

=====

**Unaudited Financial Statements and Dividend
Announcement for the First Quarter ended 31 March 2014**

=====

**PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-
YEAR AND FULL YEAR RESULTS**

- 1 (a) (i) An income statement (for the group) together with a comparative statement for the
corresponding period of the immediately preceding financial year.**

	Group Unaudited		
	31.03.2014	31.03.2013	Change
	S\$'000	S\$'000	%
Revenue	6,443	5,387	19.6
Cost of sales	(4,493)	(3,839)	17.0
Gross Profit	1,950	1,548	25.9
Other income	32	182	(82.4)
Distribution expenses	(726)	(781)	.(7.0)
Administration expenses	(859)	(1,017)	(15.5)
Other expenses	(187)	149	Nm
Finance costs	(65)	(13)	Nm
Profit before taxation	145	68	113.2
Income tax(expense)/credit	-	-	
Profit for the period	145	68	113.2
Attributable to :			
Owners of the Company	145	69	110.1
Non-controlling interests ("NCI")	-	(1)	nm
Profit/(loss) for the period	145	68	110.1

nm - not meaningful

Included in the Income Statement of the Group were the following (income)/expenses :

	Group Unaudited		
	31.03.2014	31.03.2013	Change
	S\$'000	S\$'000	%
Depreciation and amortization	104	39	167
Foreign exchange (gain)/ loss, net	96	(338)	nm
Interest income	-	(2)	100
Reversal of impairment loss on trade receivables, net	-	(55)	100
Reversal for inventory obsolescence	(101)	(36)	181

1(a)(ii) Statement of consolidated comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group Unaudited		
	31.03.2014	31.03.2013	Change
	Unaudited	Audited	
	S\$'000	S\$'000	%
Profit for the period	145	68	113
Translation difference arising on on consolidation of foreign subsidiaries	120	(49)	nm
Total comprehensive (loss)/income for the period	265	19	>100
Attributable to :			
Owners of the Company	265	20	>100
Non-controlling interests	-	(1)	Nm
Total comprehensive (loss)/income/ for the period	265	19	>100

nm - not meaningful

1(b)(i) Statements of Financial Position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	Unaudited	Unaudited	Unaudited	unaudited
	31.03.14	31.12.13	31.03.14	31.12.13
	S\$'000	S\$'000	S\$'000	S\$'000
Non-Current Assets				
Property, plant and equipment	1,968	2,012	76	82
Intangible assets	983	984	-	-
Subsidiaries	-	-	1,250	1,250
Deferred tax assets	677	662	-	-
Trade and other receivables	6,335	6,225	-	156
Total non-current assets	9,963	9,883	1,326	1,488
Current Assets				
Inventories	1,072	1,268	144	157
Project work-in-progress	1,050	934	165	238
Trade and other receivables	21,859	18,703	1,871	1,618
Amount due by related companies	-	-	11,346	11,169
Cash and cash equivalents	810	1,451	99	43
Total current assets	24,791	22,356	13,625	13,225
Total assets	34,754	32,239	14,951	14,713
Equity				
Share capital	29,596	27,169	29,596	27,169
Retained Earnings	(14,195)	(14,340)	(26,220)	(25,396)
Other reserves	1,314	1,121	249	249
Total equity attributable to owners of the Company	16,715	13,950	3,625	2,022
Non-controlling interests	(4)	(4)	-	-
Total equity	16,711	13,946	3,625	2,022
Non-current liabilities				
Deferred tax liabilities	2	3	-	-
Other payables	425	444	-	-
Total non-current liabilities	427	447	-	-
Current liabilities				
Excess of progress billings over project work-in-progress	59	114	8	12
Trade and other payables	13,782	13,473	1,535	2,802
Amount due to related companies	-	-	6,684	6,690
Loans and borrowings	3,678	3,948	3,099	3,187
Current tax payable	97	311	-	-
Total current liabilities	17,616	17,846	11,326	12,691
Total liabilities	18,043	18,293	11,326	12,691
Total equity and liabilities	34,754	32,239	14,951	14,713

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.03.2014		As at 31.12.2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
297	3,381	413	3,535

Amount repayable after one year

As at 31.03.2014		As at 31.12.2013	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
-	-	-	-

Details of any collaterals

The secured borrowings of S\$297,000 as at 31 March 2014 and S\$413,000 as at 31 December 2013 relates to trust receipt payables, which are secured against the relevant inventories or proceeds from the sale thereof.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Unaudited	
	31.03.14	31.03.13
	S\$'000	S\$'000
Cash flows from operating activities		
Profit from before taxation/MI	145	68
Adjustments for:		
Depreciation of property, plant and equipment	104	39
Reversal of impairment loss on trade receivables, net	-	(55)
Effect of exchange rate changes	59	-
Reversal of provision for stock obsolescence	(101)	(36)
Finance costs	65	13
Interest income	-	(2)
	<u>272</u>	<u>27</u>
Changes in working capital:		
Inventories, projects work-in-progress and excess of progress billing over project work-in-progress	127	619
Trade and other receivables	(2,986)	(2,615)
Trade and other payables	54	1,397
	<u>(2,533)</u>	<u>(572)</u>
Cash generated used in operations		
Income taxes paid	-	(62)
Finance cost paid	(65)	(2)
Net cash used in operating activities	<u>(2,598)</u>	<u>(636)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(42)	(1)
Proceeds from disposal of property, plant and equipment	-	-
Payment of long-term deposit	-	(1,127)
Interest received	-	2
Net cash used in investing activities	<u>(42)</u>	<u>(1,126)</u>
Cash flows from financing activities		
Proceeds from loans and borrowings, net	(174)	1,602
Proceeds from issuance of ordinary shares	2,427	-
Repayment of project financing	-	(122)
Deposit pledged with the banks	-	(111)
Net cash from financing activities	<u>2,253</u>	<u>1,369</u>
Net decrease in cash & cash equivalents	(387)	(393)
Cash & cash equivalents at beginning of the period	891	2,603
Effect of exchange rate changes on cash balances held in foreign currencies	25	31
Cash & cash equivalents at end of the period	<u>529</u>	<u>2,241</u>
<u>Cash & cash equivalents</u>		
Fixed deposits	282	191
Cash and bank balances	529	2,241
Less : Deposit pledged with banks	(282)	(191)
	<u>529</u>	<u>2,241</u>

(i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

For the quarter ended March

Group	Share Capital	Prepaid warrants reserve	Share option reserve	Exchange translation reserve	Accumulated losses	Total attributable to owners of the Company	NCI	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 Jan 14	27,169	4,011	249	835	(18,314)	13,950	(4)	13,946
Total comprehensive income/(loss) for the period	2,427	74	-	119	145	2,765	-	2,765
As at 31 Mar 14	29,596	4,085	249	954	(8,169)	16,715	(4)	16,711

Group	Share Capital	Prepaid warrants reserve	Share option reserve	Exchange translation reserve	Accumulated losses	Total attributable to owners of the Company	NCI	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 Jan 13	26,769	3,974	249	915	(18,545)	13,362	2	13,364
Total comprehensive income/(loss) for the period	-	-	-	(49)	69	20	(1)	19
As at 31 Mar 13	26,769	3,974	249	866	(18,476)	13,382	1	13,383

Company	Share Capital	Prepaid warrants reserve	Share option reserve	Accumulated (losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 Jan 14	27,169	-	249	(25,396)	2,022
Total comprehensive income/(loss) for the period	2,427	-	-	(824)	1,603
As at 31 Mar 14	29,596	-	249	(26,220)	3,625

Company	Share Capital	Prepaid warrants reserve	Share option reserve	Accumulated (losses)	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 Jan 13	26,769	3,974	249	(28,303)	2,689
Total comprehensive income/(loss) for the period	-	-	-	(672)	(672)
As at 31 Mar 13	26,769	3,974	249	(28,975)	2,017

- 1 (d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of shares	Amount
	'000	S\$'000
Issued share capital as at 31 March 2014	2,649,008	29,596
Issued share capital as at 31 December 2013	2,409,008	27,169

As at 31 March 2014, there were 1,740,000 unexercised options (31 March 2013: 1,740,000) under the Teledata Share Option Scheme.

- 1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31-Mar-14	31-Dec-13
Total number of issued shares	2,649,008,730	2,409,008,730

- 1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

N.A.

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

The figures have not been audited nor reviewed by the Auditor.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

N.A.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as in the latest audited annual financial statements for the financial year ended 31 December 2013.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the change.**

Refer to item 4 above.

- 6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per ordinary share	Group	
	1Q2014	1Q2013
Basic and diluted (cents)	0.0057	0.0029

(i) Basic and diluted earnings per share were calculated based on weighted average number of shares of 2,550,342,063 and 2,378,239,500 for the quarter ended 31 March 2014 (1Q 2014) and for the quarter ended 31 March 2013 (1Q 2013) respectively.

There is no dilutive effect on basic earnings/loss per share arising from share options and issuable warrants as these are anti-dilutive.

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) **current financial period reported on; and**
(b) **immediately preceding financial year.**

	GROUP		COMPANY	
	31.03.2014	31.12.2013	31.03.2014	31.12.2013
Net Asset Value per Ordinary Share based on issued share capital at the end of the period (cents)	0.650	0.563	0.137	0.085

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

Financial Performance

During the 1st Quarter of 2014, the Revenue of the Group was S\$6.44 million, an increase of 19.6%, compared with the S\$5.39 million achieved in the 1st Quarter of FY2013. The main contributions for the increase were the carry-over of Projects secured by the subsidiaries in Philippines and Thailand in the 1st Quarter of 2014.

The Cost of Goods sold also increased from S\$3.84 million in 1st Quarter of 2013 to S\$4.49 million in the 1st Quarter of 2014. The increase of 17.0% is in line with the increase in Revenue

The Total Operating Expenses of the Group increased by 10.5% to S\$1.84 million in the 1st Quarter of FY 2014 as compared with S\$1.66 million in the 1st Quarter of FY 2013.

Distribution and Administrative Expenses decreased due to tighter control on Cost, salaries and wages, rent and stricter control on travelling expenses The increase in Finance cost was attributable to the increase in Borrowings for the purpose of Projects in Thailand and Korea.

The Net Profit of the Group before tax for the 1st Quarter of FY2014 was approximately S\$0.15 million as compared to approximately S\$0.068 million in the 1st Quarter of FY2013.

Financial Position

Current Trade and Other Receivables increased by S\$3.16 million in FY2014 as compared to FY2013 and the increase was mainly attributable to larger projects undertaken in Indonesia like the Railway Project and the PT Teknik Project, and the Metropolitan Electricity Authority Tenders

	As At 31 March 2014	As At 31 December 2013
Trade Debtors (Net of Doubtful Debts)	9,931	4,989
Unbilled Invoices	11,156	11,469
Other receivables	<u>772</u>	<u>2,245</u>
Total current Trade & Other Receivables	21,859	18,703
	=====	=====

Property, Plant and Equipment decreased mainly due to depreciation.

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Loans and borrowings balances as at 31 March 2014 ("1Q2014"), have decreased by S\$0.27 million compared with balances as at 31 December 2013 due to repayment.

Trade and other receivables are comprised of invoiced trade debtors, unbilled works and other debtors. There has been no significant change in Trade and other receivables balances as a few large-sized projects brought forward from 4Q2013 were still in progress and included in unbilled works balances in 1Q2014. Larger projects tend to involve many more parties and coordination processes, hence the time intervals in-between the various billing milestones are longer, resulting in higher unbilled works balances.

In the non-current assets of 1Q2014, other assets of S\$6.34 million are (i) trade receivables that are not due for collection within the short term, under extended credit terms agreed contractually with the relevant customers; and (ii) long-term security deposits relating to TDK's project in Seoul, Korea, which pertain to office premises leased by TDK for its provision of call centre facilities to IP2S Korea.

As announced on 6 February 2014, the Company has fully utilized the proceeds raised from the issue of placement shares for payment of working capital, GST and CPF as announced in the 4 Quarter announcement on 1 March 2014.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or a prospect statement, has been previously disclosed to shareholders

- 10 **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Material development and Future Direction

The telecommunications industry remains a challenging and competitive one. The Group will, nevertheless continue with its expansion and transformation efforts by leveraging on its core competencies to capitalize on opportunities arising from the ongoing evolution of unified communications and cloud hosting services. The major step taken in this direction during FY2013/2014 was in South Korea where the wholly owned subsidiary of the Company, Teledata (Korea) Co. Ltd, in partnership with its sister companies in Singapore, Thailand and the Philippines, undertook a project to set up the technological and physical infrastructure for a customer, IP2S Korea Co. Ltd, which will be utilized for the hosting of a call center and for cloud computing services.

The Company has also acquired 51% of IP2S Korea as of 1 April 2014 which will enable the Group to make its entry into the hosting business. Entry into the hosting business will add stability to the revenue of the Group as the hosting business offers prospects of recurring long term engagements with regular income streams from customers. This also presents an opportunity for the Group to increase its foot print in the broader telecommunications space in line with the long term strategy of the Company to enhance the value of its shareholders.

In spite of the increasingly competitive environment, there continues to be a healthy flow of project and business opportunities. The Group will continue to enhance its business evaluation processes in the undertaking of new projects, in order to optimise its working capital utilization and improve its profit margins.

Concurrently, the Group will continue with its transformation efforts by evaluating small but attractive acquisition targets, profitable projects that offer potential for recurring income on a regular basis as well as other business lines that present opportunities for the Group to leverage on its existing core competencies and grow organically.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

N.A.

(d) Books closure date

N.A.

12 If no dividend has been declared/recommendeded, a statement to that effect.

No dividend had been declared / recommended.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of Interested Person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
NIL	NIL	NIL

The Group has not obtained a general mandate from shareholders for IPTs for the quarter ended 31 March 2014.

14 The status on the use of proceeds raised from Placement Shares pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use.

The use of the proceeds from Placement Shares was already announced in the Announcement made for December 2013 on 29th February 2014

15 Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of SGX-ST.

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the financial statements for the quarter ended 31 March 2014 to be false or misleading in any material respect.

For and on behalf of the Board of Directors,

**Irene Valencia Goutama
Executive Chairman and Chief Executive Officer**

30 May 2014