TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

UPDATES ON THE GROUP'S BUSINESS PERFORMANCE FOR THE FIRST QUARTER ENDED 31 MARCH 2025

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 2025 ("**1Q2025**").

FINANCIAL HIGHLIGHTS

Revenue (S$'M)	1Q2025	1Q2024	+/- (%)
Personal Communications Solutions Services ("PCS")	81.40	49.09	+66
Info-Communications Technology Services ("ICT")	15.17	13.90	+9
Network Engineering Services ("NES")	15.23	19.18	-21
Group	**111.80**	**82.17**	**+36**

Profit/(Loss) Before Tax (S$'M)	1Q2025	1Q2024	+/- (%)
PCS	1.12	0.55	+104
ICT	0.05	(0.92)	+105
NES	0.13	0.57	-77
Group	**1.30**	**0.20**	**+550**

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

The Group registered revenue of S$111.80 million in 1Q2025, a 36% increase as compared to S$82.17 million in 1Q2024. The increase in revenue from the PCS and ICT Divisions was partially offset by lower revenue recorded from the NES Division.

Profit before tax recorded in 1Q2025 of S$1.30 million was a significant increase against 1Q2024 profit before tax of S$0.2 million. All divisions reported a profit in 1Q2025, with ICT Division reversing its loss position for the same period last year. PCS Division recorded an improvement in 1Q2025 while NES Division recorded a lower profit in 1Q2025. The higher Group profit was largely attributed to higher gross profit partially offset by higher selling and marketing expenses and financing cost.

The Group recorded a net current asset position as at 31 March 2025.

PCS Division

In 1Q2025, the PCS Division recorded revenue of S$81.40 million and a profit before tax of S$1.12 million. Against 1Q2024, this represents a 66% revenue increase from S$49.09 million and 104% increase in profit before tax from S$0.55 million. The Malaysian operations continued to be a significant profit contributor and had recorded higher profit before tax in 1Q2025 due to higher revenue recognised from the fourth-party logistics ("**4PL**") fulfilment and managed services contract which commenced since February 2024 with U Mobile Sdn Bhd ("**U Mobile**"). In Singapore, operating loss was recorded this quarter due to lower trading revenue and higher marketing expenses incurred for branding of HONOR phones. The retail operations were also impacted by the weak market.

During the quarter, the PCS Division remained focused on strengthening key initiatives. In Malaysia, it deepened its 4PL partnership with U Mobile, managing 16 outlets, including a newly launched 1,800-square-foot flagship outlet in Putrajaya, Kuala Lumpur.

In Singapore, efforts were directed at streamlining operations in lower-traffic locations while expanding in high-traffic areas to enhance the customer experience. The Division further expanded value-added managed services and enhanced concept shop experiences to better meet the expectations of the sophisticated local market. Additionally, the Division strengthened its partnership with HONOR, boosting brand visibility which increased unit volumes. It also supported Samsung with the successful launch of its Android devices portfolio, including its flagship model, which was well received in the market despite general weak market conditions.

ICT Division

In 1Q2025, the ICT Division reported revenue of S$15.17 million and a profit before tax of S$0.05 million. Against 1Q2024, this represents a 9% revenue increase from S$13.90 million and marks a turnaround from a loss before tax of S$0.92 million in the same period last year. The improvement was mainly attributed to an increase in profit contribution from its Digital Infrastructure and Communications business as well as lower losses recorded from its Tech & Apps Services business.

The Division strengthened operational efficiency and achieved profitability in 1Q2025, driven by several key project wins. It also made notable strides in Graphics Processing Unit ("**GPU**") collaborations with ASUS, Supermicro, and Hitachi, securing its first successful GPU tender. To further enhance operations, the Division launched resource optimisation initiatives within the Tech & Apps Services segment to drive greater productivity. Additionally, building on its strong vendor partnerships, the Division attained IBM Platinum and Huawei Gold Partner status. It was recognised with TechData awards for growth and excellence and achieved key certifications in Session Border Controller, Avaya, Zoom, and Nice.

NES Division

The NES Division recorded revenue of S$15.23 million and a profit before tax of S$0.13 million in 1Q2025. Against 1Q2024, this represents a 21% revenue decrease from S$19.18 million and a 77% decrease in profit before tax from S$0.57 million. The lower profit in 1Q2025 was mainly attributed to lower revenue and profit from its Indonesian operations, partially offset by lower losses from the Singapore operations. The drop in revenue compared with 1Q2024 is principally attributed to the major delivery of a power system solution to a data centre customer in Indonesia in 1Q2024.

The Division continued to leverage its leadership in mobile network engineering to move up the value chain and unlock new revenue streams during the quarter. It accelerated efforts to increase market share across key service and product offerings, including managed services, data centres, and fibre-to-the-home. At the same time, the Division expanded its portfolio in power solutions, chip module cards, cabling, and other value-added services to support the growing needs of the data centre and banking sectors. The Division also focused on optimising operations and driving performance improvements through targeted resource allocation, productivity initiatives, and the establishment of centres of excellence to promote and ensure best practices across all countries. Additionally, it continued to pursue opportunities arising from mobile network operator consolidation in Indonesia, U Mobile's 5G launch in Malaysia, and the expansion into high-value sectors such as data centres through strategic partnerships.

OUTLOOK

The operating environment is expected to weaken amid growing economic and geopolitical pressures. The Ministry of Trade and Industry has revised Singapore's 2025 growth forecast down to between 0% and 2%, citing the sweeping tariffs introduced by the US, the ongoing trade war between the US and China and a heightened risk of global slowdown. While the Group's core markets are not directly impacted by US tariffs, it is cognisant of the broader implications for supplier networks, business operations, and customer sentiment, all of which may affect downstream activities. In response, the Group will continue to closely monitor and assess risks across operational, financial, regulatory, and geopolitical dimensions. It will adopt a multi-pronged strategy to mitigate these risks, including diversifying supply sources to reduce overreliance on any single market or vendor, enhancing operational agility through workflow optimisation and digital transformation, and strengthening risk governance through regular scenario planning. The Group's priority is to sustain long-term customer relationships and maintain its market competitiveness.

Despite prevailing economic headwinds, the Group remains cautiously optimistic about its FY2025 outlook. Longer term growth prospects in ASEAN are promising, driven particularly by the rapid adoption of artificial intelligence, the expansion of data centres, and the increasing demand for cloud adoption, all of which are key factors in supporting the need for resilient digital infrastructure. The Group intends to capitalise on these trends while continuing to strengthen relationships with existing customers and vendors, delivering greater value during these challenging times. Financial discipline will remain a core focus, with a commitment to prudent resource management, optimised cash flow, and a strong balance sheet.

Looking ahead, the Group will continue refining its growth strategy across all divisions, with a strong focus on scalability, market relevance, and long-term value creation. Its ongoing five-year transformation is anchored on three strategic pillars of renewal, rebuilding and transformation, driving execution-led growth, investing in sustainable capabilities through digitalisation and talent development, and pivoting for long-term growth by exploring emerging and adjacent opportunities. This strategy positions the Group to weather near-term uncertainties while building for the future, underscoring its commitment to delivering consistent shareholder value.

BY ORDER OF THE BOARD

Pauline Wong Mae Sum
Executive Director and President and Chief Executive Officer
14 May 2025