



CMC INFOCOMM LIMITED

(Incorporated in the Republic of Singapore under Registration Number 201506891C)

PROPOSED JOINT VENTURE IN THE PHILIPPINES

The board of directors (the "**Board**") of CMC Infocomm Limited ("**CMCI**", and together with its subsidiaries, the "**Group**") wishes to announce that the Group's wholly-owned subsidiary, CMC Communications (Philippines), Inc. ("**CMCCP**") has entered into a shareholders agreement dated 27 July 2016 (the "**JVA**") with Argosy Properties, Inc ("**API**"), pursuant to which the parties shall form a joint venture company (the "**JVCo**") for the purposes of designing, developing, installing, implementing and maintaining telecommunications equipment and systems for commercial and industrial applications in the Philippines.

In addition to the JVA, a separate management and consultancy services agreement will be entered into between CMCCP, JVCo and Argosy Partners, Inc ("**Argosy Partners**") (represented by Aloysius B. Colayco) (the "**Consultancy Agreement**"), pursuant to which Argosy Partners will provide assistance to the JVCo in dealing with telecommunications companies in the Philippines as well as strategic and business management advisory services to the JVCo.

API is an affiliate of Argosy Partners. Argosy Partners is an investment and advisory firm based in the Philippines, advising and investing in transactions involving companies from a wide range of industries including the property, financial services, business process outsourcing, telecommunications, power and industrial companies. The co-founder of Argosy Partners and API is Aloysius B. Colayco, who has been appointed to the boards of several international and local companies in the Philippines. He was also the head of international investments for a leading insurance group based in New York. Aloysius B. Colayco, Argosy Partners and API are unrelated third parties to the Group. None of the directors and controlling shareholders of the Company are related to Aloysius B. Colayco, Argosy Partners and API.

Under the JVA, the JVCo shall be named "CMC-AC Infocomms (Philippines) Inc.". The JVCo shall have an initial issued share capital of PHP15,000,000 comprising 15,000,000 ordinary shares, with CMCCP holding 6,000,000 shares (40.0%) and API holding 9,000,000 shares (60.0%) respectively. The proposed capital structure is subjected to the approval of the Philippines Securities and Exchange Commission.

The rationale for the JVA is to facilitate CMCCP in the application of a license from the Philippine Contractors Accreditation Board ("**PCAB**") in order to participate in tenders for projects which are only open to PCAB accredited companies in the Philippines. Subsequent to its incorporation, the JVCo will be applying for a regular license from the PCAB. As mentioned in the Company's Offer Document dated 31 July 2015 ("**Offer Document**"), CMCCP is required to obtain a licence from PCAB for its business activities. Under the rules and regulations of the Philippines, CMCCP should have at least 60% Filipino equity participation in order to qualify for the licence. Accordingly, the Company had indicated its intention in the Offer Document to enter into a joint venture with a local partner in the Philippines which shall hold at least 60% equity participation in the joint venture entity. The Board believes that through the JVCo, the Group will be able to increase its presence in the Philippines and tap on market potential in the telecommunications industry in the country. Pursuant to the JVA, API will not assume any role in its capacity as the joint venture partner for the JVCo.

The country manager of CMCCP, Anthony Mejilla, will assume the role of the country manager for the JVCo and be responsible for its day to day operations.

CMCCP and the JVCo will also provide an indemnity (the “**Indemnity**”) to Argosy Partners and Aloysius B. Colayco to indemnify them from, *inter alia*, any claim, actions, liability, loss or damage that may result from, amongst others, their participation in projects undertaken by the JVCo. CMC Communications (Singapore) Pte Ltd, the Company’s wholly-owned subsidiary that holds 100% interest in CMCCP, will also provide a guarantee in favour of API, guaranteeing the due and punctual performance, satisfaction, payment and discharge of the obligations of CMCCP and the JVCo under the JVA, the Consultancy Agreement and the Indemnity.

At the date of incorporation of the JVCo, the Group intends to pay only 25% or PHP1,500,000 (equivalent to approximately S\$43,000 as at 27 July 2016) of their share of equity participation, representing the minimum paid-up capital requirement under the law of the Philippines. The remaining PHP4,500,000 will be paid at the discretion of the JVCo’s board of directors. The Group will fund its 25% share of equity participation in the JVCo through internal resources.

The JVA is not, in itself, expected to have any material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 31 May 2017.

None of the directors or the controlling shareholders of the Company has any interest, directly or indirectly, in the JVA, save through their respective shareholdings in the Company (if any).

BY ORDER OF THE BOARD

Phua Cher Chuan
Executive Director and CEO
27 July 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**Exchange**”). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

The contact person for the Sponsor is Ms Tan Pei Woon (telephone no.: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.