



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

**TeleChoice International Limited
and its Subsidiaries
Registration Number: 199802072R**

**Consolidated Financial Statements
For the financial year ended 31 December 2022**



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

Table of contents

A	Consolidated Statement of Profit or Loss and Other Comprehensive Income	3
B	Statements of Financial Position	5
C	Consolidated Statement of Cash Flows	6
D	Statements of Changes in Equity	8
E	Notes to the Financial Statements	10
F	Other Information Required by Listing Rule Appendix 7.2	24



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

A. Consolidated Statement of Profit or Loss and Other Comprehensive Income for Financial year ended 31 December 2022

Consolidated Statement of Profit or Loss

In S\$'000	2H2022	2H2021	+/- %	FY2022	FY2021	+/- %
Revenue (Note 1)	133,532	100,763	32.5%	232,603	194,350	19.7%
Cost of sales (Note 1)	(122,487)	(91,246)	-34.2%	(214,023)	(177,979)	-20.3%
Gross profit (Note 2a)	11,045	9,517	16.1%	18,580	16,371	13.5%
Gross margin % (Note 2b)	8.3%	9.4%	-1.1 ppt	8.0%	8.4%	-0.4 ppt
Other income (Note 3)	290	1,837	-84.2%	783	3,449	-77.3%
Selling and marketing expenses Note (4)	(4,242)	(3,415)	-24.2%	(8,320)	(7,027)	-18.4%
Administrative expenses	(7,726)	(6,880)	-12.3%	(15,254)	(14,051)	-8.6%
Other expenses (Note 5)	(391)	(115)	-239.6%	(600)	(260)	-131.1%
Net finance costs (Note 6)	(317)	(235)	-34.7%	(494)	(583)	15.3%
Operating (loss)/profit before share of loss of associate and income tax	(1,341)	709	-289.2%	(5,305)	(2,101)	-152.5%
Share of profit/(loss) of associate (net of tax) (Note 7)	72	(19)	473.3%	29	(134)	121.6%
Operating (loss)/profit before income tax	(1,269)	690	nm	(5,276)	(2,235)	-136.1%
% of revenue	-1.0%	0.7%	-1.7 ppt	-2.3%	-1.1%	-1.2 ppt
Impairment of goodwill (Note 8)	(6,407)	—	nm	(6,407)	—	nm
(Loss)/Profit before income tax	(7,676)	690	nm	(11,683)	(2,235)	-422.7%
Income tax expense (Note 9)	(165)	(228)	27.6%	(567)	(465)	-21.9%
(Loss)/Profit for the period/year	(7,841)	462	nm	(12,250)	(2,700)	-353.7%
Attributable to:						
Equity holders of the Company	(7,841)	462	nm	(12,250)	(2,700)	-353.7%
% of revenue	-5.9%	0.5%	-6.4 ppt	-5.3%	-1.4%	-3.9 ppt
Non-controlling interests	—	—	—	—	—	—
	(7,841)	462	nm	(12,250)	(2,700)	-353.7%
Weighted average number of shares (in S\$'000)	452,639	453,381		453,085	453,872	
Earnings per share (in cents)						
Basic	(1.73)	0.10		(2.70)	(0.59)	
Diluted	(1.68)	0.10		(2.62)	(0.59)	

nm - not meaningful

Consolidated Statement of Other Comprehensive Income

In S\$'000	2H2022	2H2021	+/- %	FY2022	FY2021	+/- %
(Loss)/Profit for the period/year	(7,841)	462	nm	(12,250)	(2,700)	353.7%
<u>Items that will not be reclassified to profit or loss:</u>						
Defined benefit plan re-measurements	42	106	-60.4%	42	106	-60.4%
Tax on items that will not be reclassified to profit or loss	(9)	(23)	61.4%	(9)	(23)	61.4%
	33	83	-60.2%	33	83	-60.2%
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Translation differences relating to financial statements of foreign subsidiaries	(1,025)	344	nm	(1,289)	104	nm
Share of foreign currency translation differences of associate	(2)	3	nm	(2)	4	nm
Realisation of reserve upon disposal of a subsidiary	—	14	nm	—	14	nm
Exchange differences on monetary items forming part of net investment in a foreign operation (Note 10)	(118)	(3)	nm	(282)	—	nm
	(1,145)	358	nm	(1,573)	122	nm
Other comprehensive (loss)/income for the period/year, net of tax	(1,112)	441	nm	(1,540)	205	nm
Total comprehensive (loss)/income for the period/year	(8,953)	903	nm	(13,790)	(2,495)	-452.6%
Attributable to:						
Equity holders of the Company	(8,953)	903	nm	(13,790)	(2,495)	-452.6%
Non-controlling interests	—	—	—	—	—	—
Total comprehensive (loss)/income for the period/year	(8,953)	903	nm	(13,790)	(2,495)	-452.6%

Explanatory Notes to the Consolidated Statement of Profit or Loss and Other Comprehensive Income

- (1) The increase in the Group revenue in 2H2022 and FY2022 against the same period in the previous year was attributed to the PCS and ICT divisions. Correspondingly, cost of sales was higher.
- (2a) The increase in the Group gross profit in 2H2022 and FY2022 against the same period in the previous year was attributed to the PCS and ICT divisions.
- (2b) The decrease in the Group gross margin in 2H2022 and FY2022 against the same period in the previous year was attributed to the ICT and Engineering divisions.
- (3) Other income was lower due to lower government grants received in Singapore under the Job and Rental Support Scheme.
- (4) The increase in selling and marketing expenses was mainly from higher staff cost due to the consolidation of expenses arising from the acquisition of Radiance Communications Pte Ltd ("RCPL") which was completed on 10 June 2022 and headcount to support new sales activities.
- (5) The increase in other expenses was mainly due to translation loss arising from the revaluation of the short-term Singapore dollar loan to a subsidiary in the Philippines. There was also additional withholding tax from the dividend received from a subsidiary in Indonesia.
- (6) Higher finance costs in 2H2022 against 2H2021 was due to the interest expenses incurred by a subsidiary to finance the acquisition of RCPL. Lower finance costs in FY2022 against FY2021 was due to lower bank borrowings from the Engineering operations.
- (7) Share of profit of associate was from MVI Systems Limited.
- (8) Impairment on goodwill relates to investment in NxGen communications Pte Ltd ("NxGen") due to the recoverable amount being below its carrying value.
- (9) Higher taxes in FY2022 due to higher taxable income from Engineering in Indonesia and lower deferred tax assets recognised for some of the Singapore operations
- (10) The increase in exchange differences on investment in a foreign operation arose from revaluation of quasi equity Singapore dollar loan to a subsidiary in the Philippines.

B. Statements of Financial Position
As at 31 December 2022

In S\$'000	Group		Company	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
<u>Non-current assets</u> (Note (i))				
Subsidiaries	–	–	19,561	24,374
Associate	1,844	1,818	–	–
Plant and equipment	1,037	1,208	38	51
Right-of-use assets	4,426	6,930	1,765	3,064
Intangible assets	514	6,938	29	80
Deferred tax assets	612	738	28	28
Trade and other receivables	1,065	813	–	–
	9,498	18,445	21,421	27,597
<u>Current assets</u> (Note (ii))				
Inventories	12,353	10,571	7,291	6,778
Contract assets	25,047	21,999	–	–
Trade and other receivables	46,380	30,641	11,786	8,595
Cash and cash equivalents	18,372	34,811	2,024	10,030
	102,152	98,022	21,101	25,403
Total assets	111,650	116,467	42,522	53,000
<u>Equity</u>				
Share capital	21,987	21,987	21,987	21,987
Other reserves	6,355	7,637	14,375	14,084
Accumulated profits/(losses)	14,901	27,685	(2,226)	773
Equity attributable to equity holders of the Company	43,243	57,309	34,136	36,844
Non-controlling interests	–	–	–	–
Total equity (Note (iii))	43,243	57,309	34,136	36,844
<u>Non-current liabilities</u>				
Lease liabilities (Note (iv))	983	3,422	490	1,770
Provisions	432	412	294	294
Contract liabilities	82	123	–	–
	1,497	3,957	784	2,064
<u>Current liabilities</u> (Note (ii))				
Trade and other payables	53,663	45,429	6,322	12,822
Contract liabilities	7,194	3,836	–	–
Provision	38	117	–	–
Current tax payable	32	17	–	–
Loans and borrowings	2,578	2,502	–	–
Lease liabilities	3,405	3,300	1,280	1,270
	66,910	55,201	7,602	14,092
Total liabilities	68,407	59,158	8,386	16,156
Total equity and liabilities	111,650	116,467	42,522	53,000

(i) The lower non-current assets was due to depreciation of the right-of-use assets for the year and full impairment on the goodwill arising from the investment in NxGen.

(ii) The lower net current assets was mainly due to lower net cash balances partially mitigated by higher inventories and trade and other receivables balances.

(iii) The lower total equity as at 31 December 2022 was due to losses recorded for FY2022 and a dividend payment in May 2022.

(iv) The lower non-current liabilities was due to lease repayment during the year.

C. Consolidated Statement of Cash Flows
Financial year ended 31 December 2022

In S\$'000	2H2022	2H2021	FY2022	FY2021
Operating Activities				
(Loss)/Profit before income tax	(7,676)	690	(11,683)	(2,235)
Adjustments for:				
Amortisation of intangible assets	269	139	442	261
Depreciation of plant and equipment	392	398	786	708
Depreciation of right-of-use assets	1,920	2,177	3,894	4,435
Finance costs	371	265	600	650
Finance income	(54)	(29)	(106)	(67)
Gain on disposal of plant and equipment and intangible assets	(4)	(72)	(56)	(73)
Gain from acquisition/liquidation of subsidiary	(16)	(17)	(16)	(17)
Gain on derecognition of right-of-use assets	–	(39)	–	(39)
Impairment of goodwill	6,407	–	6,407	–
Write back for warranties	(29)	(58)	(29)	(50)
Impairment loss/(Reversal of impairment loss) on trade receivables	(11)	5	(10)	6
Share-based payments expenses	173	243	406	485
Share of (profit)/loss of an associate	(72)	19	(29)	134
Cash from operating profit before working capital changes	1,670	3,721	606	4,198
Changes in working capital	2,738	11,993	(8,469)	23,919
Cash generated from operations	4,408	15,714	(7,863)	28,117
Income tax paid	(404)	(186)	(577)	(389)
Net cash inflow/(outflow) from operating activities	4,004	15,528	(8,440)	27,728
Investing Activities				
Purchase of intangible assets	(66)	(130)	(271)	(226)
Purchase of plant and equipment	(177)	(228)	(481)	(934)
Acquisition of a subsidiary	(1,145)	–	(1,316)	–
Proceeds from disposal of plant and equipment	3	79	60	86
Proceeds from liquidation of a subsidiary	–	14	–	14
Interest received	26	11	60	16
Net cash outflow from investing activities	(1,359)	(254)	(1,948)	(1,044)
Financing Activities				
Dividend paid	–	–	(567)	(2,272)
Interest paid	(348)	(252)	(561)	(616)
Purchase of treasury shares	(102)	(59)	(169)	(198)
Proceeds from bank loans	12,313	2,516	18,451	23,362
Repayment of short-term bank loans	(15,506)	(9,679)	(19,117)	(34,991)
Payment of lease liabilities	(1,881)	(2,297)	(3,733)	(4,499)
Net cash outflow from financing activities	(5,524)	(9,771)	(5,696)	(19,214)
Net (decrease)/increase in cash and cash equivalents	(2,879)	5,503	(16,084)	7,470
Cash and cash equivalents at beginning of period/year	21,429	29,240	34,811	27,311
Effect of exchange rate changes on balances held in foreign currencies	(178)	68	(355)	30
Cash and cash equivalents at end of period/year	18,372	34,811	18,372	34,811



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

Cash flows from operating activities

Net cash outflow in FY2022 was mainly due to negative changes in working capital attributable to higher inventories and receivables balances partially mitigated by higher payables balances. The net cash inflow in 2H2022 was mainly due to positive changes in working capital attributable to lower inventories balances partially offset by higher receivables balances.

Cash flows from investing activities

Net cash outflow in 2H2022 and FY2022 were mainly in capital expenditure. In addition, there was net cash outflow from the acquisition of RCPL which was completed on 10 June 2022.

Cash flows from financing activities

Net cash outflow in 2H2022 and FY2022 was mainly from net repayment of bank loans. However, there was lower dividend payment in FY2022.

D. Statements of Changes in Equity
Financial year ended 31 December 2022

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 July 2021	21,987	27,140	7,095	56,222	11	56,233
Total comprehensive income for the period	—	545	358	903	—	903
Purchase of treasury shares	—	—	(59)	(59)	—	(59)
Share-based payments expenses	—	—	243	243	—	243
Liquidation of a subsidiary	—	—	—	—	(11)	(11)
At 31 December 2021	21,987	27,685	7,637	57,309	—	57,309
At 1 July 2022	21,987	22,709	7,442	52,138	—	52,138
Total comprehensive income for the period	—	(7,808)	(1,145)	(8,953)	—	(8,953)
Purchase of treasury shares	—	—	(102)	(102)	—	(102)
Share options exercised	—	—	(13)	(13)	—	(13)
Share-based payments expenses	—	—	173	173	—	173
At 31 December 2022	21,987	14,901	6,355	43,243	—	43,243
At 1 January 2021	21,987	32,574	7,228	61,789	11	61,800
Total comprehensive income for the year	—	(2,617)	122	(2,495)	—	(2,495)
Purchase of treasury shares	—	—	(198)	(198)	—	(198)
Share-based payments expenses	—	—	485	485	—	485
Liquidation of a subsidiary	—	—	—	—	(11)	(11)
FY2020 final dividend of 0.5 cents per share (one-tier tax exempt)	—	(2,272)	—	(2,272)	—	(2,272)
At 31 December 2021	21,987	27,685	7,637	57,309	—	57,309
At 1 January 2022	21,987	27,685	7,637	57,309	—	57,309
Total comprehensive income for the year	—	(12,217)	(1,573)	(13,790)	—	(13,790)
Purchase of treasury shares	—	—	(169)	(169)	—	(169)
Share options exercised	—	—	54	54	—	54
Share-based payments expenses	—	—	406	406	—	406
FY2021 final dividend of 0.125 cents per share (one-tier tax exempt)	—	(567)	—	(567)	—	(567)
At 31 December 2022	21,987	14,901	6,355	43,243	—	43,243



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

Statements of Changes in Equity
Financial year ended 2022

In S\$'000	Share capital	Accumulated profits/(losses)	Other reserves	Total equity
<u>COMPANY</u>				
At 1 July 2021	21,987	119	13,900	36,006
Total comprehensive income for the period	–	654	–	654
Purchase of treasury shares	–	–	(59)	(59)
Share-based payments to employees of Company's subsidiaries	–	–	90	90
Share-based payments expenses	–	–	153	153
At 31 December 2021	21,987	773	14,084	36,844
At 1 July 2022	21,987	(397)	14,317	35,907
Total comprehensive income for the period	–	(1,829)	–	(1,829)
Purchase of treasury shares	–	–	(102)	(102)
Share options exercised	–	–	(13)	(13)
Share-based payments to employees of Company's subsidiaries	–	–	54	54
Share-based payments expenses	–	–	119	119
At 31 December 2022	21,987	(2,226)	14,375	34,136
At 1 January 2021	21,987	2,881	13,797	38,665
Total comprehensive income for the year	–	164	–	164
Purchase of treasury shares	–	–	(198)	(198)
Share-based payments to employees of Company's subsidiaries	–	–	179	179
Share-based payments expenses	–	–	306	306
FY2020 final dividend of 0.5 cents per share (one-tier tax exempt)	–	(2,272)	–	(2,272)
At 31 December 2021	21,987	773	14,084	36,844
At 1 January 2022	21,987	773	14,084	36,844
Total comprehensive income for the year	–	(2,432)	–	(2,432)
Purchase of treasury shares	–	–	(169)	(169)
Share options exercised	–	–	54	54
Share-based payments to employees of Company's subsidiaries	–	–	119	119
Share-based payments expenses	–	–	287	287
FY2021 final dividend of 0.125 cents per share (one-tier tax exempt)	–	(567)	–	(567)
At 31 December 2022	21,987	(2,226)	14,375	34,136

E. Notes to the Financial Statements

1. Corporate information

TeleChoice International Limited ("the Company" or "TeleChoice") is a company incorporated in the Republic of Singapore. The Company has its registered office at 25 North Bridge Road, Level 7, Singapore 179104 and its place of business at 5A Toh Guan Road East #06-02A, Singapore 608830.

These financial statements as at and for the financial year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interests in an associate.

The principal activities of the Company during the financial year are investment holding and those of wholesalers, retailers, suppliers, importers, exporters, distributors, agents and dealers of mobile phones, prepaid cards, radio and telecommunication equipment and accessories and the provision of related services.

The immediate and ultimate holding companies are STT Communications Ltd ("STTC") and Temasek Holdings (Private) Limited, respectively. These companies are incorporated in the Republic of Singapore. Temasek Holdings (Private) Limited is wholly owned by the Minister for Finance, a body corporate constituted under the Minister for Finance (Incorporation) Act 1959.

2. Basis of preparation

The financial statements for the financial year ended 31 December 2022 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last interim financial statements for the year ended 30 June 2022.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements are presented in Singapore dollar which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

Several amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of estimates and judgements

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:

- Note 10 – impairment test of intangible assets and goodwill: key assumptions underlying recoverable amounts

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services and are managed separately because they require different go to market and technical expertise. For each of the strategic business units, the Group's President & CEO reviews the operation on a monthly basis. The following describes the operations in each of the Group's reportable segments:

Personal Communications Solutions Services ("PCS"): This division is a regional provider of consumer fulfilment and managed services. It provides retail, e-commerce, distribution, and supply chain management services relating to mobile communication devices, wearables, and smart accessories. In Singapore, it operates a retail chain under the Planet Telecoms brand, and it is the only StarHub Ltd ("StarHub") Exclusive Partner to manage StarHub Platinum Shops. In addition, it is the appointed distributor of StarHub's prepaid card business. PCS also manages concept stores for major mobile device manufacturers such as Samsung and Oppo. In Malaysia, PCS provides retail management, fulfilment and supply chain services to U Mobile Sdn Bhd, a data-centric and multiple award-winning mobile data service company in Malaysia. PCS also operates an e-commerce site, www.eplanetworld.com, which offers the latest mobile phones, tablets, accessories as well as wearables and smart gadgets for online shoppers.

Info-Communications Technology Services ("ICT"): This division is a regional integrated info-communications solutions provider. It provides consultancy and system integration services for enterprise IT infrastructure and innovative business solutions and applications. Its extensive offerings include managed and hosted services, fixed and wireless networking, as well as campus management, customer relationship management, contact centre and unified communications solutions. It also provides consultancy and managed services to help companies adopt cloud, big data, analytics, Internet of Things and smart learning solutions to transform their businesses. In addition, ICT provides Internet Protocol television solutions for the hospitality industry and has a Service-Based Operator licence that offers IDD, SMS broadcast and other enterprise mobility solutions and services.

Network Engineering Services ("Engineering"): This division is a regional provider of network engineering services and supplier of specialised telecommunications products. It designs, builds and manages telecommunications networks and provides a comprehensive suite of specialised products and solutions to address the network infrastructure needs of fixed and mobile operators in Asia-Pacific. Its services encompass radio network planning and optimisation, transmission network planning, network implementation, maintenance, and project management. Engineering also offers an extensive range of innovative and cost-effective products for telecommunications access and coverage needs, as well as for power supply and power backup requirements.



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

	Personal communications solutions services		Info-communications technology services		Network engineering services		Total	
Revenue	2H2022	2H2021	2H2022	2H2021	2H2022	2H2021	2H2022	2H2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and cards sales	50,941	41,472	28,913	13,079	1,031	2,032	80,885	56,583
Voice services, mobile data and location tracking services	—	—	1,084	1,048	—	—	1,084	1,048
Logistic and consultancy services	3,997	4,674	—	—	—	—	3,997	4,674
Maintenance support services	—	—	13,156	6,499	60	—	13,216	6,499
Network engineering projects	—	—	—	—	25,713	24,872	25,713	24,872
Info-communication technology projects	—	—	8,637	7,087	—	—	8,637	7,087
Total revenue from external customers	54,938	46,146	51,790	27,713	26,804	26,904	133,532	100,763
Inter-segment revenue	1	—	51	58	—	—	52	58
	54,939	46,146	51,841	27,771	26,804	26,904	133,584	100,821

Timing of revenue recognition

Products transferred at a point in time	54,938	46,146	35,581	17,678	5,750	8,048	96,269	71,872
Products and services transferred over time	—	—	16,209	10,035	21,054	18,856	37,263	28,891
	54,938	46,146	51,790	27,713	26,804	26,904	133,532	100,763



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

	Personal communications solutions services		Info-communications technology services		Network engineering services		Total	
	2H2022 S\$'000	2H2021 S\$'000	2H2022 S\$'000	2H2021 S\$'000	2H2022 S\$'000	2H2021 S\$'000	2H2022 S\$'000	2H2021 S\$'000
Interest income	15	8	62	20	25	10	102	38
Interest expenses	(173)	(149)	(98)	(15)	(148)	(110)	(419)	(274)
Amortisation of intangible assets	(28)	(25)	(239)	(113)	(2)	(1)	(269)	(139)
Depreciation of plant and equipment	(93)	(60)	(168)	(147)	(131)	(191)	(392)	(398)
Depreciation of right-of-use assets	(1,873)	(2,021)	(5)	(7)	(42)	(149)	(1,920)	(2,177)
Reportable segment (loss)/profit before government grants and income tax	538	(238)	(795)	(753)	(1,278)	(60)	(1,535)	(1,051)
Government grants	5	885	150	775	39	100	194	1,760
Reportable segment profit/(loss) before income tax	543	647	(645)	22	(1,239)	40	(1,341)	709
Share of profit/(loss) of associate (net of tax)	—	—	72	(19)	—	—	72	(19)
Impairment of goodwill	—	—	(6,407)	—	—	—	(6,407)	—
Reportable segment assets	29,318	39,017	50,387	41,603	34,028	34,029	113,733	114,649
Investment in associate	—	—	1,844	1,818	—	—	1,844	1,818
Capital expenditure								
- Plant and equipment	10	158	136	37	31	33	177	228
- Intangible assets	—	14	49	116	17	—	66	130
Reportable segment liabilities	12,829	22,563	41,656	23,814	14,012	12,781	68,497	59,158



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

	Personal communications solutions services		Info-communications technology services		Network engineering services		Total	
Revenue	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021	FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Equipment and cards sales	98,365	78,576	35,718	22,926	4,183	4,137	138,266	105,639
Voice services, mobile data and location tracking services	–	–	2,099	2,227	–	–	2,099	2,227
Logistic and consultancy services	7,876	9,590	–	–	–	–	7,876	9,590
Maintenance support services	–	–	22,250	16,446	90	30	22,340	16,476
Network engineering projects	–	–	–	–	47,519	47,703	47,519	47,703
Info-communication technology projects	–	–	14,503	12,715	–	–	14,503	12,715
Total revenue from external customers	106,241	88,166	74,570	54,314	51,792	51,870	232,603	194,350
Inter-segment revenue	1	17	126	103	–	–	127	120
	106,242	88,183	74,696	54,417	51,792	51,870	232,730	194,470
Timing of revenue recognition								
Products transferred at a point in time	106,241	88,166	49,381	36,001	10,620	13,418	166,242	137,585
Products and services transferred over time	–	–	25,189	18,313	41,172	38,452	66,361	56,765
	106,241	88,166	74,570	54,314	51,792	51,870	232,603	194,350



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

	Personal communications solutions services		Info-communications technology services		Network engineering services		Total	
	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Interest income	34	21	84	58	59	11	177	90
Interest expenses	(308)	(280)	(117)	(40)	(246)	(353)	(671)	(673)
Amortisation of intangible assets	(54)	(49)	(386)	(208)	(2)	(4)	(442)	(261)
Depreciation of plant and equipment	(195)	(131)	(305)	(203)	(286)	(374)	(786)	(708)
Depreciation of right-of-use assets	(3,735)	(4,122)	(12)	(15)	(147)	(298)	(3,894)	(4,435)
Reportable segment profit/(loss) before government grants and income tax	432	(1,026)	(3,966)	(3,243)	(2,234)	(1,100)	(5,768)	(5,369)
Government grants	127	1,397	247	1,411	89	460	463	3,268
Reportable segment profit/(loss) before income tax	559	371	(3,719)	(1,832)	(2,145)	(640)	(5,305)	(2,101)
Share of profit/(loss) of associate (net of tax)	—	—	29	(134)	—	—	29	(134)
Impairment of goodwill	—	—	(6,407)	—	—	—	(6,407)	—
Reportable segment assets	29,318	39,017	46,460	41,603	34,028	34,029	109,806	114,649
Investment in associate	—	—	1,844	1,818	—	—	1,844	1,818
Capital expenditure								
- Plant and equipment	186	185	201	521	94	228	481	934
- Intangible assets	9	21	245	205	17	—	271	226
Reportable segment liabilities	12,829	22,563	41,616	23,814	13,962	12,781	68,407	59,158

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

Group	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Revenue				
Total revenue for reportable segments	133,584	100,821	232,730	194,470
Elimination of inter-segment revenue	(52)	(58)	(127)	(120)
Consolidated revenue	133,532	100,763	232,603	194,350
Profit or loss				
Total profit or loss for reportable segments	(1,341)	709	(5,305)	(2,101)
Impairment of goodwill	(6,407)	—	(6,407)	—
Share of profit/(loss) of associate	72	(19)	29	(134)
Consolidated (loss)/profit before income tax	(7,676)	690	(11,683)	(2,235)
Assets				
Total assets for reportable segments			109,806	114,649
Investment in associate			1,844	1,818
Consolidated total assets			111,650	116,467
Liabilities				
Total liabilities for reportable segments			68,407	59,158
Other material items 2H2022				
Interest income	102		(48)	54
Interest expenses	(419)		48	(371)
Impairment of goodwill	(6,407)		—	(6,407)
Capital expenditure				
- plant and equipment	177		—	177
- intangible assets	66		—	66
Other material items 2H2021				
Interest income	38		(9)	29
Interest expenses	(274)		9	(265)
Capital expenditure				
- plant and equipment	228		—	228
- intangible assets	130		—	130

	Reportable segment totals S\$'000	Adjustments S\$'000	Consolidated totals S\$'000
Other material items FY2022			
Interest income	177	(71)	106
Interest expenses	(671)	71	(600)
Impairment of goodwill	(6,407)	–	(6,407)
Capital expenditure			
- plant and equipment	481	–	481
- intangible assets	271	–	271
Other material items FY2021			
Interest income	90	(23)	67
Interest expenses	(673)	23	(650)
Capital expenditure			
- plant and equipment	934	–	934
- intangible assets	226	–	226

Geographical segments

The Group has operations primarily in Singapore, Indonesia, Philippines and Malaysia.

In presenting information based on geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of assets.

Group	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Revenue				
Singapore	107,937	76,683	185,667	149,142
Indonesia	19,328	16,817	35,241	32,487
Malaysia	4,459	3,376	7,791	6,630
Philippines	1,206	3,354	3,152	5,346
Hong Kong	2	21	3	23
Other countries	600	512	749	722
	133,532	100,763	232,603	194,350

Group	31 December 2022 S\$'000	31 December 2021 S\$'000
Non-current assets*		
Singapore	5,602	14,349
Indonesia	293	601
Malaysia	56	30
Philippines	26	95
Hong Kong	1,844	1,818
Other countries	—	1
	<u>7,821</u>	<u>16,894</u>

* Non-current assets presented consist of plant and equipment, intangible assets, right-of-use assets and investment in associate.

5. Financial assets and financial liabilities

	Amortised cost S\$'000	Other financial liabilities S\$'000	Total carrying amount S\$'000
Group			
31 December 2022			
<i>Financial assets not measured at fair value</i>			
Trade and other receivables*	40,041	—	40,041
Cash and cash equivalents	18,372	—	18,372
	<u>58,413</u>	<u>—</u>	<u>58,413</u>
<i>Financial liabilities not measured at fair value</i>			
Trade and other payables#	—	52,216	52,216
Loans and borrowings	—	2,578	2,578
	<u>—</u>	<u>54,794</u>	<u>54,794</u>
Company			
31 December 2022			
<i>Financial assets not measured at fair value</i>			
Trade and other receivables*	11,643	—	11,643
Cash and cash equivalents	2,024	—	2,024
	<u>13,667</u>	<u>—</u>	<u>13,667</u>
<i>Financial liabilities not measured at fair value</i>			
Trade and other payables#	—	6,318	6,318

	Amortised cost S\$'000	Other financial liabilities S\$'000	Total carrying amount S\$'000
Group			
31 December 2021			
Financial assets not measured at fair value			
Trade and other receivables*	29,481	–	29,481
Cash and cash equivalents	34,811	–	34,811
	<u>64,292</u>	<u>–</u>	<u>64,292</u>
Financial liabilities not measured at fair value			
Trade and other payables#	–	45,078	45,078
Loans and borrowings	–	2,502	2,502
	<u>–</u>	<u>47,580</u>	<u>47,580</u>
Company			
31 December 2021			
Financial assets not measured at fair value			
Trade and other receivables*	8,513	–	8,513
Cash and cash equivalents	10,030	–	10,030
	<u>18,543</u>	<u>–</u>	<u>18,543</u>
Financial liabilities not measured at fair value			
Trade and other payables#	–	12,807	12,807

* Excludes prepayments and deferred expenses

Excludes advances from customers

6. (Loss)/Profit before tax

(Loss)/Profit before tax is arrived at after charging/(crediting) the following items:

Group	Note	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Amortisation of intangible assets		269	139	442	261
Depreciation of plant and equipment		392	398	786	708
Depreciation of right-of-use assets	(a)	1,920	2,177	3,894	4,435
Audit fees paid to:					
- auditors of the Company		187	117	300	225
- other auditors		168	142	234	217
Non-audit fees		–	–	–	–
Cost of inventories recognised as an expense in income statement		67,164	48,899	119,371	90,031
Directors' remuneration		233	225	471	471
Grant income from Job Support Scheme	(b)	–	(806)	(20)	(2,147)
Other government grants	(b)	(194)	(954)	(443)	(1,121)
Net exchange loss	(c)	144	26	207	27
(Reversal of impairment loss)/					
Impairment loss on trade receivables		(11)	5	(10)	6
Impairment of goodwill	(d)	(6,407)	–	(6,407)	–
Gain on disposal of plant and equipment and intangible assets		(4)	(72)	(56)	(73)
Write down/(back) of inventories to net realisable value	(e)	24	(103)	(48)	41

	Note	2H2022 S\$'000	2H2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Employee benefits expense					
Staff costs		21,378	20,804	42,436	42,390
Contributions to defined contribution plans, included in staff costs		1,700	1,735	3,102	3,132
Share-based payments expenses, included in staff costs	(f)	173	243	406	485
Finance income					
Interest income					
- banks and financial institutions		(26)	(11)	(60)	(16)
- interest accretion		(28)	(18)	(46)	(51)
		(54)	(29)	(106)	(67)
Finance costs					
Interest expense					
- banks and financial institutions		276	168	407	456
- leases liabilities		72	82	154	159
- interest accretion		23	15	39	35
		371	265	600	650

- (a) Lower depreciation of right-of-use assets was due to closure of several retail outlets.
- (b) There were lower receipts from the Job Support, Wage Credit and Rental Support Scheme.
- (c) Net exchange loss in 1H2022 and FY2022 arose mainly from translation loss arising from the revaluation of the short-term Singapore dollar loan to a subsidiary in the Philippines.
- (d) Impairment of goodwill relates to investment in NxGen communications Pte Ltd ("NxGen") due to the recoverable amount being below its carrying value.
- (e) The write back of inventories to net realisable value in FY2022 was attributable to sale of slow moving inventories which were written down in FY2021.
- (f) Share-based payments expenses were lower in FY2022 due to lower share grants issued as the conditions under the TeleChoice Performance Share Plan (as amended) were not met.

7. Taxation

	Group			
	2H2022	2H2021	FY2022	FY2021
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expense				
Current year	61	362	468	662
Under provision in respect of prior years	18	65	13	2
	<u>79</u>	<u>427</u>	<u>481</u>	<u>664</u>
Deferred tax credit				
Origination and reversal of temporary differences	68	(136)	68	(136)
Under/(Over) provision in respect of prior years	18	(63)	18	(63)
	<u>86</u>	<u>(199)</u>	<u>86</u>	<u>(199)</u>
 Tax expense	 <u>165</u>	 <u>228</u>	 <u>567</u>	 <u>465</u>

8. Dividend

The following exempt (one-tier) final dividend in respect of the previous financial year was approved and paid by the Group and Company during the interim period:

	Group and Company	
	FY2022	FY2021
	S\$'000	S\$'000
Paid by the Company to owners of the Company		
0.125 cents per qualifying ordinary share (2021: 0.5 cents)	567	2,272

9. Net asset value

	GROUP		COMPANY	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
Net asset value per ordinary share based on issued share capital at the end of the financial year (in cents):	9.56	12.64	7.54	8.13

10. Intangible assets

Group	Computer software S\$'000	Retail business infrastructure S\$'000	Customer relationships S\$'000	Order backlogs S\$'000	Goodwill S\$'000	Total S\$'000
At 31 December 2021						
Cost	3,447	1,304	6,688	727	11,853	24,019
Accumulated amortisation and impairment losses	(2,916)	(1,304)	(6,688)	(727)	(5,446)	(17,081)
Carrying amounts	531	—	—	—	6,407	6,938
Cost						
At 1 January 2022	3,447	1,304	6,688	727	11,853	24,019
Additions	271	—	—	—	—	271
Acquisition through business combination	155	—	—	—	—	155
Disposal/Write off	(1,214)	—	(6,688)	(727)	—	(8,629)
Translation differences	(17)	—	—	—	—	(17)
At 31 December 2022	2,642	1,304	—	—	11,853	15,799
Accumulated amortisation and impairment losses						
At 1 January 2022	2,916	1,304	6,688	727	5,446	17,081
Amortisation charge for the year	442	—	—	—	—	442
Disposal/Write off	(1,214)	—	(6,688)	(727)	—	(8,629)
Impairment	—	—	—	—	6,407	6,407
Translation differences	(16)	—	—	—	—	(16)
At 31 December 2022	2,128	1,304	—	—	11,853	15,285
Carrying amounts						
At 31 December 2022	514	—	—	—	—	514

**Computer
software
S\$'000**

Company

At 31 December 2021

Cost	1,372
Accumulated amortisation and impairment losses	(1,292)
Carrying amounts	80

Cost

At 1 January 2022

Additions

At 31 December 2022

1,372

–

1,372

Accumulated amortisation

At 1 January 2022

Amortisation charge for the year

At 31 December 2022

1,292

51

1,343

Carrying amounts

At 31 December 2022

29

Impairment testing for cash generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to a CGU which is the acquired group of entities. The recoverable amounts of the CGU were based on the CGU's value in use which was determined by discounting the future cash flows to be generated from the continuing use of the CGU. The Group performed its annual impairment test in December. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the annual consolidated financial statements for the year ended 31 December 2021.

11. Plant and equipment

During the financial year ended 31 December 2022, the Group acquired assets amounting to S\$481,000 (31 December 2021: S\$934,000) and disposed of assets amounting to S\$4,000 (31 December 2021: S\$13,000).

12. Loan and borrowings*

In S\$'000	Group	
	As at 31/12/2022	As at 31/12/2021
Amount repayable in one year or less		
Bank loan – unsecured	2,578	2,502

Details of any collateral

Nil

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



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

13. Share Capital

As at 31 December 2022, the share capital of the Company amounted to S\$21.987 million comprising 452,484,435 issued ordinary shares excluding treasury shares. (30 June 2022: 453,392,435 ordinary shares excluding treasury shares; 31 December 2021: 453,319,335 ordinary shares excluding treasury shares).

During the financial year ended 31 December 2022, there was no issuance of new ordinary shares.

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

As at 31 December 2022, the number of outstanding shares granted under the Company's RSP and PSP were 11,171,700 (31 December 2021: 8,915,950) and 4,061,850 (31 December 2021: 3,709,200) respectively.

(ii) Treasury Shares

During the second half period ended 31 December 2022, a total of 908,000 ordinary shares were repurchased from the market at a total consideration of S\$101,705.

During the financial year ended 31 December 2022, a total of 1,477,900 ordinary shares were repurchased from the market at a total consideration of S\$168,577. During the financial year ended 31 December 2022, a total of 643,000 (31 December 2021: nil) shares were transferred to the Directors in fulfillment of share awards granted under the RSP as part of the Directors' remuneration for the financial year ended 31 December 2020. As at 31 December 2022, there were 1,938,065 (31 December 2021: 1,103,165) treasury shares representing approximately 0.43% of the total issued share capital of the Company. Save as disclosed above, there was no sale, disposal, cancellation, or use of treasury shares in FY2022.

(iii) Subsidiary Holdings

As at 31 December 2022, none of the Company's subsidiaries held any shares in the Company (31 December 2021: Nil).

14. Subsequent events

There are no known subsequent events which led to adjustments to this set of consolidated financial statements.

F. Other Information Required by Listing Rule Appendix 7.2

1. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The consolidated statements of financial position as at 31 December 2022 and the related consolidated statement of profit or loss and other comprehensive income, statements of changes in equity and consolidated statement of cash flows for the full year ended 31 December 2022 and certain explanatory notes have not been audited or reviewed.

2. Review of Group performance

The Group registered revenue of S\$133.5 million in 2H2022, a 32.5% increase as compared to S\$100.8 million in 2H2021 on the back of higher contribution from PCS and ICT Divisions. Against 1H2022, the Group recorded a 34.8% increase in revenue in 2H2022 with all three Business Divisions recording higher revenue in 2H2022. Group revenue of S\$232.6 million in FY2022 was 19.7% higher than FY2021 due to higher revenue contribution from the PCS and ICT Divisions.

The higher Group gross profit in 2H2022 and FY2022 was attributable to the PCS and ICT divisions. Gross margins in 2H2022 and FY2022 were lower due to lower gross margins recorded from the ICT and Engineering divisions. Excluding the impairment of goodwill of S\$6.4 million, the Group recorded an operating loss before tax of S\$1.3 million in 2H2022 as compared to a profit before tax of S\$0.7 million in 2H2021 mainly due to a reduction of S\$1.6 million in government grants received and higher losses recorded from the Engineering operations in Singapore, partially mitigated by profit improvements from the PCS operation in Singapore. The Group recorded a lower operating loss before tax of S\$1.3 million in 2H2022 as compared to a loss before tax of S\$4.0 million in 1H2022. In 2H2022, there was profit improvement from the PCS division, lower loss before tax recorded from the ICT division partially offset by higher losses reported by the Engineering division. In FY2022, the Group recorded a higher operating loss before tax of S\$5.3 million against FY2021 loss before tax of S\$2.2 million mainly due to lower government grants received of \$2.8 million, losses recognised from the newly acquired RCPL and a one-time consultancy cost incurred to review the Group business strategy. The operating profit improvement recorded by the PCS division was offset by higher losses recorded from the ICT and Engineering divisions.

PCS Division registered significant profit improvement in FY2022. Against FY2021, both the Singapore and Malaysian operations recorded an increase in revenue in FY2022. Gross margin improved as compared to the equivalent period a year ago when the Singapore retail business was significantly impacted by the COVID-19 situation. The Malaysia operations continues to be the main profit contributor. The division continues to rationalise its retail presence in Singapore by closing the non-performing retail stores. The various Smart and Green products and services introduced in FY2021 also helped to generate profit for the Group in FY2022.

ICT Division incurred a higher loss although a higher revenue was registered in FY2022. The higher revenue in FY2022 was mainly from lower margin hardware sales. Customers remained prudent in capex spending with resultant delay in project tendering and awards. The Division's loss was primarily due to lower project revenue recognition, additional cost incurred to complete certain projects and losses recognised from the newly acquired RCPL. The Division also incurred expenses to enhance the platform features for its new Internet of Things ("IoT") and Cloud initiatives. However, adoption and sales conversion had been slow resulting in delay in revenue recognition.

Engineering Division maintained the same revenue level as last year. The Division recorded lower gross profit and gross margins in FY2022. The Indonesian operation continues to be the main profit contributor and recorded profit improvement as against FY2021. The Division's losses were mainly attributed to losses incurred for the Singapore operations. The higher losses from the Singapore operations were due to lower gross margin projects. Restructuring cost were incurred for the Singapore operations in FY2022 to mitigate further losses. The Philippines operations recorded higher losses as compared to the previous year mainly due to higher operating expenses. These losses were partially mitigated by profit contribution from its Malaysian operations.

The Group generated lower cash from its operating activities in FY2022 due to higher working capital requirement as a result of increase in sales activities. As at 31 December 2022, the Group remains in a net cash position of S\$15.8 million.

3. Variance from prospect statement

No forecast was previously disclosed to the market.

4. Prospects

Taking into consideration the challenges and opportunities in both the global macro and regional micro economies, the Group remains cautious about its growth prospects in Singapore and the region. After a recent comprehensive evaluation of its business strategy, the Group has focused on streamlining operations and progressively introducing new initiatives. These efforts aim to improve current services, expand competencies, and foray into new markets, with the ultimate goal of generating sustainable returns. The completion of the acquisition of RCPL is also expected to lead to operational efficiencies and enhance the Group's position.

The Group is targeting revenue growth in FY2023 and aims to gradually return to profitability. The Group will maintain its focus on cost containment, resource optimisation, and ensuring a strong financial position through effective management of its balance sheet and cash position. The Group is confident in its ability to manage its liquidity and meet any short-term funding needs.

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.

5. Dividend

(a) Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Period	2H2021 and FY2021
Name of Dividend	Proposed Final
Dividend Type	Cash
Dividend Rate	S\$0.00125 per ordinary share
Tax Rate	One tier tax exempt

(c) Date payable

Not applicable.

(d) Record date

Not applicable.

6. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

7. Interested Person Transactions - DISCLOSURE PURSUANT TO RULE 920(1)(a)(ii)

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			
		2H2022	2H2021	FY2022	FY2021
<u>Transactions for the sales of goods and services</u> Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	8.7	10.7	17.0	23.3
<u>Transactions for the purchases of goods and services</u> Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	5.4	7.0	11.4	13.9
<u>Management services</u> Temasek Holdings (Private) Limited and its Associates	Controlling shareholder and its associates	—	—	—	0.01
Total Interested Person Transactions		14.1	17.7	28.4	37.2

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).



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

8. 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.

9. 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 2023