

TELEDATA (SINGAPORE) LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number 197600922M)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 610,765,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.005 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

The Board of Directors (the “**Directors**”) of Teledata (Singapore) Limited (the “**Company**”) wishes to announce that the Company is proposing to undertake a renounceable non-underwritten rights issue (the “**Rights Issue**”) of up to 610,765,000 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.005 (the “**Issue Price**”) for each Rights Share, on the basis of one (1) Rights Share for every two (2) existing ordinary shares in the capital of the Company (the “**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlements under the Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded.

The Rights Shares will be issued pursuant to the share issue mandate approved by Shareholders at the annual general meeting held on 29 April 2011 (the “**Share Issue Mandate**”). Pursuant to Shareholders’ approval on 29 April 2011, the Directors are authorised to, *inter alia*, issue and allot Shares in the Company by way of a *pro rata* rights issue at any time and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of Shares in the Company to be issued pursuant to such authority may be increased to but shall not exceed 50% of the issued share capital of the Company (excluding treasury shares) at the date of the Share Issue Mandate after adjusting for new Shares arising from the conversion or exercise of, *inter alia*, any share options which are outstanding or subsisting at the time the resolution for the Share Issue Mandate was passed. At the date of the Share Issue Mandate the Company’s issued share capital comprised 1,219,610,000 Shares, and the Outstanding Options (as defined below) were outstanding or subsisting.

2. OTHER PROPOSED PRINCIPAL TERMS OF THE RIGHTS ISSUE

As at the date of this announcement (the “**Announcement Date**”), the Company’s issued share capital comprises 1,219,610,000 Shares (“**Existing Share Capital**”). Based on the Existing Share Capital, up to 609,805,000 Rights Shares will be issued pursuant to the Rights Issue if the Rights Issue is fully subscribed. As at the date of this announcement, there is an aggregate of 1,920,000 options outstanding and exercisable (the “**Outstanding Options**”) issued pursuant to the Teledata Share Option Scheme. In the event that all the Outstanding Options are exercised before the Books Closure Date, the issued share capital will comprise 1,221,530,000 Shares. Based on this enlarged share capital, up to 610,765,000 Rights Shares will be issued pursuant to the Rights Issue if the Rights Issue is fully subscribed.

The Rights Shares are priced at the Issue Price of S\$0.005 and represents a discount of 37.5% to the closing price of S\$0.008 per Share on the SGX-ST as at 29 September 2011, being the last trading day preceding the Announcement Date.

The Company is proposing to undertake the Rights Issue, at the Issue Price for each Rights Share on a renounceable basis to Shareholders whose registered addresses with the Company or The Central Depository (Pte) Limited (the “**CDP**”), as the case may be, are in

Singapore as at the Books Closure Date, or who have, at least five (5) market days prior to the Books Closure Date, provided to the Company or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Entitled Shareholders**”).

Fractional entitlements to the Rights Shares will be disregarded and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for the Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

The Rights Shares are payable in full upon acceptance and/or application, details of which are provided for in Section 5 below. The Rights Shares, when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the Rights Shares. For this purpose, “**Record Date**” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the securities accounts of Shareholders must be credited with Shares in order to participate in such dividends, rights, allotments or distributions.

Entitled Shareholders will be at liberty to accept, decline, renounce or trade (during the provisional allotment trading period prescribed by the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)) their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue (“**Excess Rights Shares**”).

In the allotment of Excess Rights Shares, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares, if any, provided that where there are insufficient Excess Rights Shares to allot to each application, the Company shall allot the Excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and substantial shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the rights issue, or have representation (direct or through a nominee) on the board of the Company will rank last in priority for the rounding of odd lots and allotment of excess rights shares. The Company will also not make any allotments and issuance of any Excess Right Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting.

The terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights Issue will be contained in the offer information statement to be issued by the Company (the “**Offer Information Statement**”).

3. IRREVOCABLE UNDERTAKINGS

To demonstrate its commitment to the Company, Meritus Resources Ltd. (the “**Undertaking Shareholder**”), who has a direct interest in an aggregate of 164,597,677 Shares representing 13.49% of the Existing Share Capital as at the Announcement Date, has provided an undertaking that it will, *inter alia*, subscribe and pay and/or procure subscription and payment for its *pro rata* entitlement to the Rights Shares and for any Excess Rights Shares, subject to availability, provided that its shareholding in the Company following the Rights Issue will not exceed 29.99% and it will not be placed in a position of incurring a mandatory general offer obligation under the Singapore Code on Take-overs and Mergers (“**Irrevocable Undertaking**”). Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the obligation of the Undertaking Shareholder to subscribe for the Excess Rights Shares to avoid placing the Undertaking Shareholder in the position of incurring a mandatory general offer obligation under the Singapore Code on Takeovers and Mergers.

The Company has decided to undertake the Rights Issue on a non-underwritten basis in view of the Irrevocable Undertaking and the cost savings in respect of underwriting fees.

4. PURPOSE OF THE RIGHTS ISSUE AND USE OF PROCEEDS

Based on the Existing Share Capital:-

- (a) if the Rights Issue is fully subscribed, the estimated gross proceeds of the Rights Issue is approximately S\$3.049 million and the estimated net proceeds of the Rights Issue, after deducting estimated expenses of approximately S\$0.150 million, will amount to approximately S\$2.899 million;
- (b) if the Outstanding Options are exercised before the Books Closure Date and the Rights Issue is fully subscribed, the estimated gross proceeds of the Rights Issue is approximately S\$3.054 million and the estimated net proceeds of the Rights Issue will amount to approximately S\$2.904 million;
- (c) if only the Undertaking Shareholder subscribes for the Rights Issue in accordance with the Irrevocable Undertaking, the estimated gross proceeds of the Rights Issue is approximately S\$1.436 million and the estimated net proceeds of the Rights Issue will amount to approximately S\$1.286 million; and
- (d) if the Outstanding Options are exercised before the Books Closure Date and only the Undertaking Shareholder subscribes for the Rights Issue in accordance with the Irrevocable Undertaking, the estimated gross proceeds of the Rights Issue is approximately S\$1.440 million and the estimated net proceeds of the Rights Issue will amount to approximately S\$1.290 million.

The Company intends to utilise the net proceeds for general working capital purposes.

The Company will make periodic announcements on the utilisation of the net proceeds of the Rights Issue and will subsequently provide a status report on the use of such proceeds and any material deviations therefrom in its annual report.

Pending the deployment of the net proceeds of the Rights Issue, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis as the Directors may deem appropriate in the interest of the Company and its subsidiaries.

5. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

5.1 Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at 5.00 p.m. (Singapore time) on the Books Closure Date (“**Depositors**”) will be provisionally allotted Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

To be “**Entitled Depositors**”, Depositors must have registered addresses in Singapore with CDP as at the Books Closure Date or if they have registered addresses outside Singapore must provide CDP, at 4 Shenton Way, #02-01 SGX Centre 2, Singapore 068807, with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being five (5) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares.

5.2 Entitled Scripholders

Shareholders whose share certificates are not deposited with CDP and whose Shares are not registered in the name of CDP (“**Scripholders**”) will have to submit duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. (Singapore time) on the Books Closure Date by the Company’s share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. (the “**Share Registrar**”), in order to be registered to determine the transferee’s provisional allotments of Rights Shares entitlements under the Rights Issue.

To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date or if they have registered addresses outside Singapore, must provide the Share Registrar at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 with addresses in Singapore no later than 5.00 p.m. (Singapore time) on the date being five (5) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements under the Rights Issue.

Entitled Depositors and Entitled Scripholders shall be collectively referred to as the “**Entitled Shareholders**” in this announcement.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, provisional allotments of the Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of provisional allotments of the Rights Shares to any securities account with CDP, the receipt of any provisional allotments of the Rights Shares, or receipt of the Offer Information Statement and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be prohibited. The Company reserves absolute discretion in determining whether any Shareholder located or resident outside Singapore may participate in the Rights Issue.

5.3 Foreign Shareholders

The Company, in its absolute discretion, may offer the Rights Shares to some or all of its foreign Shareholders subject to such terms and conditions (which may or may not be the same as the terms of the Rights Issue) as the Company may decide at its absolute discretion, provided that there is no violation of the laws or securities legislation of the relevant jurisdiction. Save as aforesaid, for practical reasons and in order to avoid any violation of the securities legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least five (5) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents (“**Foreign Shareholders**”).

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold “nil-paid” on the SGX-ST as soon as practicable after dealings in the provisional allotments of Rights Shares commence. The net proceeds arising from such sales after deducting all expenses will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date, save that no payment will be made for amounts of less than S\$10.00 to a single Foreign Shareholder, and such amount shall be retained for the sole benefit of the Company or otherwise dealt with as the Directors in their absolute discretion deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP or the Share Registrar in connection therewith.

If such provisional allotments of Rights Shares cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by

such provisional allotments will be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP or the Share Registrar in connection therewith.

6. APPROVALS

The proposed Rights Issue is subject to, *inter alia*, the following:-

- (a) the approval in-principle of the SGX-ST for the dealing in, listing and quotation of the Rights Shares on the Main Board of the SGX-ST; and
- (b) the lodgement of the Offer Information Statement with the Monetary Authority of Singapore ("**MAS**").

The Company will be making an application to the SGX-ST for the permission to deal in and for the listing of and quotation for the Rights Shares on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors and substantial Shareholders has any interest, direct or indirect, in the Rights Issue (other than through their respective shareholdings in the Company).

8. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

Irene Valencia Goutama
Executive Director and Chairman

30 September 2011