position to secure more projects within this space which has high growth potential.

Engineering Services division will remain focused on strengthening our presence in existing markets such as Singapore, Malaysia, Vietnam and Indonesia even as we explore new overseas market opportunities such as in Myanmar."

OUTLOOK

Based on the current outlook and barring any unforeseen circumstances, the Group expects 2H14 operating performance to be better than 1H14 with 2014 full year's operating performance to be maintained at last year's level.

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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 (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 ("SGX-ST") on 25 June 2004, TeleChoice is a subsidiary of leading info-communications group, Singapore Technologies Telemedia Pte Ltd, which operates in the Asia Pacific, the Americas and Europe.

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

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