TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

FOR IMMEDIATE RELEASE

3Q2015 REVENUE INCREASED BY 10.4% TO S$145.2 MILLION

- Revenue Growth boosted by PCS & Engineering Services Divisions
- Net profit of S$1.5 million was lower due to ICT's performance

Singapore, 12 November 2015 – SGX mainboard-listed TeleChoice International Limited ("TeleChoice" or the "Group"), a regional diversified provider and enabler of innovative info-communications products and services, today announced its third-quarter ("3Q2015") and nine-month ("9M2015") results for the financial period ended 30 September 2015.

RESULTS HIGHLIGHTS

S$'M	3Q2015	3Q2014	+/- (%)	9M2015	9M2014	+/- (%)
Revenue	145.2	131.5	10.4	418.4	385.4	8.6
Gross Profit	9.6	10.7	-9.8	29.0	30.2	-3.8
Gross Margin	6.6%	8.1%	-1.5 ppt	6.9%	7.8%	- 0.9 ppt
Operating Profit	2.1	3.0	-27.3	6.4	7.5	-14.0
One-off Loss on Disposal of a Joint Venture	-	-	-	-0.4	-	nm
Profit Before Tax ("PBT")	2.1	3.0	-27.3	6.0	7.5	-19.5
Profit Attributable to Equity Holders	1.5	2.3	-32.8	4.4	5.7	-22.0
EPS (cents)	0.34	0.50	-32.0	0.98	1.25	-21.6
	As at 30/09/15	**As at 31/12/14**				
NAV Per Share (cents)	14.85	15.87				

Results Snapshot: Overall Top-line Growth from PCS; Bottom Line Dragged Down by ICT

- **Revenue Growth boosted by PCS & Engineering Services Divisions**

Revenue grew 10.4% to S$145.2 million and 8.6% to S$418.4 million in 3Q2015 and 9M2015 respectively, over the corresponding periods in 2014. Higher revenue was achieved by Personal Communications Solutions Services ("PCS") and Network Engineering ("Engineering") Services divisions. PCS benefited from higher prepaid sales with its appointment as the new master distributor for StarHub prepaid business while Engineering Services' registered increase in product sales in Indonesia. Revenue for Info-Communications Technology ("ICT") Services was down in both 3Q2015 and 9M2015 due mainly to a one–off long term software and maintenance contract recognised in 3Q2014.

- **Maintained Profitability and Sound Financial Position Despite Challenging Economic and Operating Environment**

The Group's gross profit declined 9.8% and 3.8% to S$9.6 million and S$29.0 million in 3Q2015 and 9M2015 respectively. The weaker gross profit for the periods under review was due to lower gross profit generated by ICT and Engineering Services divisions. As a result, gross profit margin decreased 1.5 percentage points to 6.6% in 3Q2015 and 0.9 percentage points at 6.9% in 9M2015. PBT declined by 27.3% to S$2.1 million in 3Q2015 and was down 19.5% at S$6.0 million in 9M2015 on account of lower contribution from ICT Services and Engineering services divisions. Excluding the one-off amortisation of intangible assets arising from the acquisitions and interest accretion, operating loss for ICT Services division for 9M2015 would have been S$0.3 million instead of S$1.2 million. The Group's net profit for 3Q2015 and 9M2015 stood at S$1.5 million and S$4.4 million respectively.

The Group's financial position remained strong with total assets at S$189.7 million and total liabilities at S$122.3 million as at 30 September 2015. Net asset value per share stood at 14.85 cents. The Group maintained a healthy cash position with cash and cash equivalents of S$28.7 million.

CEO'S COMMENTARY

Mr Vincent Lim, President of TeleChoice International Limited said, "Our 9M2015 and 3Q2015 results were impacted to a large extent by the performance of the ICT Services division which had posted operating losses for the third quarter and nine months under review. Weak economic conditions which saw Singapore's GDP growth forecast being revised downwards to 2.0 - 2.5% from 2.0 – 4.0%, has slowed enterprise spending. Revenue was also lower with the delay in the award of certain anticipated public sector projects. Nevertheless, ICT had still managed to record higher enterprise solutions sales though not at a level that would have been sufficient to ensure stronger gross profits, resulting in the operating losses sustained. This was further exacerbated by the amortisation of intangible assets. We anticipate that with the rationalisation of non-performing overseas operations, full amortisation of intangible assets on our investment in S & I Systems Pte Ltd and opportunities from public sector projects in the coming year, ICT Services division would turn in a better performance moving forward.

"We are beginning to see the positive benefits from our appointment as master distributor for StarHub prepaid business, with higher revenue from this channel by PCS Services division. We are optimistic that with the competitive nature of the mobile handset market and increasing frequency of new model releases coupled with innovative newer players in the mobile handset space, opportunities abound for us to augment our performance in this sector through our retail presence in Singapore and the region.

"Engineering Services division enjoyed strong sales from Indonesia. In keeping with the subdued market conditions closer to home, there was lower profit contribution from Singapore and Malaysian operations. With ongoing network upgrades by regional telcos, the division is well-placed for sustained performance going forward. At the same time, the division will continue to increase its product offerings and explore geographical expansion into the region in countries such as Thailand and Myanmar.

"The weakening of the Malaysian Ringgit and Indonesian Rupiah have also impacted the profit contribution from Malaysian and Indonesian operations.

"With the Government's commitment to the Smart Nation initiative and the growing importance of Singapore as a hub for enterprise IT operations and regional data centres, the info-communications industry, of which we are a part of, will stand to benefit. We will be exploring opportunities in data analytics, network support, enterprise IT and data centre and other managed services. Such opportunities can be leveraged on by all our divisions as we seek to offer end-to-end solutions to support the remaking of Singapore into a fully wired and connected technologically advanced country of the future."

OUTLOOK

Based on the current economic outlook and barring any unforeseen circumstances, the Group expects the operating performance for 2H2015 to be better than 1H2015. Overall, the operating performance for the full year 2015 is expected to be lower than that of 2014.

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This press release is to be read in conjunction with TeleChoice's announcement posted on the SGXNET on 12 November 2015.

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

TeleChoice International Limited ("TeleChoice") is a regional diversified provider and enabler of innovative info-communications products and services. Incorporated in Singapore on 28 April 1998 and listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 June 2004, TeleChoice is a subsidiary of leading info-communications group, Singapore Technologies Telemedia Pte Ltd, which operates in the Asia Pacific, the Americas and Europe.

TeleChoice offers a comprehensive suite of services and solutions for the info-communications industry under three business divisions, Personal Communications Solutions Services ("PCS"), Info-Communications Technology Services ("ICT") and Network Engineering Services ("Engineering").
For more information, please visit our website at www.telechoice.com.sg

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.

Issued by 29 Communications LLP on behalf of TeleChoice International Limited

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