

TELEDATA (SINGAPORE) LIMITED

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Unaudited Financial Statements And Dividend Announcement
for the Second Quarter and Half Year Ended 30 June 2011 (“2Q/1H2011”)

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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			Group		
	2Q2011 (01.04.11 to 30.06.11) S\$'000	2Q2010 (01.04.10 to 30.06.10) S\$'000	Change %	1H2011 (01.01.11 to 30.06.11) S\$'000	1H2010 (01.01.10 to 30.06.10) S\$'000	Change %
Revenue	4,634	5,118	(9.5)	10,839	9,433	14.9
Cost of sales	(2,817)	(3,794)	(25.8)	(7,026)	(7,127)	(1.4)
Gross Profit	1,817	1,324	37.2	3,813	2,306	65.4
Other income	341	(31)	nm	342	180	90.0
Distribution expenses	(1,303)	(1,477)	(11.8)	(2,502)	(2,698)	(7.3)
Administration expenses	(478)	(611)	(21.8)	(896)	(1,097)	(18.3)
Other expenses	(323)	(355)	(9.0)	(619)	(1,185)	(47.8)
Finance costs	(1)	-	nm	(3)	-	nm
Profit/(loss) before taxation	53	(1,150)	104.6	135	(2,494)	105.4
Income tax(expense)/credit	-	33	nm	-	(26)	nm
Profit/(loss) for the period	53	(1,117)	104.7	135	(2,520)	105.4
Attributable to :						
Owners of the Company	55	(1,116)	104.9	137	(2,517)	105.4
Non-controlling interests (“NCI”)	(2)	(1)	nm	(2)	(3)	nm
Profit/(loss) for the period	53	(1,117)	104.7	135	(2,520)	105.4

nm - not meaningful

Included in the Profit and Loss Account of the Group were the following (income)/expenses :

	2Q2011 (01.4.11 to 30.6.11) S\$'000	2Q2010 (01.4.10 to 30.6.10) S\$'000	Change %	1H2011 (01.1.11 to 30.6.11) S\$'000	1H2010 (01.1.10 to 30.6.10) S\$'000	Change %
Depreciation and amortization (Reversal)/impairment loss of property, plant and equipment	44	161	(72.7)	82	298	(72.5)
Foreign exchange loss, net	-	160	nm	-	(11)	nm
Interest income	60	114	(47.4)	167	113	47.8
Reversal of impairment loss on trade receivables	(2)	(1)	nm	(3)	(3)	nm
Impairment loss on trade receivables	(338)	-	nm	(338)	(57)	493.0
(Gain)/loss on disposal of property, plant & equipment	119	-	nm	119	-	nm
Inventories written-off	-	(1)	nm	-	2	nm
Provision for inventory obsolescence	-	2	nm	-	3	nm
Reversal of provision for inventory obsolescence	-	70	nm	-	205	nm
	(36)	(280)	(87.1)	(116)	(280)	(58.6)

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			Group		
	2Q2011 (01.04.11 to 30.06.11) S\$'000	2Q2010 (01.04.10 to 30.06.10) S\$'000	Change %	1H2011 (01.01.11 to 30.06.11) S\$'000	1H2010 (01.01.10 to 30.06.10) S\$'000	Change %
Profit/(loss) for the period	53	(1,117)	nm	135	(2,520)	nm
Translation difference arising on on consolidation of foreign subsidiaries	448	22	nm	222	(59)	nm
Total comprehensive income/(loss) for the period	<u>501</u>	<u>(1,095)</u>	nm	<u>357</u>	<u>(2,579)</u>	nm
Attributable to :						
Owners of the Company	503	(1,094)	nm	359	(2,576)	nm
Non-controlling interests	(2)	(1)	nm	(2)	(3)	nm
Total comprehensive income/(loss) for the period	<u>501</u>	<u>(1,095)</u>	nm	<u>357</u>	<u>(2,579)</u>	nm

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	
	As at 30.06.11 S\$'000	As at 31.12.10 S\$'000	As at 30.06.11 S\$'000	As at 31.12.10 S\$'000
Non-Current Assets				
Property, plant and equipment	409	378	148	157
Intangible assets	982	982	-	-
Subsidiaries	-	-	1,168	1,003
Deferred tax assets	864	838	-	-
Other investments	834	834	834	834
Total non-current assets	3,089	3,032	2,150	1,994
Current Assets				
Inventories	1,142	521	244	121
Project work-in-progress	187	458	31	103
Trade and other receivables	9,159	7,091	1,491	1,297
Amount due by related companies	-	-	1,495	2,090
Cash and cash equivalents	801	2,007	118	390
Total current assets	11,289	10,077	3,379	4,001
Total assets	14,378	13,109	5,529	5,995
Equity				
Share capital	19,690	19,690	19,690	19,690
Retained Earnings	(19,453)	(19,590)	(28,663)	(27,801)
Other reserves	4,973	4,751	4,223	4,223
Total equity attributable to owners of the Company	5,210	4,851	(4,750)	(3,888)
Non-controlling interests	24	26	-	-
Total equity	5,234	4,877	(4,750)	(3,888)
Non-current liabilities				
Deferred tax liabilities	4	4	-	-
Other payables	440	456	98	113
Total non-current liabilities	444	460	98	113
Current liabilities				
Excess of progress billings over project work-in-progress	431	520	99	355
Trade and other payables	8,110	7,078	3,315	2,617
Amount due to related companies	-	-	6,767	6,798
Current tax payable	159	174	-	-
Total current liabilities	8,700	7,772	10,181	9,770
Total liabilities	9,144	8,232	10,279	9,883
Total equity and liabilities	14,378	13,109	5,529	5,995

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

Amount repayable in one year or less, or on demand

As at 30.06.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
-	-	-	-

Amount repayable after one year

As at 30.06.2011		As at 31.12.2010	
Secured	Unsecured	Secured	Unsecured
S\$	S\$	S\$	S\$
-	-	-	-

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		Group	
	2Q2011	2Q2010	1H2011	1H2010
	(01.04.11 to 30.06.11)	(01.04.10 to 30.06.10)	(01.01.11 to 30.06.11)	(01.01.10 to 30.06.10)
	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit/(loss) from before taxation	53	(1,150)	135	(2,494)
Adjustments for:				
Depreciation of property, plant and equipment	44	161	82	298
Effect of exchange rate changes	585	146	430	(65)
Reversal of impairment loss on trade receivables, net	(219)	-	(219)	(57)
Reversal of impairment/(impairment) loss on property, plant and equipment	-	160	-	(11)
Reversal of provision for inventory obsolescence, net	(36)	(210)	(116)	(75)
Inventory written off	-	2	-	3
Finance costs	1	-	3	-
Interest income	(2)	(1)	(3)	(3)
(Gain)/loss on disposal of property, plant and equipment	-	(1)	-	2
	426	(893)	312	(2,402)
Changes in working capital:				
Inventories, projects work-in-progress and excess of progress billing over project work-in-progress	143	486	(350)	566
Trade and other receivables	(1,008)	(258)	(2,100)	(618)
Trade and other payables	(187)	142	1,148	1,277
	(626)	(523)	(990)	(1,177)
Cash utilized from operations	-	(2)	(14)	(10)
Income taxes paid	(1)	-	(3)	-
Finance costs paid	(627)	(525)	(1,007)	(1,187)
Net cash used in operating activities				
Cash flows from investing activities				
Purchase of property, plant and equipment	(24)	(215)	(123)	(463)
Proceeds from disposal of property, plant and equipment	-	-	-	47
Proceeds from disposal of club membership	-	-	-	-
Interest received	2	1	3	3
Net cash used in investing activities	(22)	(214)	(120)	(413)
Cash flows from financing activities				
Proceeds from issue of ordinary shares	-	1,400	-	1,400
Repayments of finance lease liability	(8)	-	(16)	-
Interest bearing liabilities	-	155	-	155
Repayments of short -term loan	(508)	-	-	-
Net cash (used in)/from financing activities	(516)	1,555	(16)	1,555
Net increase/(decrease) in cash & cash equivalents	(1,165)	816	(1,143)	(45)
Cash & cash equivalents at beginning of the period	2,056	1,901	2,007	2,727
Effect of exchange rate changes on cash balances held in foreign currencies	(90)	(26)	(63)	9
Cash & cash equivalents at end of the period	801	2,691	801	2,691
Cash & cash equivalents :				
Fixed deposits	66	30	66	30
Cash and bank balances and cash	735	2,661	735	2,661
	801	2,691	801	2,691

1(d)(i) A statement (for the issuer and group) showing either (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 2nd quarter ended 30 June

<u>Group</u>	Share Capital	Prepaid warrants reserve	Share option reserve	Exchange translation reserve	Accumulated profit/(losses)	Total attributable to owners of the Company	NCI	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 Apr 11	19,690	3,974	249	302	(19,508)	4,707	26	4,733
Total comprehensive income/(loss) for the period	-	-	-	448	55	503	(2)	501
As at 30 Jun 11	19,690	3,974	249	750	(19,453)	5,210	24	5,234

<u>Group</u>	Share Capital	Prepaid warrants reserve	Share option reserve	Exchange translation reserve	Accumulated (losses)	Total attributable to owners of the Company	NCI	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 Apr 10	18,290	-	249	325	(12,401)	6,463	29	6,492
Issuance of new shares	1,400	-	-	-	-	1,400	-	1,400
Total comprehensive income/(loss) for the period	-	-	-	22	(1,116)	(1,094)	(1)	(1,095)
As at 30 Jun 10	19,690	-	249	347	(13,517)	6,769	28	6,797

<u>Company</u>	Share Capital	Prepaid warrants reserve	Share option reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 Apr 11	19,690	3,974	249	(28,392)	(4,479)
Total comprehensive income/(loss) for the period	-	-	-	(271)	(271)
As at 30 Jun 11	19,690	3,974	249	(28,663)	(4,750)

<u>Company</u>	Share Capital	Prepaid warrants reserve	Share option reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 1 Apr 10	18,290	-	249	(18,743)	(204)
Total comprehensive income/(loss) for the period	-	-	-	(1,844)	(1,844)
Issuance of new shares	1,400	-	-	-	1,400
As at 30 Jun 10	19,690	-	249	(20,587)	(648)

For the half-year ended 30 June

<u>Group</u>	Share Capital	Prepaid warrants reserve	Share option reserve	Exchange translation reserve	Accumulated profit/(losses)	Total attributable to owners of the Company	NCI	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 Jan 11	19,690	3,974	249	528	(19,590)	4,851	26	4,877
Total comprehensive income/(loss) for the period	-	-	-	222	137	359	(2)	357
As at 30 Jun 11	19,690	3,974	249	750	(19,453)	5,210	24	5,234

<u>Group</u>	Share Capital	Prepaid warrants reserve	Share option reserve	Exchange translation reserve	Accumulated (losses)	Total attributable to owners of the Company	NCI	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 Jan 10	18,290	-	249	406	(11,000)	7,945	31	7,976
Total comprehensive income/(loss) for the period	-	-	-	(59)	(2,517)	(2,576)	(3)	(2,579)
Issue of new shares	1,400	-	-	-	-	1,400	-	1,400
As at 30 Jun 10	19,690	-	249	347	(13,517)	6,769	28	6,797

<u>Company</u>	Share Capital	Prepaid warrants reserve	Share option reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 Jan 11	19,690	3,974	249	(27,801)	(3,888)
Total comprehensive income/(loss) for the period	-	-	-	(862)	(862)
As at 30 Jun 11	19,690	3,974	249	(28,663)	(4,750)

<u>Company</u>	Share Capital	Prepaid warrants reserve	Share option reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 Jan 10	18,290	-	249	(17,283)	1,256
Total comprehensive income/(loss) for the period	-	-	-	(3,304)	(3,304)
Issue of new shares	1,400	-	-	-	1,400
As at 30 Jun 10	19,690	-	249	(20,587)	(648)

- 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.**

During the period ended 30 Jun 2011, there was no change in the issued share capital of the company.

	Number of shares '000	Amount S\$'000
Issued share capital as at 30/06/2011 and 31/12/2010	1,219,610	S\$19,690

As at 30 Jun 2011, there were 1,920,000 unexercised options (31 December 2010: 2,136,000) 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.**

	30-Jun-11	31-Dec-10
Total number of issued shares	1,219,610,000	1,219,610,000

- 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 or reviewed. However, our auditors have performed certain procedures and enquiries. These enquiries do not constitute either an audit or a review in accordance with the Singapore Standards on Auditing or the Singapore Standards on Review Engagements.

- 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 2010 except as described in Section 5 below.

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.

The Group has adopted the new and revised Singapore Financial Reporting Standard ("FRSs") that are mandatory for the financial year beginning on or after 1 January 2011, where applicable. The adoption of these standards did not result in substantial changes to the Group's accounting policies, and there is no material impact on the revenue reserve of the Group as at 1 January 2011.

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.

	Group		Group	
	2Q2011	2Q2010	1H2011	1H2010
Earnings/(loss) per ordinary shares				
Basic and diluted (cents)	0.0045	(0.09)	0.011	(0.21)

(i) Basic and diluted earnings per share were calculated based on weighted average number of shares of 1,219,610,000 for the quarter ended 30 June 2011 and the half-year ended 30 June 2011.

(ii) Basic and diluted earnings per share were calculated based on weighted average number of shares of 1,209,225,000 for the quarter ended 30 June 10 and 1,196,985,691 for half-year ended June 2010 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	
	30.06.2011	31.12.2010	30.06.2011	31.12.2010
Net Asset/(Liabilities) Value per Ordinary Share based on issued share capital at the end of the period (cents)	0.43	0.40	(0.39)	(0.32)

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**

Comparison of 2nd Quarter of 2011 ("2Q 2011") against 2nd Quarter of 2010 ("2Q 2010")

Group Revenue for 2Q 2011 was S\$4.6 million, a decrease of 9.5% from 2Q 2010. However, compared with 2Q 2010, Gross Profit for 2Q 2011 increased by S\$0.49 million, or 37.2%. Gross margin for 2Q 2011 was 39.2%, significantly higher than the gross margin of 25.9% for the comparable period a year earlier, as in 2Q 2011 the Group had undertaken projects with proportionately higher services revenue content (with higher gross margins), as opposed to hardware revenue content.

The Group has continued to manage closely and rationalise its operating costs. Operating expenses for 2Q 2011 was S\$2.1 million, ie. 13.8% lower than that of 2Q 2010 due mainly to reductions in headcount and office rentals in the Group's corporate office.

Other Income of S\$341,000 comprises write-back of a provision for doubtful debt mainly in respect of an overseas customer whose debt had been fully provided for in 2010 but who has, however, made repayments during the current financial year.

Group Net Profit for 2Q 2011 was S\$53,000, a significant improvement from the S\$1.1 million loss in 2Q 2010.

Comparison of First Half of 2011 ("1H 2011") against First Half Year of 2010 ("1H 2010")

Comparing 1H 2011 against 1H 2010, Revenue rose 14.9% from S\$9.43 million to S\$10.84 million, and Gross Profit increased 64.9%, from S\$2.31 million to S\$3.81 million. Operating expenses decreased by 19.3%, from S\$4.98 million to S\$4.02 million, attributable mainly to reductions in headcount and office rentals at the Group's corporate office.

The Operating expenses of 1H 2011 included legal & professional fees, amounting to S\$117,000, incurred in respect of matters that originated mainly during the second half of 2010. In spite of this, the Group has recorded a Net Profit of S\$135,000 for 1H 2011, which is a significant achievement when compared with the net loss of S\$2.52 million incurred in 1H 2010.

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

Inventories and project work-in-progress had increased from S\$979,000 to S\$1.3 million as at 30 June 2011, attributable mainly to pre-ordering for 2 projects due to commence in July/August 2011 in the Philippines.

Increases in Trade Receivables and Trade Payables are consistent with the increased business volume in the current financial year, as compared with FY2010.

An interest-free short term loan of S\$508,000, extended to the Company by a substantial shareholder in March 2011 for the working capital needs of the Group, had been fully repaid as at 30 June 2011.

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.

Arising from the needs of the 'globalised office' where voice and data communications transcend geographical boundaries, the merging of traditional information technology with telephony technology poses challenges and opportunities which the Group welcomes as part of the continuing developments within the telecommunications industry. Amid the challenging business environment, the Group remains cautiously optimistic on its prospects for the rest of 2011 and also for the ensuing 12 months. The Group continues to enjoy strong support from its customers and business partners. Major contracts awarded recently to the Group, which are expected to contribute significantly to the Group's income going forward, include the following :-

- (i.) Contract for supply of equipment and associated services to a network infrastructure developer in Indonesia. This project, worth S\$1.16 million, is expected to be completed towards the end of the current financial year.
- (ii.) A S\$930,000 contract awarded in June 2011 by a leading property developer in the Philippines to supply data network/ back-end switches for the Philippines' first 43-storey "Future Ready Home" building featuring state-of-the-art fiber-optics technology. This project is scheduled to commence in 3Q 2011 and to be completed in the second half of 2013.
- (iii.) A S\$1.0 million contract for the Department of Public Works and Highways in the Philippines, to replace their legacy PABX and data networking switches. To commence in September 2011, the project is expected to be completed by end of 2011.

In addition, the Group is providing ongoing service support to a leading bank in Thailand in developing its outbound contact centres throughout Bangkok. There are three phases in the development. For the first phase, the Group has captured contracts worth close to S\$600,000, to provide outbound dialler solutions to the bank's telemarketing team. The first phase has been completed and the bulk of the revenue has been recognised in the Group's income statement for 2Q 2011. The Group stands in good stead to continue its support to the bank for the next phase, which is expected to commence in early 2012.

The Group's core business continues to perform notwithstanding the challenging global economic environment. The Company's management and operations teams have remained intact and continue to service its customers and fulfill its contractual commitments.

The Group will continue to diligently evaluate other business opportunities with a view to diversifying its revenue streams and business portfolio, as part of its ongoing strategy to enhance shareholders' value.

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/recommended, a statement to that effect.

No dividend had been declared / recommended.

13 Confirmation by Directors pursuant to Rule 705(4) of the Listing Manual of SGX-ST.

The Board of Directors of the Company confirm to the best of our knowledge that nothing has come to our attention which may render the financial statement for the 2nd Quarter ended 30 June 2011 to be false or misleading in any material respect.

For and on behalf of the Board of Directors,

**Irene Valencia Goutama
Executive Director and Chairman
12 August 2011**

**Husni Heron
Director**