

TELEDATA (SINGAPORE) LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197600922M)

SUBMISSION OF APPLICATION TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") FOR EXTENSION OF TIME FOR THE COMPANY TO COMPLY WITH RULE 1314 OF THE LISTING MANUAL OF THE SGX-ST (THE "LISTING MANUAL") AND THE PROPOSED PLACEMENT (THE "PLACEMENT") OF NEW ORDINARY SHARES IN THE CAPITAL OF TELEDATA (SINGAPORE) LIMITED (THE "SHARES")

1. SUBMISSION OF APPLICATION TO THE SGX-ST FOR EXTENSION OF TIME FOR THE COMPANY TO COMPLY WITH RULE 1314 OF THE LISTING MANUAL

1.1 The Board of Directors (the "**Board**") of Teledata (Singapore) Limited (the "**Company**") refers to the Company's announcement made on 5 December 2013 in respect of the extension of time to 2 June 2014 with regard to compliance with Rule 1315 of the Listing Manual.

1.2 The Board wishes to announce that the Company has applied to the SGX-ST for a further extension of time on, *inter alia*, the following grounds:-

- (i) that the proposed placement (the "**Placement**", further details of which are set out in paragraph 2 below) is sufficiently large, approximately USD\$20 million, to give a significant uplift to the share capital of the Company and the market capitalization. The Company is cautiously optimistic that the booster provided by the Placement to the market capitalization of the Company would, in the near term (if not immediately), bring about a sustainable market capitalization that is in excess of S\$40 million. To effect the Placement, the Company has appointed a placement agent and the Company would also carry out a series of proposed corporate actions and steps for the purpose of having the Company removed from the SGX-ST Watchlist as soon as possible;
- (ii) that the Company had managed to return to profitability since its financial year ended 31 December 2011 and has remained profitable for the immediate past three financial years ended 31 December 2013. The Company has been and is still on the lookout for acquisition targets to expand its current core business and new areas of business so as to enhance returns to its shareholders. Given the current state of the Company and the Company having only recently completed its acquisition of IP2S Korea Co., Ltd., it would be in the interests of the shareholders of the Company to allow the Company some time to capitalize on the new acquisition as well as explore potential new areas of business that the Company may consider expanding into;
- (iii) the Company can continue to benefit from its status, as a listed entity as the Company has the ability to access the capital markets for funding and to tap on the listed mergers and acquisitions space for expansion and growth; and
- (iv) that a delisting at this stage would not be in the best interests of the shareholders of the Company because the Company and its subsidiaries (the "**Group**") are profitable and able to meet their liabilities and that in the event a further extension of time is granted, there would be other avenues for the Company to consider that could bring better prospects in terms of recovering shareholders' investments.

2. PROPOSED PLACEMENT

2.1 In connection with paragraph 1.2(i) above, the Board also wishes to announce that the Company has entered into a placement agreement dated 22 May 2014 (the "**Placement Agreement**") with Lim & Tan Securities Pte Ltd (the "**Placement Agent**" or "**Lim & Tan**"). Pursuant to which the Company has appointed, to the exclusion of all others, Lim & Tan as the placement agent. The Company has agreed to allot and issue new shares in the capital of the Company pursuant to the

Placement Agreement (“**Placement Shares**”), and the Placement Agent has agreed to use its commercially reasonable efforts to procure subscriptions for the Placement Shares.

Subject to the terms and conditions of the Placement Agreement, the Placement Shares will be issued by way of a private placement in Singapore pursuant to Section 272B of the Securities and Futures Act (Chapter 289), as, *inter alia*, the offer is made to no more than 50 persons within any period of 12 months.

- 2.2 The Company will be making an application to the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the listing and quotation of the Placement Shares on the SGX-ST and will make the necessary announcements once the approval in-principal of the listing and quotation of the Placement Shares have been obtained from the SGX-ST.
- 2.3 The Placement Shares shall be issued free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and carry all rights similar to the existing issued Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the Completion Date. “Record date” in relation to any dividends, rights, allotments or other distributions, means the date as at the close of business (or such other time as may have been notified by the Company) on which shareholders of the Company must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

3. **CONDITIONS PRECEDENT**

The Placement is conditional upon:

- 3.1 Approval in-principle for the listing and quotation of the Placement Shares on the SGX-ST being obtained from the SGX-ST and, where such approval is subject to conditions, such conditions being acceptable to the Company and, to the extent that any conditions for the listing and quotation of the Placement Shares on the SGX-ST are required to be fulfilled on or before the completion date, they are so fulfilled;
- 3.2 The approval of shareholders of the issue and allotment of the Placement Shares to the placees pursuant to the Placement Agreement and such approval remaining in full force and effect on the day the placement is completed; and
- 3.3 The subscription, issue and allotment, and offering (if any) of the Placement Shares being in compliance with the Securities and Futures Act in connection with offers of securities and not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority of Singapore.

If any of the conditions set forth above is not satisfied or waived by on or before six months after the date of the Placement Agreement or the date of the lodgement of the Offer Information Statement or such other date as the parties may agree, the Placement Agreement shall without prejudice to any rights in respect of any prior breach under the Placement Agreement, *ipso facto* cease and terminate, save for confidentiality obligations under the Placement Agreement.

4. **PROCEEDS FROM PLACEMENT**

- 4.1 The estimated net proceeds from the Placement, after deducting estimated expenses pertaining to the Placement, will be approximately US\$19.5 million. The net proceeds arising from this Placement shall be used for general working capital, general expansion of the business and acquisition activities.
- 4.2 Pending deployment of net proceeds from the Placement, the net proceeds may be placed in deposits with banks and/or financial institutions as the directors may deem fit in their absolute discretion.
- 4.3 The Company will make periodic announcements on the utilisation of proceeds from the Placement as and when the funds from the Placement are materially disbursed and provide a status report of the use of proceeds from the Placement in the Company’s annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

5. **PLACEMENT COMMISSION**

Pursuant to the Placement Agreement, the Company shall pay to the Placement Agent a placement commission of 0.5% of the aggregate issue price received for the subscribed Placement Shares.

6. **RULE 812 AND INTERESTED PERSONS**

The Placement Shares will not be placed to any of the persons set out as restricted persons under Rule 812(1) of the Listing Manual of the SGX-ST save for the exceptions specified in Rule 812(3), and are not interested persons under Chapter 9 of the SGX-ST Listing Manual.

7. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement, other than through their respective shareholdings in the Company.

8. **FURTHER ANNOUNCEMENTS**

Once the parties have reached an agreement on the number of Placement Shares and the issue price of each Placement Share, a further announcement will be made to announce the financial effects on the Company and the changes to the shareholding structure of the Company.

By Order of the Board

Irene Valencia Goutama
Chief Executive Officer
22 May 2014