



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

**UPDATES ON THE GROUP'S BUSINESS PERFORMANCE  
FOR THE FIRST QUARTER ENDED 31 MARCH 2024**

The Board of Directors (the "**Board**") of TeleChoice International Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to provide the Group's business performance update for the first quarter ended 31 March 2024 ("**1Q2024**").

**FINANCIAL HIGHLIGHTS**

Revenue (S\$'M)	1Q2024	1Q2023	+/- (%)
<b>Personal Communications Solutions Services ("PCS")</b>	49.09	16.58	196
<b>Info-Communications Technology Services ("ICT")</b>	13.90	16.53	-16
<b>Network Engineering Services ("Engineering")</b>	19.18	13.14	46
<b>Group</b>	<b>82.17</b>	<b>46.25</b>	<b>78</b>
Profit/(Loss) Before Tax (S\$'M)	1Q2024	1Q2023	+/- (%)
<b>PCS</b>	0.55	0.01	4092
<b>ICT</b>	(0.92)	(1.73)	46
<b>Engineering</b>	0.57	(0.35)	262
<b>Group</b>	<b>0.20</b>	<b>(2.07)</b>	<b>109</b>

*The above figures have not been audited or reviewed by our auditors.*

The Group registered revenue of S\$82.17 million in 1Q2024, a 78% increase as compared to S\$46.25 million in 1Q2023. The increase in revenue from the PCS and Engineering Divisions was partially offset by lower revenue recorded from the ICT Division. Profit before tax recorded in 1Q2024 of S\$0.2 million was an improvement from 1Q2023 loss before tax of S\$2.07 million. The turnaround from a loss to a profit position was largely attributed to higher revenue in 1Q2024 and improvement in gross margins from 7.8% in 1Q2023 to 8.5% in 1Q2024. Overall, all 3 business units had contributed to the improvement in operating performance in 1Q2024.

The Group recorded a net current asset position as at 31 March 2024.

**PCS Division**

PCS Division recorded a profit of \$0.55 million in 1Q2024. The improvement in the Division's financial performance was from both its Singapore and Malaysian operations. The recent 4PL

fulfilment and managed services contract signed with U Mobile in February 2024 and the managed services contract signed with HONOR in April 2023 had contributed positively. With the closure of underperforming stores, there was also a reduction of operating expenses incurred by the retail operations in Singapore.

Moving forward, in our collaboration with HONOR, we will prioritise launching high-performance smartphones with premium features like advanced cameras, quality displays, powerful processors, and stylish designs to meet the evolving consumer demands and drive sector growth. We are equally dedicated to enhancing our partnership with Samsung by delivering added-value managed services and improving customer satisfaction. In Malaysia, building on our successful market entry with U-Mobile, we are expanding into managed services for smart device brands and lifestyle products. We have opened an outlet in Sabah and have plans to open more retail points in Sarawak, expanding our retail and distribution network, which already includes more than 600 outlets.

### **ICT Division**

The ICT Division recorded lower losses from a loss before tax of S\$0.92 million in 1Q2024 compared to a loss before tax of S\$1.73 million in the same period last year, despite a decrease in revenue. The Division's loss was primarily from its Tech & Apps Services business due to lower order book secured as well as delay in completion of certain projects. This was partially mitigated by profits from its Digital Infrastructure business and lower losses incurred for its Communications business.

The Division operates in a highly competitive environment, where enterprises are re-evaluating their spending priorities, embracing cloud services, automation, and sustainability initiatives. This pivot underscores a fundamental shift from tactical spending to strategic investments in technology. To align with current industry dynamics, we have restructured the Division into three distinct pillars—Digital Infrastructure, Tech & Apps, and Communications. Our primary focus remains on driving revenue growth and gradually returning to profitability. We are committed to enhancing our business operations by improving customer satisfaction levels, investing in capabilities, and deepening collaboration with vendors to provide a broader spectrum of solutions to address our customers' needs. Additionally, we remain committed to divesting revenue streams that do not align with our expertise, and reallocating resources into areas that meet our strategic objectives.

### **Engineering Division**

The Engineering Division recorded a significant improvement from a loss of S\$0.35 million in 1Q2023 to a profit of \$0.57 million in 1Q2024. The improvement was mainly due to higher profit recognition from its operations in Indonesia and reduced losses from the Singapore operations. The performance in 1Q2024 was largely boosted by revenue recognition of power solutions sales to a data centre in Indonesia. The improvement from the Singapore operations was largely attributed to higher revenue and better gross margins. The Division's profit in 1Q2024 was partially offset by a small loss from its Philippines operations.

Building on our momentum from 1Q2024, we will continue to focus on targeted markets to stabilise growth. In Indonesia, our primary revenue source, we are enhancing operational processes to expedite project completion, revenue recognition, and resource optimisation. We are also ramping up engagement in customers' network roll-out by offering value-added solutions and leveraging recent telco mergers for network integration and managed services. Diversifying our customer base beyond MNOs and TowerCos into non-telecom sectors is showing promise, with orders won for power solutions in data centres and successful sales of chip module cards to banks. Our expansion into FTTH services in Indonesia is also progressing well. In other markets, we are also exploring opportunities in non-telco sectors, following our successes in Indonesia.

## **OUTLOOK**

Notwithstanding the positive performance in 1Q2024, we remain cognizant of the uncertain macroeconomic environment marked by elevated inflation and high interest rates. Moving forward, our focus is to drive revenue growth, prudent cost management, expand into higher value businesses, and return to profitability in a sustainable manner.

We remain committed to delivering shareholder value through disciplined resource allocation, prudent cash flow management, and maintaining a healthy balance sheet. Overall, we are confident in our ability to navigate the evolving operating landscape and deliver sustainable value for our stakeholders in the coming years.

### **BY ORDER OF THE BOARD**

Pauline Wong Mae Sum  
Executive Director and President and Chief Executive Officer  
15 May 2024