TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

PART I - UNAUDITED RESULTS FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2019

1(a)(i) INCOME STATEMENT FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2019

In S$'000	4Q2019	4Q2018	+/- %	FY2019	FY2018	+/- %
Revenue (Note 1)	81,626	125,032	-34.7%	313,626	491,717	-36.2%
Cost of sales (Note 1)	(72,026)	(114,855)	-37.3%	(280,618)	(459,731)	-39.0%
Gross profit (Note 2a)	**9,600**	**10,177**	-5.7%	**33,008**	**31,986**	3.2%
Gross margin % (Note 2b)	*11.8%*	*8.1%*	*3.7 ppt*	*10.5%*	*6.5%*	*4.0 ppt*
Other income (Note 3)	36	(21)	nm	406	520	-21.9%
Selling and marketing expenses (Note 4)	(1,701)	(1,846)	-7.9%	(7,531)	(8,443)	-10.8%
Administrative expenses	(4,247)	(4,420)	-3.9%	(16,857)	(17,106)	-1.5%
Other expenses (Note 5)	(20)	(62)	-67.7%	(333)	(235)	41.7%
Net finance costs (Note 6a and 6b)	(421)	(289)	45.7%	(1,606)	(945)	69.9%
Operating profit before income tax	**3,247**	**3,539**	-8.3%	**7,087**	**5,777**	22.7%
% of revenue	*4.0%*	*2.8%*	*1.2 ppt*	*2.3%*	*1.2%*	*1.1 ppt*
Share of profit of associate (net of tax) (Note 7)	-	(65)	-100.0%	173	314	-44.9%
Profit before income tax	**3,247**	**3,474**	-6.5%	**7,260**	**6,091**	19.2%
% of revenue	*4.0%*	*2.8%*	*1.2 ppt*	*2.3%*	*1.2%*	*1.1 ppt*
Income tax expense	(707)	(766)	-7.7%	(1,879)	(1,793)	4.8%
Profit for the period/year	2,540	2,708	-6.2%	5,381	4,298	25.2%
Attributable to:						
Equity holders of the Company	**2,541**	**2,542**	-0.0%	**5,368**	**4,003**	34.1%
% of revenue	*3.1%*	*2.0%*	*1.1 ppt*	*1.7%*	*0.8%*	*0.9 ppt*
Non-controlling interests	(1)	166	nm	13	295	-95.6%
	2,540	2,708	-6.2%	5,381	4,298	25.2%
Weighted average number of shares (in '000)	453,943	454,387		454,217	454,119	
Earnings per share (in cents)						
Basic	0.56	0.56		1.18	0.88	
Diluted	0.56	0.56		1.17	0.88	

nm - not meaningful

TELECHOICE INTERNATIONAL LIMITED
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STATEMENT OF COMPREHENSIVE INCOME FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2019

In S$'000	4Q2019	4Q2018	+/- %	FY2019	FY2018	+/- %
Profit for the period/year	2,540	2,708	-6.2%	5,381	4,298	25.2%
Items that will not be reclassified to profit or loss:						
Defined benefit plan re-measurements	33	86	-61.6%	33	86	-61.6%
Tax on items that will not be reclassified to profit or loss	(8)	(21)	-61.9%	(8)	(21)	-61.9%
	25	65	-61.5%	25	65	-61.5%
Items that may be reclassified subsequently to profit or loss:						
Translation differences relating to financial statements of foreign subsidiaries	(163)	450	nm	339	(596)	nm
Share of foreign currency translation differences of associate	(8)	-	nm	(6)	15	nm
Foreign currency translation differences on disposal of a foreign subsidiary reclassified to profit or loss	-	-	-	56	(44)	nm
Exchange differences on monetary items forming part of net investment in a foreign operation	(48)	118	nm	87	(200)	nm
	(219)	568	nm	476	(825)	nm
Other comprehensive income for the period/year, net of tax	(194)	633	nm	501	(760)	nm
Total comprehensive income for the period/year	2,346	3,341	-29.8%	5,882	3,538	66.3%
Attributable to:						
Equity holders of the Company	2,347	3,175	-26.1%	5,869	3,243	81.0%
Non-controlling interests	(1)	166	nm	13	295	-95.6%
Total comprehensive income for the period/year	2,346	3,341	-29.8%	5,882	3,538	66.3%

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

In S$'000	4Q2019	4Q2018	+/- %	FY2019	FY2018	+/- %
Staff costs (Note 8)	14,221	12,172	16.8%	53,597	47,684	12.4%
Provision of directors' remuneration, included in staff costs	118	88	34.1%	471	471	-
Depreciation of property, plant and equipment (Note 9)	239	400	-40.3%	1,074	1,850	-41.9%
Depreciation of right-of-use assets (Note 10)	1,227	-	nm	3,982	-	nm
Amortisation of intangible assets (Note 11)	116	152	-23.7%	484	606	-20.1%
Provision for bad debts and bad debts written off/(back) (Note 12)	19	(3)	nm	21	(33)	nm
Net exchange gain (Note 13)	(12)	(8)	50.0%	(54)	(141)	-61.7%
Write (back)/down of inventories to net realisable value (Note 14)	(346)	(536)	-35.4%	546	(986)	nm
Finance costs (Note 6a)	436	330	32.1%	1,693	1,132	49.6%
Finance income (Note 6b)	(15)	(41)	-63.4%	(87)	(187)	-53.5%
Adjustments for (over)/under provision of tax in respect of prior years (Note 15)	(19)	103	nm	(35)	132	nm

nm - not meaningful

Notes:

(1) Group revenue was lower mainly attributed to lower revenue from PCS and ICT divisions. Refer to paragraph 8A for additional information. Correspondingly, cost of sales was lower.

(2a) In 4Q2019, ICT division reported higher gross profit against previous period. In FY2019, the higher gross profit against previous year was from PCS and ICT divisions.

(2b) In 4Q2019 and FY2019, PCS and ICT divisions reported higher gross margin against previous periods.

(3) In 4Q2019, other income was mainly from government grant received from Workforce Singapore. In 4Q2018, there was a reversal of other income. Other income was lower in FY2019 mainly due to lower government grants received for the wage credit and temporary employment credit schemes.

(4) Selling and marketing expenses in 4Q2019 and FY2019 were lower due to lower marketing expenses and lower staff costs.

(5) Other expenses in 4Q2019 was lower mainly due to lower amortisation of intangible asset which was fully amortised as at November 2018. In FY2019, the higher other expenses were due to prior year tax corrections and a loss of $56,000 on disposal of a dormant subsidiary was recognised. There was also a lower net exchange gain.

(6a) Higher finance costs in 4Q2019 and FY2019 were due to higher interest expenses from higher bank borrowings at higher interest rate. There was also lease interest recognised arising from adoption of SFRS(I) 16 *Leases*.

(6b) Finance income decreased due to lower interest accretion income recognised in 4Q2019 and FY2019.

(7) Share of profit of associate was from MVI Systems Limited ("**MVI**"). The higher share of profit of associate in FY2018 was due to a step-up gain recognised upon the completion of the profit guarantee period, of which the Group's stake in MVI had increased from 25.19% to 29.41%.

(8) Higher staff costs in 4Q2019 and FY2019 were due to increase in headcount to support Engineering projects in Indonesia and Philippines.

(9) Depreciation of property, plant and equipment in 4Q2019 and FY2019 were lower due to certain assets being fully depreciated.

(10) Arising from adoption of SFRS(I) 16 *Leases* with effect from 1 January 2019.

(11) Amortisation of intangible assets in 4Q2019 and FY2019 were lower due to certain assets being fully amortised.

(12) Provision for bad debts in 4Q2019 and FY2019 were attributed to certain ICT customers and an Engineering customer in Malaysia.

(13) In 4Q2019 and FY2019, net exchange gain arose mainly from EUR and USD payables due to weakening of EUR and USD against SGD. In 4Q2018 and FY2018, net exchange gain arose from USD payables due to weakening of USD against SGD.

(14) In 4Q2019, 4Q2018 and FY2018, there were write backs on inventories for mobile phones which have been sold. In FY2019, there were higher inventory provisions due to slow moving inventory balances held.

(15) Adjustments for the (over)/under provision of taxes were due to the differences in final tax assessment and tax estimates made in prior years.

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1(b)(i) STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

In S$'000	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Non-current assets				
Subsidiaries	-	-	35,236	34,542
Associate	2,294	2,234	-	-
Property, plant and equipment	1,023	1,635	114	239
Right-of-use assets (Note 1)	11,616	-	5,565	-
Intangible assets	12,526	12,952	164	347
Deferred tax assets	508	909	28	15
Trade and other receivables	1,212	1,148	-	-
	29,179	**18,878**	**41,107**	**35,143**
Current assets				
Inventories	17,093	20,258	14,060	17,386
Contract assets	42,016	32,473	-	-
Trade and other receivables	48,797	54,510	10,130	12,460
Cash and cash equivalents	23,090	28,759	5,697	10,277
	130,996	**136,000**	**29,887**	**40,123**
Total assets	**160,175**	**154,878**	**70,994**	**75,266**
Equity				
Share capital	21,987	21,987	21,987	21,987
Other reserves	7,324	6,789	13,408	13,349
Accumulated profits	42,666	41,994	12,143	11,301
Equity attributable to equity holders of the Company	**71,977**	**70,770**	**47,538**	**46,637**
Non-controlling interests (Note 2)	11	685	-	-
Total equity	**71,988**	**71,455**	**47,538**	**46,637**
Non-current liabilities				
Lease liabilities (Note 1)	6,712	-	4,196	-
Provisions	535	162	294	-
Contract liabilities	364	-	-	-
Trade and other payables	-	79	-	-
	7,611	**241**	**4,490**	-
Current liabilities				
Trade and other payables	49,213	56,633	10,753	19,610
Contract liabilities	4,215	4,732	-	-
Provision	220	155	-	-
Current tax payable	87	338	-	19
Loans and borrowings	22,160	21,324	7,000	9,000
Lease liabilities (Note 1)	4,681	-	1,213	-
	80,576	**83,182**	**18,966**	**28,629**
Total liabilities	**88,187**	**83,423**	**23,456**	**28,629**
Total equity and liabilities	**160,175**	**154,878**	**70,994**	**75,266**

Notes:

(1) The Group adopted SFRS(I) 16 *Leases* with effect from 1 January 2019 based on the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 *Leases* is recognised as an adjustment to the opening balance of accumulated profits as at 1 January 2019, with no restatement of comparative information (refer to paragraph 5 below).

(2) The decrease was due to the acquisition of the remaining shares of a subsidiary from a non-controlling shareholder.

1(b)(ii) GROUP BORROWINGS*

In S$'000	As at 31/12/2019	As at 31/12/2018
Amount repayable in one year or less		
Bank loan – unsecured	22,160	21,324
Amount repayable after one year		
Bank loan – unsecured	-	-
Total	22,160	21,324

Details of any collateral

Nil

*Group borrowings exclude the lease liabilities recognised following the adoption of SFRS(I) 16 *Leases.*

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1(c) CONSOLIDATED CASH FLOW STATEMENT FOR THE 4TH QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2019

In S$'000	4Q2019	4Q2018	FY2019	FY2018
Operating Activities				
Profit before income tax	3,247	3,474	7,260	6,091
Adjustments for:				
Amortisation of intangible assets	116	152	484	606
Depreciation of property, plant and equipment	239	400	1,074	1,850
Depreciation of right-of-use assets	1,227	-	3,982	-
Finance costs	436	330	1,693	1,132
Finance income	(15)	(41)	(87)	(187)
Loss/(gain) on disposal of property, plant and equipment and intangible assets	3	1	40	(1)
Loss/(gain) on disposal of a subsidiary	-	-	56	(26)
Provision/(write back) for warranties	23	-	22	(1)
Share-based payments expenses	178	146	713	580
Share of loss/(profit) of associate	-	65	(173)	(314)
Cash from operating profit before working capital changes	5,454	4,527	15,064	9,730
Changes in working capital	(941)	(11,311)	(8,607)	(18,302)
Cash generated from operations	4,513	(6,784)	6,457	(8,572)
Income tax paid	(211)	(335)	(936)	(1,104)
Net cash inflow/(outflow) from operating activities	**4,302**	**(7,119)**	**5,521**	**(9,676)**
Investing Activities				
Acquisition of non-controlling interests	-	-	(685)	-
Dividend received from associate	-	-	107	596
Purchase of intangible assets	(4)	(12)	(58)	(500)
Purchase of property, plant and equipment	(103)	(251)	(516)	(687)
Proceeds from disposal of property, plant and equipment	6	13	14	43
Interest received	6	13	15	37
Net cash outflow from investing activities	**(95)**	**(237)**	**(1,123)**	**(511)**
Financing Activities				
Dividend paid	-	-	(4,544)	(7,270)
Interest paid	(435)	(311)	(1,647)	(1,017)
Purchase of treasury shares	(209)	-	(783)	(655)
Proceeds from bank loans	12,998	22,777	45,667	49,901
Repayment of short term bank loans	(16,336)	(17,894)	(44,831)	(44,908)
Payment of lease liabilities	(1,260)	-	(3,958)	-
Net cash (outflow)/inflow from financing activities	**(5,242)**	**4,572**	**(10,096)**	**(3,949)**
Net decrease in cash and cash equivalents	(1,035)	(2,784)	(5,698)	(14,136)
Cash and cash equivalents at beginning of period/year	24,160	31,350	28,759	42,926
Effect of exchange rate changes on balances held in foreign currencies	(35)	193	29	(31)
Cash and cash equivalents at end of period/year	**23,090**	**28,759**	**23,090**	**28,759**

Cash flows from operating activities

Net cash inflow in 4Q2019 and FY2019 were positive from operating profits partially offset by negative changes in working capital due to higher contract assets and lower trade and other payables. The improvement in changes in working capital in 4Q2019 and FY2019 were due to lower inventories and trade and other receivables.

Cash flows from investing activities

Net cash outflow in 4Q2019 was lower due to lower 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. Dividend received from an associate was also lower in FY2019.

Cash flows from financing activities

Net cash outflow in 4Q2019 was mainly due to net repayment of bank loans. In FY2019, higher net cash outflow was mainly due payment of lease liabilities and lower bank loans, partially mitigated by the lower dividend paid. The payment of lease liabilities was disclosed following the adoption of SFRS(I) 16 *Leases*.

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1(d)(i) STATEMENT OF CHANGES IN EQUITY FOR THE 4th QUARTER AND 12 MONTHS ENDED 31 DECEMBER 2019

In S$'000	Share capital	Accumulated profits	Other reserves	Total attributable to equity holders of the Company	Non-controlling interests	Total equity
GROUP						
At 1 October 2018	**21,987**	**39,387**	**6,075**	**67,449**	**519**	**67,968**
Total comprehensive income for the period	-	2,607	568	3,175	166	3,341
Share-based payments expenses	-	-	146	146	-	146
At 31 December 2018	**21,987**	**41,994**	**6,789**	**70,770**	**685**	**71,455**
At 1 October 2019	**21,987**	**40,100**	**7,574**	**69,661**	**12**	**69,673**
Total comprehensive income for the period	-	2,566	(219)	2,347	(1)	2,346
Purchase of treasury shares	-	-	(209)	(209)	-	(209)
Share-based payments expenses	-	-	178	178	-	178
At 31 December 2019	**21,987**	**42,666**	**7,324**	**71,977**	**11**	**71,988**
At 1 January 2018	**21,987**	**45,196**	**7,551**	**74,734**	**390**	**75,124**
Total comprehensive income for the year	-	4,068	(825)	3,243	295	3,538
Purchase of treasury shares	-	-	(655)	(655)	-	(655)
Issue of treasury shares	-	-	138	138	-	138
Share-based payments expenses	-	-	580	580	-	580
FY2017 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)	-	(7,270)
At 31 December 2018	**21,987**	**41,994**	**6,789**	**70,770**	**685**	**71,455**
At 1 January 2019	**21,987**	**41,994**	**6,789**	**70,770**	**685**	**71,455**
Effect of adoption of SFRS(I) 16	-	(177)	-	(177)	-	(177)
Adjusted balance at 1 January 2019	**21,987**	**41,817**	**6,789**	**70,593**	**685**	**71,278**
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)
At 31 December 2019	**21,987**	**42,666**	**7,324**	**71,977**	**11**	**71,988**

In S$'000	Share capital	Accumulated profits	Other reserves	Total equity
COMPANY				
At 1 October 2018	**21,987**	**9,034**	**13,203**	**44,224**
Total comprehensive income for the period	-	2,267	-	2,267
Share-based payments to employees of Company's subsidiaries	-	-	41	41
Share-based payments expenses	-	-	105	105
At 31 1 December 2018	**21,987**	**11,301**	**13,349**	**46,637**
At 1 October 2019	**21,987**	**7,595**	**13,439**	**43,021**
Total comprehensive income for the period	-	4,548	-	4,548
Purchase of treasury shares	-	-	(209)	(209)
Share-based payments to employees of Company's subsidiaries	-	-	53	53
Share-based payments expenses	-	-	125	125
At 31 December 2019	**21,987**	**12,143**	**13,408**	**47,538**
At 1 January 2018	**21,987**	**12,119**	**13,286**	**47,392**
Total comprehensive income for the year	-	6,452	-	6,452
Purchase of treasury shares	-	-	(655)	(655)
Issue of treasury shares	-	-	138	138
Share-based payments to employees of Company's subsidiaries	-	-	159	159
Share-based payments expenses	-	-	421	421
FY2017 final dividend of 1.6 cents per share (one-tier tax exempt)	-	(7,270)	-	(7,270)
At 31 December 2018	**21,987**	**11,301**	**13,349**	**46,637**
At 1 January 2019	**21,987**	**11,301**	**13,349**	**46,637**
Effect of adoption of SFRS(I) 16	-	(110)	-	(110)
Adjusted balance at 1 January 2019	**21,987**	**11,191**	**13,349**	**46,527**
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)
At 31 December 2019	**21,987**	**12,143**	**13,408**	**47,538**

1(d)(ii) CHANGES IN COMPANY'S SHARE CAPITAL

A) Share Capital

As at 31 December 2019, the share capital of the Company amounted to S$21.987 million comprising 453,383,525 issued ordinary shares excluding treasury shares (31 December 2018: 454,387,185 ordinary shares excluding treasury shares).

During the fourth quarter ended 31 December 2019, there was no issuance of new ordinary shares.

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

As at 31 December 2019, the number of outstanding shares granted under the Company's RSP and PSP were 5,649,545 (31 December 2018: 4,643,885) and 3,660,000 (31 December 2018: 3,400,000) respectively.

C) Treasury Shares

During the fourth quarter ended 31 December 2019, a total of 1,000,000 ordinary shares were repurchased from the market at a total consideration of S$209,246.

During the year ended 31 December 2019, a total of 3,600,000 ordinary shares were repurchased from the market at a total consideration of S$783,197 and 2,596,340 treasury shares were transferred to participants of the Company's share plans.

As at 31 December 2019, there were 1,038,975 (31 December 2018: 35,315) treasury shares representing approximately 0.23% of the total issued share capital of the Company.

D) Subsidiary holdings

As at 31 December 2019, none of the Company's subsidiaries held any shares in the Company (31 December 2018: 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 2018, 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:

- SFRS(I) 16: Leases
- SFRS(I) INT 23: Uncertainty over Income Tax Treatments
- Amendments to SFRS(I) 9: Financial Instruments - Prepayment Features with Negative Compensation
- Amendments to SFRS(I) 1-28: Investments in Associates and Joint Ventures - Long-term Interests in Associates and Joint Ventures
- Amendments to SFRS(I)1-19: Employee Benefits - Plan Amendment, Curtailment or Settlement

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 2019. 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, except as stated below:

SFRS(I) 16 Leases

SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. The adoption of SFRS(I) 16 resulted in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases was removed. Exceptions to this standard are short-term and low value leases. The accounting for lessors was not changed significantly.

Under the standard, an asset ("**ROU asset**") and a financial liability to pay rentals are recognised in the balance sheet and depreciation charge on the ROU assets and interest expenses on the lease liabilities are recognised in the income statement.

The Group applied SFRS(I) 16 on 1 January 2019, using the modified retrospective approach. The cumulative effect of adopting SFRS(I) 16 is recognised as an adjustment to the opening balance of retained earnings at 1 January 2019, with no restatement of comparative information. The Group applied the practical expedient to grandfather the definition of a lease on transition. SFRS(I) 16 is applied to lease contracts entered before 1 January 2019 and are identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4.

The adoption of SFRS(I) 16 resulted in adjustments to the Statement of Financial Position of the Group as at 1 January 2019. The differences from the Statement of Financial Position as previously reported at 31 December 2018 are as follows:

Statement of Financial Position as at 1 January 2019 In S$'000	**Increase/ (Decrease)**
Property, plant and equipment	(12)
Right-of-use assets	11,039
Lease liabilities	11,204
Accumulated profits	(177)

6. EARNINGS PER ORDINARY SHARE

Group	**4Q2019**	**4Q2018**	**FY2019**	**FY2018**
Basic	0.56	0.56	1.18	0.88
Diluted	0.56	0.56	1.17	0.88

7. NET ASSET VALUE PER ORDINARY SHARE

	GROUP		**COMPANY**	
	31/12/2019	**31/12/2018**	**31/12/2019**	**31/12/2018**
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	15.88	15.57	10.49	10.26

8. REVIEW OF GROUP PERFORMANCE

A) Revenue

S$M	4Q2019	4Q2018	Growth		FY2019	FY2018	Growth	
			S$	%			S$	%
Personal Communications Solutions Services ("**PCS**")	39.2	84.8	(45.6)	-54%	168.1	351.8	(183.7)	-52%
Info-Communications Technology Services ("**ICT**")	19.2	19.6	(0.4)	-2%	67.0	71.7	(4.7)	-7%
Network Engineering Services ("**Engineering**")	23.2	20.6	2.6	13%	78.5	68.2	10.3	15%
Group Revenue	81.6	125.0	(43.4)	-35%	313.6	491.7	(178.1)	-36%

- **PCS** – Revenue decreased in 4Q2019 and FY2019 mainly due to lower equipment sales to a major customer in Singapore and lower prepaid sales. This was partially mitigated by field and cabling services revenue and commission income.
- **ICT** – Revenue decreased in 4Q2019 was attributable to lower maintenance revenue. Lower revenue in FY2019 was attributed to lower software sales, lower maintenance revenue and enterprise network products distribution sales with the disposal of the business in 3Q2018.
- **Engineering –** Revenue increased in 4Q2019 and FY2019. Except for the Singapore operation, all other operations reported an increase in revenue.

B) PBT

S$M	4Q2019	4Q2018	Growth		FY2019	FY2018	Growth	
			S$	%			S$	%
PCS	0.7	1.2	(0.5)	-42%	4.1	4.1	-	-
ICT	1.3	0.3	1.0	333%	1.1	(0.9)	2.0	222%
Engineering	1.2	2.0	(0.8)	-40%	2.1	2.9	(0.8)	-28%
Group PBT	3.2	3.5	(0.3)	-9%	7.3	6.1	1.2	20%

- **PCS** – PBT decreased in 4Q2019 was due to both the Singapore and Malaysia operations. In FY2019, the PBT increase was from the Singapore operations. The higher PBT from the Singapore operations was due to higher margin service revenue. PBT from the Malaysia operation was lower due to lower variable commission recognised.
- **ICT** – PBT in 4Q2019 and FY2019 were higher mainly due to higher margin service revenue and lower operating expenses partially offset by a lower share of profit from associate.
- **Engineering** – PBT in 4Q2019 and FY2019 were lower from all operations except for the Singapore operation due to lower margins. Only the Indonesian operation was profitable in FY2019.

9. VARIANCE FROM PROSPECT STATEMENT

There are no material variances between the prospect statement set out in the 3Q2019 announcement dated 14 November 2019 and the actual results for 4Q2019.

10. PROSPECTS

With the COVID-19 virus outbreak and ensuing impact on global economies, Singapore Ministry of Trade and Industry has downgraded the year 2020's growth forecast from between 0.5% and 2.5% to between -0.5% and 1.5%. As the full impact on business is uncertain, the Group maintains a cautious outlook for FY2020.

Subject to the above and barring any unforeseen circumstances, the overall operating environment continues to be challenging and the current uncertain economic environment is expected to have a negative impact on business capex spending and consumer sentiment.

The Group expects operating performance for FY2020 to be maintained as last year.

The Group will continue to leverage network rollout and upgrade opportunities in Singapore and the region, and to strengthen its core competencies in marketing, distribution and managed services to mitigate some of these challenges. The Group will also continue to explore strategic initiatives to further improve its operating performance.

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Period	**4Q2018 and FY2018**
Name of Dividend	**Proposed Final**
Dividend Type	**Cash**
Dividend Rate	**S$0.01 per ordinary share**
Tax Rate	**One tier tax exempt**

(c) Date payable

The proposed dividend, if approved by shareholders, will be paid on 20 May 2020.

(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 6 May 2020. 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 5 May 2020 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)

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			
		4Q2019	**4Q2018**	**FY2019**	**FY2018**
Transactions for the sales of goods and services Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	10.9	46.6	59.1	227.5
Transactions for the purchases of goods and services Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	13.0	15.7	39.8	68.6
Management services Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	0.03	0.1	0.03	0.1
Total Interested Person Transactions		**23.9**	**62.4**	**98.9**	**296.2**

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.

TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

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	
	2019	2018	2019	2018	2019	2018	2019	2018
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Revenue and expenses								
Total revenue from external customers	168,102	351,828	67,000	71,729	78,524	68,160	313,626	491,717
Inter-segment revenue	-	-	98	247	-	-	98	247
Total revenue	**168,102**	**351,828**	**67,098**	**71,976**	**78,524**	**68,160**	**313,724**	**491,964**
Interest income	51	31	168	224	7	14	226	269
Interest expenses	561	248	188	169	1,083	797	1,832	1,214
Amortisation of intangible assets	280	253	183	324	21	29	484	606
Depreciation of property, plant and equipment	351	611	104	147	619	1,092	1,074	1,850
Depreciation of right-of-use assets	3,734	-	17	-	231	-	3,982	-
Reportable segment profit before income tax	**4,133**	**4,120**	**904**	**(1,286)**	**2,050**	**2,943**	**7,087**	**5,777**
Share of profit of an associate (net of tax)	-	-	173	314	-	-	173	314
Reportable segment assets	50,330	50,737	50,439	54,042	57,112	47,865	157,881	152,644
Investment in an associate	-	-	2,294	2,234	-	-	2,294	2,234
Capital expenditure								
- Property, plant and equipment	155	218	56	93	305	376	516	687
- Intangible assets	7	87	43	384	8	29	58	500
Reportable segment liabilities	32,727	32,972	26,834	29,772	28,626	20,679	88,187	83,423

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

	2019 $'000	2018 $'000
Revenue		
Total revenue for reportable segments	313,724	491,964
Elimination of inter-segment revenue	(98)	(247)
Consolidated revenue	313,626	491,717
Profit or loss		
Total profit or loss for reportable segments	7,087	5,777
Share of profit of an associate	173	314
Consolidation profit before income tax	7,260	6,091
Assets		
Total assets for reportable segments	157,881	152,644
Investments in an associate	2,294	2,234
Consolidated total assets	160,175	154,878
Liabilities		
Total liabilities for reportable segments	88,187	83,423

	Other material items 2019			*Other material items 2018*		
	Reportable segment totals	**Adjustments**	**Consolidated totals**	**Reportable segment totals**	**Adjustments**	**Consolidated totals**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Interest income	(226)	139	(87)	(269)	82	(187)
Interest expenses	1,832	(139)	1,693	1,214	(82)	1,132
Capital expenditure						
- Property, plant and equipment	516	-	516	687	-	687
- Intangible assets	58	-	58	500	-	500

(b) Geographical segments

	31 December 2019		31 December 2018	
	Revenue	**Non-current assets**	**Revenue**	**Non-current assets**
	$'000	**$'000**	**$'000**	**$'000**
Singapore	242,596	24,276	436,182	13,763
Indonesia	55,465	639	43,316	683
Malaysia	8,747	89	7,839	62
Philippines	4,772	136	2,964	63
Hong Kong	297	2,294	1,073	2,234
Other countries	1,749	25	343	16
Consolidated total	313,626	27,459	491,717	16,821

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

	FY2019 S$'000	FY2018 S$'000	Increase/(Decrease)	
			S$'000	%
Total revenue reported for first half year	153,540	241,215	(87,675)	-36.3%
Operating profit after tax before deducting non-controlling interests reported for first half year	1,329	1,342	(13)	-1.0%
Total revenue reported for second half year	160,086	250,502	(90,416)	-36.1%
Operating profit after tax before deducting non-controlling interests reported for second half year	4,052	2,956	1,096	37.1%

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:

	FY2019 S$'000	FY2018 S$'000
Ordinary shares (tax exempt 1- tier) - Final (Proposed)	4,534	4,544
Total Annual Dividend	**4,534**	**4,544**

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). 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

Date: 21 February 2020