



TELECHOICE INTERNATIONAL LIMITED
(REG. NO. 199802072R)

FOR IMMEDIATE RELEASE

TeleChoice terminates Joint Venture with Fortune Telecom Holdings Limited (now known as China Fortune Holdings Limited)

SINGAPORE – 20 December 2008 – TeleChoice International Limited (“TeleChoice” or the “Company”), a leading regional provider of telecommunications solutions and services, today announced that it is terminating its joint venture agreement with Hong Kong Exchange Main Board listed Fortune Telecom Holdings Limited (now known as China Fortune Holdings Limited) (“Fortune”). TeleChoice and Fortune, through their Hong Kong incorporated joint venture – TeleFortune (China) Investments Limited (“TeleFortune”), had established a subsidiary in the PRC, Shanghai TeleFortune International Trading Co. Ltd (“Shanghai TeleFortune”), to provide logistics and fulfilment services for Nokia-branded mobile handsets to all Nokia-appointed outlets throughout the PRC.

TeleChoice will be exiting from the joint venture by selling all of its 16 million shares in the capital of TeleFortune (representing 40% of the issued share capital of TeleFortune) (the “Sale Shares”), pursuant to the exercise of a put option (the “Put Option”) that was granted by Fortune to TeleChoice under a put option agreement dated 4 September 2007 (the “Put Option Agreement”). Under the terms of the Put Option Agreement, the Put Option is exercisable from 1 March 2008 to 31 December 2008, in the event that rights and obligations under an existing Nokia fulfilment agreement dated 28 August 2006 between Nokia (China) Investment Co., Ltd. and Fortune Telecom (Shanghai) International Trade Co., Ltd (Fortune’s wholly-owned subsidiary) (the “Nokia Fulfilment Agreement”) had not been novated to Shanghai TeleFortune, on the date of the notice of exercise of the Put Option. The Nokia Fulfilment Agreement is for the provision of logistics and fulfilment services for Nokia-branded mobile handsets in the PRC. The exercise period of the Put Option was subsequently amended by the parties to 30 June 2008 to 31 December 2008.

The option price payable by Fortune to the Company as provided under the Put Option Agreement will be the aggregate of HK\$49 million and 40% of the profits from the joint venture for the period commencing from 4 September 2007 to 31 December 2008 (being the date of completion of the disposal of TeleChoice’s interest in the Sale Shares). The actual option price will be announced at

a later date after the profits from the joint venture are determined. The transaction is expected to be completed on 31 December 2008.

TeleChoice intends to use the proceeds from the disposal for general working capital purposes or for new investment opportunities as and when they arise.

Said Mr Andrew Loh, President of TeleChoice, "TeleChoice and Fortune have decided to part ways in this venture. The novation to Shanghai TeleFortune of the Nokia Fulfilment Agreement was a key term of the joint venture agreement between TeleChoice and Fortune. As no novation has yet occurred and it is not expected that any such novation will occur before the expiry of the exercise period of the Put Option on 31 December 2008, TeleChoice is taking a strategic decision to terminate the joint venture."

"Naturally, we are disappointed to exit the joint venture but given the current global mobile handset market uncertainty, we felt that it would be prudent for us to exercise the Put Option. Our priorities are to maintain a strong balance sheet and to mitigate operational risks in order to safeguard the Company's and shareholders' longer-term interests. We are still committed to growing our distribution services in Singapore and the region, including China, in line with our growth strategy and to further add-value to our stakeholders. In the current economic climate, we expect that other opportunities will avail themselves at attractive values and with our cash holdings, TeleChoice is in a very good position to take advantage of these opportunities."

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, and governmental and public policy changes. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

About TeleChoice International Limited (Regn No. 199802072R)

Incorporated in Singapore on 28 April 1998 and listed on the Main-Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") on 25 June 2004, TeleChoice International Limited ("TeleChoice") is a regional diversified provider and enabler of innovative communications. TeleChoice is a subsidiary of Singapore Technologies Telemedia Pte Ltd, a leading info-communications company with operations in Asia-Pacific, the Americas and Europe. DBS Bank Ltd was the manager, underwriter and placement agent for TeleChoice's initial public offering on the SGX-ST in June 2004.

TeleChoice offers a comprehensive suite of services and solutions for the telecommunications industry:

Personal Communications Services: distribution, retail and fulfillment services relating to mobile handsets and accessories.



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Telecommunications Services: value-added Voice, Video and Data services, such as SunPage IDD, SunPage Budget MobileCall, SunPage Budget Roaming, SunPage Budget CallHome, SunPage Internet Call, SunPage i.sms, PushMail, SMS Broadcast, iConference, Location Tracking and Mobile Data Network Services.

Network Engineering Services: network planning, project and resource management, network implementation & optimisation, managed outsourcing services.

Headquartered in Singapore, TeleChoice has operations around the Asia-Pacific region, including Indonesia, Malaysia and the PRC. [Comment: Please consider if the above statement is still accurate.] TeleChoice's major customers and principals include StarHub Ltd and PT Indosat Tbk; and Nokia, Sony Ericsson, Motorola and HuaWei respectively.

For more information, please visit our website at www.telechoice.com.sg

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