



(Company Registration No.: 201506891C)

CMC INFOCOMM BUILDS A PLATFORM FOR GROWTH

- **Forms joint venture with Argosy to expand presence in the Philippines**
- **Revenue up 11.6% in FY2016**
- **Recorded net profit in 2HFY2016**

SINGAPORE, 27 July 2016 – CMC Infocomm Limited (“CMC Infocomm” and together with its subsidiaries, the **“Group”**), a Catalist-listed regional integrated and innovative communications solutions and services provider is pleased to announce that its wholly-owned subsidiary, CMC Communications (Philippines), Inc. (**“CMCCP”**) has entered into a joint venture agreement with Argosy Properties, Inc. (**“API”**).

Pursuant to the joint venture agreement, CMCCP and API will incorporate a 40-60 joint venture company, namely CMC-AC Infocomms (Philippines) Inc (the **“JVCo”**), in the Philippines, primarily to design, develop, install, implement and maintain telecommunication equipment and systems for commercial and industrial applications.

API is an affiliate of Argosy Partners, Inc (**“Argosy Partners”**), 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 industries. The co-founder of API and Argosy Partners 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. Argosy Partners, represented by Aloysius B. Colayco, 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 through a separate management and consultancy agreement.

CMC Infocomm’s Executive Director Mr. Hazwan Rahman said, “Consumers of today are seeking improved connectivity and faster broadband speed, especially in the developing countries. We see this trend as an opportunity in the Philippines, which is one of our key markets. Through this collaboration, we are able to work with a strong local partner to obtain a license from the Philippine Contractors Accreditation Board and to tap on each other’s capabilities to grow the telecommunications solutions and services business in the Philippines.”

The Philippines is the fastest growing smartphone market in Southeast Asia, posting a 20% year-on-year growth in the first quarter of 2016, according to International Data Corporation (IDC) ¹. This is expected to present attractive business opportunities amid slowing growth in the more mature markets in the region.

Incorporated in 2004, CMCCP provides a comprehensive range of telecommunications solutions and services in the Philippines, including building of telecommunications towers in green fields. Its key customers include Globe Telecom, Inc. and Smart Communications, Inc. both which are major telecommunications operators in the Philippines.

FY2016 Results

| FYE 31 May (S\$'000) | 1H FY2016 | 2H FY2016 | 1HFY2016 vs 2HFY2016 Change | FY2016 | FY2015 | YoY Change |
|---|-----------|-----------|-----------------------------|---------|--------|------------|
| Revenue | 7,970 | 10,247 | 28.6% | 18,217 | 16,321 | 11.6% |
| Gross profit | 1,735 | 2,915 | 68.0% | 4,650 | 4,269 | 8.9% |
| (Net loss)/profit attributable to owners of the Company | (1,591) | 94 | N.M | (1,497) | (186) | 704.8% |
| (Net loss)/profit (excluding IPO related expenses) | (569) | 94 | N.M | (499) | 414 | N.M |
| EBITDA (excluding IPO related expenses) | (107) | 636 | N.M | 529 | 1,606 | (67.1%) |

N.M - Not meaningful

CMC Infocomm announced net profit attributable to owners of the Company of S\$94,000 in the second half of the financial year ended 31 May 2016 (“**2HFY2016**”), compared to losses of S\$1.6 million in the first half of the financial year ended 30 November 2015 (“**1HFY2016**”). EBITDA of the Group (excluding IPO related expenses) increased to S\$636,000 in 2HFY2016 as compared to loss of S\$107,000 in 1HFY2016.

For FY2016, CMC Infocomm reported revenue of S\$18.2 million and a net loss of S\$1.5 million. Revenue increased 11.6% from FY2015 mainly due to higher revenue contribution from its subsidiaries in Singapore and the Philippines arising from In-Building Coverage projects.

The increase in revenue was partially offset by a decrease in revenue contribution from its Thailand subsidiary, which was mainly due to a delay in the commencement of projects. The delay was attributed to

¹ <https://www.idc.com/getdoc.jsp?containerId=prAP41533516>

customers focusing on upgrading their existing system to cater for the new technologies to be installed for them.

In FY2016, Singapore was the largest revenue contributor, accounting for 71.0% of revenue, followed by Thailand at 19.4% and the Philippines at 9.6%.

Executive Director and CEO of CMC Infocomm, Mr. Kevin Phua said, “While our results in the current financial year was affected by higher one-off IPO related expenses and higher overhead expenses, CMC Infocomm remains operationally strong, with growth in revenue and a profitable 2HFY2016.

Over the last year, we have laid the platform for growth. Going forward, we see three main growth drivers: 1) Securing larger-scale projects; 2) Strengthening our regional presence; and 3) Expansion into new and complementary businesses.

We have already seen these efforts translating into new contract wins and gaining a foothold in the Philippines through the joint venture this month. In addition, we are also pleased to mention that we have secured our maiden contract with the Infocomm Development Authority of Singapore (“IDA”) earlier this year to conduct an audit on the quality of 3G mobile service in Singapore. We see the potential to build this capability and offer this service in other countries where we operate.”

Business Highlights

Since its listing in August 2015, the Group has embarked on plans to expand its current businesses geographically and into new and complementary businesses.

On 14 July 2016, CMC Infocomm announced that it secured S\$3.8 million worth of contracts for cellular network engineering and maintenance projects with the leading mobile operators in the region, which are expected to complete over the next two years.

In March 2016, the Company was awarded its maiden contract with the IDA to measure the quality of 3G mobile service in Singapore. This is expected to provide recurring income over the 2-year contract period.

In October 2015, CMC Infocomm acquired a subsidiary in Malaysia to explore business opportunities in the provision of integrated and innovative communications solutions and services to customers in Malaysia. Following the acquisition, the team will focus on building its market presence through various business development channels as well as leveraging on the existing business network of one of its major shareholders in Malaysia.

Outlook

The Group will continue its effort in marketing to its existing customers based in Singapore, Thailand and the Philippines, as well as in delivering its existing projects expeditiously. The Group remains cautious amid the prevailing economic uncertainties and will be selective in pursuing projects and investment opportunities as part of its expansion plan into new and complementary businesses in Singapore, Thailand, Malaysia and the Philippines

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*This press release has been prepared by CMC Infocomm Limited (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 "**SGX-ST**"). The Sponsor has not independently verified the contents of this press release.*

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

The contact person for the Sponsor is Ms. Tan Pei Woon (Telephone: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.

ABOUT CMC INFOCOMM LIMITED (BLOOMBERG: CMC SP | REUTERS: CMCI SI)

CMC Infocomm Limited (“**CMC Infocomm**”, and together with its subsidiaries, the “**Group**”) is a regional integrated and innovative communications solutions and services provider with operations in Singapore, Thailand and the Philippines. Our business comprises four main segments as follows:

(i) In-Building Coverage -

Provision of full-turnkey in-building coverage services from planning and design to construction and implementation of customers’ indoor mobile network infrastructure;

(ii) Outdoor Construction -

Provision of full-turnkey services from planning and design to construction and implementation of customers’ outdoor mobile network infrastructure;

(iii) Telecommunications Implementation –

Provision of telecommunications implementation works for the installation and commissioning of radio base transceiver stations; and

(iv) Maintenance Services –

Provision of corrective and preventive maintenance services to ensure network reliability and minimal network disruptions.

Over the years, CMC Infocomm has established a firm reputation in providing consistent and reliable solutions and services. With over 20 years of experience in the telecommunications industry, CMC Infocomm has completed numerous projects in Singapore, Thailand and the Philippines since 2011. In 2015, CMC Infocomm acquired a subsidiary in Malaysia to explore business opportunities in the provision of integrated and innovative communications solutions and services to customers in Malaysia.

CMC Infocomm was listed in August 2015 on the Catalist Board of the SGX-ST. For more information, please visit the company website at www.cmcinfocomm.com.

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