

**PART I - UNAUDITED RESULTS FOR THE 2ND HALF YEAR AND 12 MONTHS ENDED 31 DECEMBER 2020**

**1(a)(i) INCOME STATEMENT FOR THE 2ND HALF YEAR AND 12 MONTHS ENDED 31 DECEMBER 2020**

In S\$'000	2H2020	2H2019	+/- %	FY2020	FY2019	+/- %
Revenue (Note 1)	112,830	160,086	-29.5%	213,474	313,626	-31.9%
Cost of sales (Note 1)	(103,407)	(142,472)	-27.4%	(195,966)	(280,618)	-30.2%
<b>Gross profit (Note 2a)</b>	<b>9,423</b>	<b>17,614</b>	<b>-46.5%</b>	<b>17,508</b>	<b>33,008</b>	<b>-47.0%</b>
Gross margin % (Note 2b)	8.4%	11.0%	-2.6 ppt	8.2%	10.5%	-2.3 ppt
Other income (Note 3)	3,872	196	1875.5%	6,623	406	1531.3%
Selling and marketing expenses (Note 4)	(3,101)	(3,724)	-16.7%	(6,769)	(7,531)	-10.1%
Administrative expenses	(7,466)	(8,279)	-9.8%	(15,338)	(16,857)	-9.0%
Other expenses (Note 5)	(44)	15	nm	(186)	(333)	-44.1%
Net finance costs (Note 6a and 6b)	(621)	(841)	-26.2%	(1,419)	(1,606)	-11.6%
<b>Operating profit before share of profit of associate and income tax</b>	<b>2,063</b>	<b>4,981</b>	<b>-58.6%</b>	<b>419</b>	<b>7,087</b>	<b>-94.1%</b>
Share of profit of associate (net of tax) (Note 7)	(110)	59	nm	(245)	173	nm
<b>Operating profit before income tax</b>	<b>1,953</b>	<b>5,040</b>	<b>-61.3%</b>	<b>174</b>	<b>7,260</b>	<b>-97.6%</b>
% of revenue	1.7%	3.1%	-1.4 ppt	0.1%	2.3%	-2.2 ppt
Impairment of goodwill (Note 8)	(5,329)	-	nm	(5,329)	-	nm
<b>(Loss)/Profit before income tax</b>	<b>(3,376)</b>	<b>5,040</b>	<b>nm</b>	<b>(5,155)</b>	<b>7,260</b>	<b>nm</b>
% of revenue	-3.0%	3.1%	-6.1 ppt	-2.4%	2.3%	-4.7 ppt
Income tax expense (Note 9)	(209)	(988)	-78.8%	(464)	(1,879)	-75.3%
<b>(Loss)/Profit for the period/year</b>	<b>(3,585)</b>	<b>4,052</b>	<b>nm</b>	<b>(5,619)</b>	<b>5,381</b>	<b>nm</b>
Attributable to:						
<b>Equity holders of the Company</b>	<b>(3,585)</b>	<b>4,053</b>	<b>nm</b>	<b>(5,619)</b>	<b>5,368</b>	<b>nm</b>
% of revenue	-3.2%	2.5%	-5.7 ppt	-2.6%	1.7%	-4.3 ppt
Non-controlling interests	-	(1)	nm	-	13	nm
	(3,585)	4,052	nm	(5,619)	5,381	nm
Weighted average number of shares (in '000)	453,608	454,163		453,210	454,217	
<b>Earnings per share (in cents)</b>						
Basic	(0.79)	0.89		(1.24)	1.18	
Diluted	(0.79)	0.89		(1.23)	1.17	

nm - not meaningful

**STATEMENT OF COMPREHENSIVE INCOME FOR THE 2ND HALF YEAR AND 12 MONTHS ENDED 31 DECEMBER 2020**

In S\$'000	2H2020	2H2019	+/- %	FY2020	FY2019	+/- %
<b>(Loss)/Profit for the period/year</b>	(3,585)	4,052	nm	(5,619)	5,381	nm
<u>Items that will not be reclassified to profit or loss:</u>						
Defined benefit plan re-measurements	65	33	97.0%	65	33	97.0%
Tax on items that will not be reclassified to profit or loss	(13)	(8)	62.5%	(13)	(8)	62.5%
	52	25	108.0%	52	25	108.0%
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign subsidiaries	(845)	199	nm	(457)	339	nm
Share of foreign currency translation differences of associate	(17)	(5)	240.0%	9	(6)	nm
Foreign currency translation differences on disposal of a foreign subsidiary reclassified to profit or loss	-	-	-	-	56	nm
Exchange differences on monetary items forming part of net investment in a foreign operation	(67)	26	nm	(37)	87	nm
	(929)	220	nm	(485)	476	nm
Other comprehensive income for the period/year, net of tax	(877)	245	nm	(433)	501	nm
<b>Total comprehensive (loss)/income for the period/year</b>	(4,462)	4,297	nm	(6,052)	5,882	nm
Attributable to:						
Equity holders of the Company	(4,462)	4,298	nm	(6,052)	5,869	nm
Non-controlling interests	-	(1)	nm	-	13	nm
<b>Total comprehensive income for the period/year</b>	(4,462)	4,297	nm	(6,052)	5,882	nm

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

In S\$'000	2H2020	2H2019	+/- %	FY2020	FY2019	+/- %
Staff costs (Note 10)	22,681	27,326	-17.0%	47,340	53,611	-11.7%
Provision of directors' remuneration, included in staff costs (Note 11)	244	235	3.8%	480	471	1.9%
Depreciation of property, plant and equipment (Note 12)	389	457	-14.9%	803	1,074	-25.2%
Depreciation of right-of-use assets (Note 13)	2,310	2,180	6.0%	4,821	3,982	21.1%
Amortisation of intangible assets (Note 14)	124	238	-47.9%	309	484	-36.2%
Provision for bad debts and bad debts written off/(back) (Note 15)	10	25	-60.0%	(14)	21	nm
Net exchange loss/(gain) (Note 16)	74	(53)	nm	(106)	(54)	96.3%
Write (back)/down of inventories to net realisable value (Note 17)	(861)	(341)	152.5%	(784)	546	nm
Finance costs (Note 6a)	659	881	-25.2%	1,512	1,693	-10.7%
Finance income (Note 6b)	(38)	(40)	-5.0%	(93)	(87)	6.9%
Adjustments for over provision of tax in respect of prior years (Note 18)	(121)	(138)	-12.3%	(205)	(35)	485.7%

nm - not meaningful

Notes:

- (1) In 2H2020 and FY2020, group revenue was lower as all three divisions reported lower revenue as a result of the COVID-19 pandemic. Refer to paragraph 8A for additional information. Correspondingly, cost of sales was lower.
- (2a) In 2H2020 and FY2020 all divisions reported lower gross profit against previous corresponding period.
- (2b) In FY2020, only ICT division reported higher gross margin against FY2019 mainly due to the increase in service revenue mix.
- (3) In 2H2020 and FY2020, other income was higher due to higher government grants received from the job support and wage credit schemes and work-life-grant. There were also rental and property tax rebates received from landlords.
- (4) Selling and marketing expenses in 2H2020 and FY2020 were lower due to lower marketing expenses and lower staff costs.
- (5) In 2H2020, there was higher exchange losses as compared to 2H2019. There was higher net exchange gain in FY2020 as compared to FY2019. In FY2019, the higher other expenses were also due to prior year tax corrections and a loss of S\$56,000 on disposal of a dormant subsidiary recognised.
- (6a) Lower finance costs in 2H2020 and FY2020 were due to lower interest expenses from lower bank borrowings.
- (6b) Higher finance income in 2H2020 and FY2020 were due to higher bank interest income.
- (7) Share of profit of associate was from MVI Systems Limited ("**MVI**"). The share of loss in 2H2020 and FY2020 were attributed to lower revenue impacted by the COVID-19 pandemic.
- (8) Impairment of goodwill relates to investment in S&I Systems Pte Ltd ("**S&I**") due to the recoverable amount being below its carrying value and accordingly, the goodwill which was acquired in FY2010 was fully impaired.
- (9) Lower income tax expenses in 2H2020 and FY2020 were due to lower taxable profits. Income tax expenses in FY2020 was higher than operating profit before tax due to deferred tax credit from the losses of some entities was not recognised.
- (10) Lower staff costs in 2H2020 and FY2020 were mainly due to lower sales activities against the previous corresponding period resulting in lower staff costs from lower cost of sales incurred and lower commission paid.
- (11) Higher directors' remuneration in FY2020 due to the appointment of Ms Cheah Sui Ling and Mr Yeo Siew Chye Stephen on 3 June 2020 and the retirement of Mr Bertie Cheng and Mr Yap Boh Pin on 30 June 2020.
- (12) Depreciation of property, plant and equipment in 2H2020 and FY2020 were lower due to certain assets being fully depreciated.
- (13) Higher depreciation of right-of-use assets due to additions of right-of-use assets during 4Q2019.
- (14) Amortisation of intangible assets in 2H2020 and FY2020 were lower due to certain assets being fully amortised.
- (15) In FY2020, there was a write back of provision for bad debts made in 4Q2019 from a customer in the Engineering division. Provisions for bad debts made in 2H2020 and FY2020 were from certain ICT division customers.
- (16) The net exchange loss in 2H2020 was mainly from USD net assets due to the weakening of USD against SGD during the period. The higher net exchange gain in FY2020 was mainly from USD bank balances due to the strengthening of USD against SGD during the year. In 2H2019 and FY2019, net exchange gain arose mainly from EUR and USD payables due to weakening of EUR and USD against SGD.
- (17) There were write backs on inventories for mobile phones which have been sold in FY2020. In FY2019, there were higher inventory provisions due to slow moving inventory balances held in 1H2019.
- (18) Adjustments for the over provision of taxes were due to the differences in final tax assessment and tax estimates made in prior years.

**1(b)(i) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

In S\$'000	Group		Company	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<b><u>Non-current assets</u></b>				
Subsidiaries	-	-	27,489	35,236
Associate	1,948	2,294	-	-
Property, plant and equipment	992	1,023	81	114
Right-of-use assets	6,908	11,616	4,274	5,565
Intangible assets (Note 2)	6,973	12,526	105	164
Deferred tax assets	656	508	28	28
Trade and other receivables	899	1,212	-	-
	<b>18,376</b>	<b>29,179</b>	<b>31,977</b>	<b>41,107</b>
<b><u>Current assets</u></b> (Note 1)				
Inventories	7,568	17,093	4,827	14,060
Contract assets	24,485	42,016	-	-
Trade and other receivables	39,719	48,797	11,323	10,130
Cash and cash equivalents	27,311	23,090	4,892	5,697
	<b>99,083</b>	<b>130,996</b>	<b>21,042</b>	<b>29,887</b>
<b>Total assets</b>	<b>117,459</b>	<b>160,175</b>	<b>53,019</b>	<b>70,994</b>
<b><u>Equity</u></b>				
Share capital	21,987	21,987	21,987	21,987
Other reserves	7,228	7,324	13,797	13,408
Accumulated profits	32,574	42,666	2,881	12,143
<b>Equity attributable to equity holders of the Company</b>	<b>61,789</b>	<b>71,977</b>	<b>38,665</b>	<b>47,538</b>
Non-controlling interests	11	11	-	-
<b>Total equity</b>	<b>61,800</b>	<b>71,988</b>	<b>38,665</b>	<b>47,538</b>
<b><u>Non-current liabilities</u></b>				
Lease liabilities	3,141	6,712	2,984	4,196
Provisions	506	535	294	294
Contract liabilities	205	364	-	-
Trade and other payables	573	-	-	-
	<b>4,425</b>	<b>7,611</b>	<b>3,278</b>	<b>4,490</b>
<b><u>Current liabilities</u></b> (Note 1)				
Trade and other payables	28,695	49,213	5,767	10,753
Contract liabilities	3,678	4,215	-	-
Provision	150	220	-	-
Current tax payable	72	87	-	-
Loans and borrowings	14,131	22,160	4,000	7,000
Lease liabilities	3,668	4,681	1,211	1,213
Deferred income	840	-	98	-
	<b>51,234</b>	<b>80,576</b>	<b>11,076</b>	<b>18,966</b>
<b>Total liabilities</b>	<b>55,659</b>	<b>88,187</b>	<b>14,354</b>	<b>23,456</b>
<b>Total equity and liabilities</b>	<b>117,459</b>	<b>160,175</b>	<b>53,019</b>	<b>70,994</b>

**Notes:**

- (1) Lower sales activities in FY2020 resulted in lower net current assets and liabilities. Higher net cash balance as at 31 December 2020 as compared to 31 December 2019 was due to positive changes in working capital.
- (2) The decrease in intangible assets was due to the full impairment of the goodwill recognised for the investment in S&I.

**1(b)(ii) GROUP BORROWINGS\***

**In S\$'000**

**Amount repayable in one year or less**

Bank loan – unsecured

**As at 31/12/2020**

**As at 31/12/2019**

14,131

22,160

**Amount repayable after one year**

Bank loan – unsecured

-

-

Total

14,131

22,160

**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 HALF YEAR AND 12 MONTHS ENDED 31 DECEMBER 2020**

In S\$'000	2H2020	2H2019	FY2020	FY2019
<b>Operating Activities</b>				
(Loss)/Profit before income tax	(3,376)	5,040	(5,155)	7,260
Adjustments for:				
Amortisation of intangible assets	124	238	309	484
Depreciation of property, plant and equipment	389	457	803	1,074
Depreciation of right-of-use assets	2,310	2,180	4,821	3,982
Finance costs	659	881	1,512	1,693
Finance income	(38)	(40)	(93)	(87)
Impairment of goodwill	5,329	-	5,329	-
(Gain)/Loss on disposal of property, plant and equipment and intangible assets	(9)	1	(13)	40
Loss on disposal of a subsidiary	-	-	-	56
(Write back)/Provision for warranties	(55)	21	(57)	22
Share-based payments expenses	386	356	772	713
Share of loss/(profit) of associate	110	(59)	245	(173)
Cash from operating profit before working capital changes	5,829	9,075	8,473	15,064
Changes in working capital	(205)	5,215	16,297	(8,607)
Cash generated from operations	5,624	14,290	24,770	6,457
Income tax paid	(217)	(486)	(489)	(936)
<b>Net cash inflow from operating activities</b>	<b>5,407</b>	<b>13,804</b>	<b>24,281</b>	<b>5,521</b>
<b>Investing Activities</b>				
Acquisition of non-controlling interests	-	-	-	(685)
Dividend received from associate	-	107	111	107
Purchase of intangible assets	(4)	(6)	(86)	(58)
Purchase of property, plant and equipment	(121)	(282)	(801)	(516)
Proceeds from disposal of property, plant and equipment	19	11	28	14
Interest received	13	9	37	15
<b>Net cash outflow from investing activities</b>	<b>(93)</b>	<b>(161)</b>	<b>(711)</b>	<b>(1,123)</b>
<b>Financing Activities</b>				
Dividend paid	-	-	(4,525)	(4,544)
Interest paid	(644)	(868)	(1,496)	(1,647)
Purchase of treasury shares	(155)	(209)	(512)	(783)
Proceeds from bank loans	32,807	20,595	52,542	45,667
Repayment of short term bank loans	(38,430)	(28,052)	(60,570)	(44,831)
Payment of lease liabilities	(2,335)	(2,182)	(4,713)	(3,958)
<b>Net cash outflow from financing activities</b>	<b>(8,757)</b>	<b>(10,716)</b>	<b>(19,274)</b>	<b>(10,096)</b>
Net (decrease)/increase in cash and cash equivalents	(3,443)	2,927	4,296	(5,698)
Cash and cash equivalents at beginning of period/year	30,916	20,128	23,090	28,759
Effect of exchange rate changes on balances held in foreign currencies	(162)	35	(75)	29
<b>Cash and cash equivalents at end of period/year</b>	<b>27,311</b>	<b>23,090</b>	<b>27,311</b>	<b>23,090</b>



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Cash flows from operating activities

Net cash inflow in 2H2020 and FY2020 were positive from operating profits. Negative changes in working capital in 2H2020 was due to lower trade and other payables. Positive changes in working capital in FY2020 was due to lower inventories, contract assets and trade and other receivables.

Cash flows from investing activities

Net cash outflow in 2H2020 and FY2020 were due to purchase of property, plant and equipment. Net cash outflow in FY2019 was higher 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 2H2020 was mainly due to net repayment of bank loan. In FY2020, higher net cash outflow was mainly due to higher net repayment of bank loans and higher payment of lease liabilities.

**1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 2ND HALF AND 12 MONTHS ENDED 31 DECEMBER 2020**

In S\$'000	Share capital	Accumulated profits	Other reserves	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
<b>GROUP</b>						
<b>At 1 July 2019</b>	<b>21,987</b>	<b>38,588</b>	<b>6,957</b>	<b>67,532</b>	<b>12</b>	<b>67,544</b>
Total comprehensive income for the period	-	4,078	220	4,298	(1)	4,297
Purchase of treasury shares	-	-	(209)	(209)	-	(209)
Share-based payments expenses	-	-	356	356	-	356
<b>At 31 December 2019</b>	<b>21,987</b>	<b>42,666</b>	<b>7,324</b>	<b>71,977</b>	<b>11</b>	<b>71,988</b>
<b>At 1 July 2020</b>	<b>21,987</b>	<b>36,107</b>	<b>7,797</b>	<b>65,891</b>	<b>11</b>	<b>65,902</b>
Total comprehensive income for the period	-	(3,533)	(929)	(4,462)	-	(4,462)
Purchase of treasury shares	-	-	(155)	(155)	-	(155)
Issue of treasury shares	-	-	129	129	-	129
Share-based payments expenses	-	-	386	386	-	386
<b>At 31 December 2020</b>	<b>21,987</b>	<b>32,574</b>	<b>7,228</b>	<b>61,789</b>	<b>11</b>	<b>61,800</b>
<b>At 1 January 2019</b>	<b>21,987</b>	<b>41,994</b>	<b>6,789</b>	<b>70,770</b>	<b>685</b>	<b>71,455</b>
Effect of adoption of SFRS(I) 16 Leases	-	(177)	-	(177)	-	(177)
<b>Adjusted balance at 1 January 2019</b>	<b>21,987</b>	<b>41,817</b>	<b>6,789</b>	<b>70,593</b>	<b>685</b>	<b>71,278</b>
Total comprehensive income for the year	-	5,393	476	5,869	13	5,882
Acquisition of non-controlling interests	-	-	-	-	(687)	(687)
Purchase of treasury shares	-	-	(783)	(783)	-	(783)
Issue of treasury shares	-	-	129	129	-	129
Share-based payments expenses	-	-	713	713	-	713
FY2018 final dividend of 1.0 cents per share (one-tier tax exempt)	-	(4,544)	-	(4,544)	-	(4,544)
<b>At 31 December 2019</b>	<b>21,987</b>	<b>42,666</b>	<b>7,324</b>	<b>71,977</b>	<b>11</b>	<b>71,988</b>
<b>At 1 January 2020</b>	<b>21,987</b>	<b>42,666</b>	<b>7,324</b>	<b>71,977</b>	<b>11</b>	<b>71,988</b>
Total comprehensive income for the year	-	(5,567)	(485)	(6,052)	-	(6,052)
Purchase of treasury shares	-	-	(512)	(512)	-	(512)
Issue of treasury shares	-	-	129	129	-	129
Share-based payments expenses	-	-	772	772	-	772
FY2019 final dividend of 1.0 cents per share (one-tier tax exempt)	-	(4,525)	-	(4,525)	-	(4,525)
<b>At 31 December 2020</b>	<b>21,987</b>	<b>32,574</b>	<b>7,228</b>	<b>61,789</b>	<b>11</b>	<b>61,800</b>



In S\$'000	Share capital	Accumulated profits	Other reserves	Total equity
<b><u>COMPANY</u></b>				
<b>At 1 July 2019</b>	<b>21,987</b>	<b>6,827</b>	<b>13,261</b>	<b>42,075</b>
Total comprehensive income for the period	-	5,316	-	5,316
Purchase of treasury shares	-	-	(209)	(209)
Share-based payments to employees of Company's subsidiaries	-	-	106	106
Share-based payments expenses	-	-	250	250
<b>At 31 December 2019</b>	<b>21,987</b>	<b>12,143</b>	<b>13,408</b>	<b>47,538</b>
<b>At 1 July 2020</b>	<b>21,987</b>	<b>7,745</b>	<b>13,437</b>	<b>43,169</b>
Total comprehensive income for the period	-	(4,864)	-	(4,864)
Purchase of treasury shares	-	-	(155)	(155)
Issue of treasury shares	-	-	129	129
Share-based payments to employees of Company's subsidiaries	-	-	117	117
Share-based payments expenses	-	-	269	269
<b>At 31 December 2020</b>	<b>21,987</b>	<b>2,881</b>	<b>13,797</b>	<b>38,665</b>
<b>At 1 January 2019</b>	<b>21,987</b>	<b>11,301</b>	<b>13,349</b>	<b>46,637</b>
Effect of adoption of SFRS(I) 16 <i>Leases</i>	-	(110)	-	(110)
<b>Adjusted balance at 1 January 2019</b>	<b>21,987</b>	<b>11,191</b>	<b>13,349</b>	<b>46,527</b>
Total comprehensive income for the year	-	5,496	-	5,496
Purchase of treasury shares	-	-	(783)	(783)
Issue of treasury shares	-	-	129	129
Share-based payments to employees of Company's subsidiaries	-	-	211	211
Share-based payments expenses	-	-	502	502
FY2018 final dividend of 1.0 cents per share (one-tier tax exempt)	-	(4,544)	-	(4,544)
<b>At 31 December 2019</b>	<b>21,987</b>	<b>12,143</b>	<b>13,408</b>	<b>47,538</b>
<b>At 1 January 2020</b>	<b>21,987</b>	<b>12,143</b>	<b>13,408</b>	<b>47,538</b>
Total comprehensive income for the year	-	(4,737)	-	(4,737)
Purchase of treasury shares	-	-	(512)	(512)
Issue of treasury shares	-	-	129	129
Share-based payments to employees of Company's subsidiaries	-	-	234	234
Share-based payments expenses	-	-	538	538
FY2019 final dividend of 1.0 cents per share (one-tier tax exempt)	-	(4,525)	-	(4,525)
<b>At 31 December 2020</b>	<b>21,987</b>	<b>2,881</b>	<b>13,797</b>	<b>38,665</b>

**1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL****A) Share Capital**

As at 31 December 2020, the share capital of the Company amounted to S\$21.987 million comprising 454,419,335 ordinary shares excluding treasury shares (31 December 2019: 453,383,525 ordinary shares excluding treasury shares).

During the second half period ended 31 December 2020, there was no issuance of new ordinary shares.

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

As at 31 December 2020, the number of outstanding shares granted under the Company's RSP and PSP were 6,767,935 (31 December 2019: 5,649,545) and 4,160,000 (31 December 2019: 3,660,000) respectively.

**C) Treasury Shares**

During the second half period ended 31 December 2020, a total of 770,000 ordinary shares were repurchased from the market at a total consideration of S\$154,614.

During the year ended 31 December 2020, a total of 2,600,000 ordinary shares were repurchased from the market at a total consideration of S\$511,657 and 3,635,810 treasury shares were transferred to participants of the Company's share plans.

As at 31 December 2020, there were 3,165 (31 December 2019: 1,038,975) treasury shares representing approximately 0.0007% of the total issued share capital of the Company.

**D) Subsidiary holdings**

As at 31 December 2020, none of the Company's subsidiaries held any shares in the Company (31 December 2019: 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 year financial statements compared to those used in the annual report for the financial year ended 31 December 2019, 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:

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material
- Amendments to SFRS(I) 3 Definition of a Business
- Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform

**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 2020. 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.

**6. EARNINGS PER ORDINARY SHARE**

Group	2H2020	2H2019	FY2020	FY2019
Basic	(0.79)	0.89	(1.24)	1.18
Diluted	(0.79)	0.89	(1.23)	1.17

**7. NET ASSET VALUE PER ORDINARY SHARE**

	GROUP		COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	13.60	15.88	8.51	10.49

**8. REVIEW OF GROUP PERFORMANCE**

**A) Revenue**

S\$M	2H2020	2H2019	Growth		FY2020	FY2019	Growth	
			S\$	%			S\$	%
Personal Communications Solutions Services ("PCS")	55.3	80.8	(25.5)	-32%	101.8	168.1	(66.3)	-39%
Info-Communications Technology Services ("ICT")	25.8	36.1	(10.3)	-29%	47.6	67.1	(19.5)	-29%
Network Engineering Services ("Engineering")	31.8	43.2	(11.4)	-26%	64.1	78.5	(14.4)	-18%
Group Revenue	112.9	160.1	(47.2)	-29%	213.5	313.7	(100.2)	-32%

The COVID-19 pandemic in FY2020 has brought challenging times to our businesses and in all the countries which we operated in. Our three business divisions had reported lower revenue in 1H2020 against 1H2019. However, although our 2H2020 Group revenue was lower than 2H2019, except for Engineering division both PCS and ICT divisions had recorded higher revenue in 2H2020 as compared to 1H2020.

**PCS** – Revenue was significantly impacted with lower channel, prepaid and retail sales. Retail sales in 1H2020 were severely affected by the lower traffic at shopping malls and the temporary shop closures during the Circuit Breaker Period in Singapore, as well as the Movement Control Order in Malaysia. In 2H2020, despite the implementation of Phase 2 re-opening (“Safe Transition”) in Singapore from 1 June 2020 and the launch of new handset and tablet models by manufacturers, sales in general have remained subdued. Although take up of new handset models improved, consumer demand remained weak. With respect to the sale of prepaid, there was also no significant increase in sales despite the opening up of dormitories for foreign workers to start work. Online delivery sales by the PCS division had partially offset the lower revenue.

**ICT** – Lower revenue in FY2020 was due to lower equipment sales, lower maintenance revenue, and delay in project completion. The prevailing economic conditions and uncertain outlook have caused majority of our customers to postpone their non-critical spending. While offices are reopening, working from home is still the de facto arrangement. This has led to longer than usual time to process requests for proposal and awards of tenders. Consequently, many of our sale opportunities did not materialise within the forecasted timeline. Although there were new projects relating to mobile telecommunicating, increase in demand for our unified communication services to ecommerce and call centre, these have not been able to compensate for the shortfall in revenue from our major projects. During FY2020, there was however a one-off revenue recognition for the implementation of e-registration services provided to a customer in the public sector.

**Engineering** – Our operations in Singapore, Indonesia, Malaysia, the Philippines and Vietnam have been impacted to varying degrees of severity, depending on the movement control measures imposed by the government in these countries in response to the COVID-19 pandemic. Although the order book remained healthy, there were project implementation delay from site access and material readiness issues coupled with transportation and logistical challenges resulting in lower revenue recognition in FY2020. However, power supply, transmission equipment and product sales were higher in FY2020. There was also new source of revenue arising from the provision of field maintenance services. Except for our Malaysian operations, all other operations reported a decrease in revenue in FY2020.

## B) PBT

S\$M	2H2020	2H2019	Growth		FY2020	FY2019	Growth	
			S\$	%			S\$	%
PCS	1.5	1.7	(0.2)	-12%	0.8	4.1	(3.3)	-80%
ICT	1.2	1.6	(0.4)	-25%	0.7	1.1	(0.4)	-36%
Engineering	(0.7)	1.7	(2.4)	nm	(1.3)	2.1	(3.4)	nm
<b>Operating PBT</b>	<b>2.0</b>	<b>5.0</b>	<b>(3.0)</b>	<b>-60%</b>	<b>0.2</b>	<b>7.3</b>	<b>(7.1)</b>	<b>-97%</b>
Impairment of goodwill	(5.3)	-	(5.3)	nm	(5.3)	-	(5.3)	nm
<b>Group PBT</b>	<b>(3.3)</b>	<b>5.0</b>	<b>(8.4)</b>	nm	<b>(5.1)</b>	<b>7.3</b>	<b>(12.4)</b>	nm

With lower revenue registered in FY2020, the Group’s overall operating PBT in FY2020 had reduced substantially as compared to FY2019. Lower gross profit was partially mitigated by government and rental support received in Singapore. Operating expenses were also lower across all the three business divisions with savings from wage freeze and forced leave implemented in FY2020. Our three business divisions had reported lower PBT in 1H2020 against 1H2019. However, although our 2H2020 Group PBT was lower than 2H2019, except for the Engineering division, both PCS and ICT divisions had recorded higher PBT in 2H2020 as compared to 1H2020, leading the Group to reverse its 1H2020 losses to a small operating profit in FY2020. The Group however reported losses in FY2020 due to the full impairment of the goodwill acquired in FY2010 for the investment in S & I.

**PCS** – Profit from the Malaysian operation was lower due to lower variable commission recognised with lesser walk-in customers. The Singapore operations suffered significant losses due to lower revenue. In FY2019, there was also higher one-off commissions received from a major customer for a migration exercise from cable to fibre network. Manufacturers' incentives received were also lower due to lower purchases. These were partially mitigated by write back of inventory recognised from sales of aged inventories, lower marketing and finance expenses in FY2020 arising from the lower sales activities.

**ICT** – Despite the lower revenue in FY2020 against FY2019, there was higher gross margin in FY2020 against FY2019 with increase in service revenue mix. Our unified communication business had reported higher PBT in FY2020. The ICT division's weaker operating PBT in FY2020 was mainly due lower PBT from our infrastructure business due to lower customer spending and a higher share of losses recognised from an associate due to loss of certain content income as a result of hotel closures.

There was a full impairment of the goodwill recognised for the Group's investment in S&I which was acquired in FY2010. Due to the uncertain economic outlook arising from the COVID-19 pandemic, with lesser visibility on the order book building for FY2021, a lower revenue and revenue growth rate for S&I were forecasted for FY2021. As the recoverable amount is below the carrying value, a full impairment was made.

**Engineering** – Work-from-home has changed mobile usage patterns since demand has shifted towards residential areas rather than traditional office areas. As a result, regional telco operators are focusing more on network enhancement activities instead of new network rollouts. This has impacted our overall margin since network upgrades are generally of lower value compared to new rollouts. Losses in FY2020 were mainly attributed to unforeseeable losses recognised for projects in the Philippines. The stringent lockdown measures imposed by the Philippines government because of the COVID-19 pandemic had resulted in cancellation of orders, loss in productivity due to inefficient workforce mobility and supply and logistic disruptions. Profit from the Indonesian operation was also lower in FY2020 due to higher manpower and financing costs incurred as a result of delays in project completion due to the COVID-19 pandemic. These were partially mitigated by lower losses in the Singapore operations due to improvement in margins.

## **9. VARIANCE FROM PROSPECT STATEMENT**

The actual results for FY2020 has varied from the Group business performance updates announcement dated 13 November 2020 due to the impairment of the goodwill for the Group's investment in S&I.

## **10. PROSPECTS**

The global economy is expected to improve on the back of aggressive vaccinations roll-out and the progressive re-opening of economies. In Singapore, the Ministry of Trade and Industry has forecasted GDP growth of 4.0 to 6.0 per cent in 2021. Notwithstanding the anticipated recovery, there remains considerable risks such as the resurgence of COVID-19 infections especially in regional countries, and geopolitical uncertainty. Consequently, consumer confidence and business sentiment could be impacted. The Group, therefore, maintains a cautious outlook for FY2021.

Segment wise, PCS division will continue to experience subdued consumer demand given the economic and job market uncertainties. ICT division is anticipated to face implementation delays of major projects with the deferment of non-critical spending by enterprises. Engineering division will continue to be impacted by movement control measures in Indonesia, Malaysia and the Philippines if the COVID-19 infections in those countries are not brought under control.

Taking into account these factors, the Group's financial performance expectations based on pre-COVID-19 assumptions may have to be moderated. The fundamentals of the Group, however, remain strong, namely our balance sheet, working capital position and cashflow. The Group does not foresee liquidity issues with net cash and net current asset position as at 31 December 2020. We also have adequate banking facilities for any short-term funding needs to weather this downturn.

The Group will continue to focus on maintaining financial prudence and improving our cost structure and competitiveness through digitalisation and other operational improvements, and enhancing our competencies through upskilling and reskilling of our workforce. However, first half performance will be impacted by reduced government grants and rental subsidies. At the same time, we will reposition the Group for growth through new business initiatives, particularly in the ICT and PCS segments through some targeted investments.

The longer-term prospects for our industry remain cautiously positive. The roll-out of 5G networks in Singapore and the region and regional network upgrading, continued demand for cloud migration services and Internet of Things ("IoT") in keeping with digitalisation trends and the ongoing evolution of smart devices is expected to provide the growth impetus for our business.

*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? Yes**

<b>Period</b>	<b>2H2020 and FY2020</b>
<b>Name of Dividend</b>	<b>Proposed Final</b>
<b>Dividend Type</b>	<b>Cash</b>
<b>Dividend Rate</b>	<b>S\$0.005 per ordinary share</b>
<b>Tax Rate</b>	<b>One tier tax exempt</b>

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes

<b>Period</b>	<b>4Q2019 and FY2019</b>
<b>Name of Dividend</b>	<b>Proposed Final</b>
<b>Dividend Type</b>	<b>Cash</b>
<b>Dividend Rate</b>	<b>S\$0.01 per ordinary share</b>
<b>Tax Rate</b>	<b>One tier tax exempt</b>

**(c) Date payable**

The proposed dividend, if approved by shareholders, will be paid on 20 May 2021.

**(d) Record date**

Notice is hereby given that, subject to shareholders' approval of the payment of the abovementioned proposed final dividend at the forthcoming Annual General Meeting to be convened, the Share Transfer Books and Registers of Members of the Company will be closed on 7 May 2021. Duly completed transfers received by the Company's Registrar, M & C Services Private Limited, 112 Robinson Road #05-01 Singapore 068902, up to 5 p.m. on 6 May 2021 will be registered to determine shareholders' entitlement to the proposed dividends. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Ltd ("CDP"), the proposed dividends will be paid by the Company to CDP which will, in turn, distribute the dividend entitlement to the shareholders.

**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) of the SGX-ST Listing Manual**

Name of interested person In S\$M	Nature of relationship	Aggregate value of all interested person transactions conducted under a shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual			
		2H2020	2H2019	FY2020	FY2019
<b><u>Transactions for the sales of goods and services</u></b>					
Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	21.8	22.4	38.4	59.1
<b><u>Transactions for the purchases of goods and services</u></b>					
Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	12.2	20.8	21.2	39.8
<b><u>Management services</u></b>					
Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	-	-	0.03	0.03
<b>Total Interested Person Transactions</b>		<b>34.0</b>	<b>43.2</b>	<b>59.6</b>	<b>98.9</b>

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. 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.

**PART II -- ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

15. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

**(a) Business segment**

	Personal Communications Solutions Services		Info-Communications Technology Services		Network Engineering Services		Total	
	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019	FY2020	FY2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Revenue and expenses</b>								
Total revenue from external customers	101,806	168,102	47,540	67,000	64,128	78,524	213,474	313,626
Inter-segment revenue	3	-	144	98	-	-	147	98
<b>Total revenue</b>	<b>101,809</b>	<b>168,102</b>	<b>47,684</b>	<b>67,098</b>	<b>64,128</b>	<b>78,524</b>	<b>213,621</b>	<b>313,724</b>
Interest income	39	51	129	168	2	7	170	226
Interest expenses	410	561	35	188	1,144	1,083	1,589	1,832
Amortisation of intangible assets	89	280	210	183	10	21	309	484
Depreciation of property, plant and equipment	174	351	86	104	543	619	803	1,074
Depreciation of right-of-use assets	4,486	3,734	17	17	318	231	4,821	3,982
<b>Reportable segment profit before income tax</b>	<b>832</b>	<b>4,133</b>	<b>936</b>	<b>904</b>	<b>(1,349)</b>	<b>2,050</b>	<b>419</b>	<b>7,087</b>
Share of profit of an associate (net of tax)	-	-	(245)	173	-	-	(245)	173
Impairment of goodwill	-	-	(5,329)	-	-	-	(5,329)	-
Reportable segment assets	34,991	50,330	35,407	50,439	45,113	57,112	115,511	157,881
Investment in an associate	-	-	1,948	2,294	-	-	1,948	2,294
Capital expenditure								
- Property, plant and equipment	26	155	108	56	667	305	801	516
- Intangible assets	27	7	53	43	6	8	86	58
Reportable segment liabilities	19,545	32,727	14,909	26,834	21,205	28,626	55,659	88,187



**Reconciliations of reportable segment revenue, profit or loss, assets and liabilities, and other material items:**

	<b>FY2020 S\$'000</b>	<b>FY2019 S\$'000</b>
<b>Revenue</b>		
Total revenue for reportable segments	213,621	313,724
Elimination of inter-segment revenue	(147)	(98)
Consolidated revenue	213,474	313,626
<b>Profit or loss</b>		
Total profit or loss for reportable segments	419	7,087
Impairment of goodwill	(5,329)	-
Share of (loss)/profit of an associate	(245)	173
Consolidation (loss)/profit before income tax	(5,155)	7,260
<b>Assets</b>		
Total assets for reportable segments	115,511	157,881
Investments in an associate	1,948	2,294
Consolidated total assets	117,459	160,175
<b>Liabilities</b>		
Total liabilities for reportable segments	55,659	88,187

	<b>Other material items FY2020</b>			<b>Other material items FY2019</b>		
	<b>Reportable segment totals</b>	<b>Adjustments</b>	<b>Consolidated totals</b>	<b>Reportable segment totals</b>	<b>Adjustments</b>	<b>Consolidated totals</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Interest income	(170)	77	(93)	(226)	139	(87)
Interest expenses	1,589	(77)	1,512	1,832	(139)	1,693
Impairment of goodwill	5,329	-	5,329	-	-	-
Capital expenditure						
- Property, plant and equipment	801	-	801	516	-	516
- Intangible assets	86	-	86	58	-	58

**(b) Geographical segments**

	<b>31 December 2020</b>		<b>31 December 2019</b>	
	<b>Revenue</b>	<b>Non-current assets</b>	<b>Revenue</b>	<b>Non-current assets</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Singapore	158,086	13,979	242,596	24,276
Indonesia	45,221	687	55,465	639
Malaysia	7,689	48	8,747	89
Philippines	2,013	77	4,772	136
Hong Kong	160	1,948	297	2,294
Other countries	305	82	1,749	25
Consolidated total	213,474	16,821	313,626	27,459

**16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

- a) Business segment

Refer to Note 8 – Review of Group Performance

- b) Geographical segment

Refer to Note 15 (b)

**17. Breakdown of sales**

	FY2020 S\$'000	FY2019 S\$'000	Increase/(Decrease)	
			S\$'000	%
Total revenue reported for first half year	100,644	153,540	(52,896)	-34%
(Loss)/Profit after tax before deducting non-controlling interests reported for first half year	(2,034)	1,329	(3,363)	nm
Total revenue reported for second half year	112,830	160,086	(47,256)	-30%
(Loss)/Profit after tax before deducting non-controlling interests reported for second half year	(3,585)	4,052	(7,637)	nm

**18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

	FY2020 S\$'000	FY2019 S\$'000
Ordinary shares (tax exempt 1- tier) - Final (Proposed)	2,272	4,534
<b>Total Annual Dividend</b>	<b>2,272</b>	<b>4,534</b>

**19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the SGX-ST Listing Manual. If there are no such persons, the issuer must make an appropriate negative statement.**

The Company confirms that none of the personnel occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director, chief executive officer or substantial shareholder of the Company.

**BY ORDER OF THE BOARD**

**Lim Shuh Moh Vincent**  
**President and CEO**

Date: 24 February 2021