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Teledata to secure S\$35 million equity line of credit from GEM, a private equity group

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? The facility is discretionary and will allow the Group to quickly capitalise on opportunities as they arise
? Part of the proceeds is intended to fund the proposed acquisition of a 77.7% stake in PT Centrin Online Tbk

SINGAPORE 5 January 2010 Mainboard-listed **Teledata (Singapore) Limited** ("Teledata" or the "Group"), a leading regional IT systems integrator and communications services company, is in negotiations to line up a substantial equity line of credit to fund its growth and expansion in the region.

The Group announced today that it has entered into a non-binding term sheet with **GEM Investment Advisors, Inc.** ("GEMIA"), whereby under a proposed arrangement with GEMIA and **GEM Global Yield Fund** ("GEM Global"), GEM Global is to make available funds to Teledata of up to S\$35 million. The proposed arrangement and the availability of the equity line of credit are subject to the parties subsequently entering into the definitive documentation for the transaction. Negotiations towards the same are now underway.

GEMIA and GEM Global are members of the Global Emerging Markets Group ("GEM"), a US\$3.4 billion alternative investment group that manages a diverse set of investment vehicles across the world.

"We are pleased with the results of our initial negotiations for this equity line of credit with GEM, which has an important benefit of being discretionary and will enable Teledata to quickly capitalise on opportunities for the expansion of our business and future growth. This arrangement will provide us with a flexible option to raise capital in a cost competitive manner. We look forward to GEM's entry into our company as they bring with them a strong track record in private equity investments around the world. This proposed transaction is evidence of the potential GEM sees in Teledata," says Mr Christopher Pan, Chairman and CEO of Teledata.

For a start, part of the proceeds from the proposed facility is intended to be used to fund its proposed acquisition of a 77.7% stake in a leading Indonesia-based internet service provider, **PT Centrin Online Tbk** ("PT Centrin"), announced last week. The cost of this acquisition is around S\$17.2 million.

On completion of the proposed acquisition of PT Centrin, some of the proceeds from the equity line of credit are intended to be

used towards the working capital and capital expenditure of PT Centrin, including to assist, in particular, its broadband business.

"And of course, some of the proceeds will be earmarked for acquisition opportunities of other system integrators in Asia," notes Mr Pan. Any balance of the proceeds is intended to be used to strengthen the Group's internal cash flow position.

Under the proposed arrangement, Teledata may at its sole discretion and subject to the terms and conditions of the definitive documentation, over a period of up to three years of the signing of the definitive documentation, require GEM Global to subscribe for ordinary shares in Teledata of up to an aggregate sum of S\$35 million.

Teledata will control the timing of subscriptions to be made (by way of draw down notices to GEM Global), and is not obliged to utilise all of the funds that have been made available.

The subscription price of the ordinary shares will be based upon a price equal to 90% of the average closing trade price during the 15 consecutive trading days following a draw down notice.

GEM will covenant not to hold in excess of 9.9% of the outstanding issued share capital of the Company.

Subject to legal and regulatory compliance (as necessary and including the grant of shareholders' approval, if required), Teledata also intends the issuance to GEM Global of up to 220 million 5-year warrants convertible into shares at S\$0.095 each. The warrants, when exercised, will generate an additional S\$20,900,000 in funds for Teledata.

Since Mr Pan came onboard in early November, the Group has been undergoing an extensive corporate restructuring to streamline its operations and improve operational efficiency, in an effort to better position the Group for new growth. A new senior management team comprising IT veterans has also been put in place.

Besides restructuring its operations, Teledata has also been actively seeking opportunities to grow its business both organically and via strategic M&A deals. The key focus is to enhance its products and service offerings, expand its customer base and widen its geographical footprint in the region.

About Teledata (Singapore) Limited

Listed on the Main Board of the Singapore Exchange in 1994, Teledata is a leading IT systems integrator and communications services company, unique for the depth of its capabilities and the dedication of its people. Its people are experts in the dynamic field of communications technology and excel at delivering customised communications services and solutions to its customers.

Founded in May 1976, Teledata has since grown to become a regional company with offices in 7 countries and customers in 14 countries throughout the Asia Pacific region. The Group's clientele range from large enterprises and telecommunication carriers to small enterprises in varied industries, some of which have been the Group's customers for over 30 years. To deliver best-of-breed, advanced and flexible solutions, the Group partners over 50 world-class technology providers from around the world.

About GEM

The GEM Group (Global Emerging Markets), comprising GEM Investment Advisors, Inc. and GEM Global Yield Fund and their affiliates, was founded in 1991. The firm is a US\$3.4 billion alternative investment group that manages a diverse set of investment vehicles across the world. GEM's funds include: CITIC/GEM Fund; VC Bank/GEM Mena Fund; Kinderhook; GEM India and Banco Pine/GEM Funds. The scope of GEM Group's activities and investment is both US domestic and international, across a broad spectrum of industries and transactional structures. The Group has completed more than 230 transactions representing investment in over 200 companies in 45 countries across the world. Investments of GEM Group usually involve engagement in shares. (www.gemny.com)

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