

MANDATORY UNCONDITIONAL CASH OFFER

by

YINDA PTE. LTD.

(Company Registration No.: 201617623D)
(Incorporated in the Republic of Singapore)
("Offeror")

to acquire all the issued and paid-up ordinary shares in the capital of

CMC INFOCOMM LIMITED

(Company Registration No.: 201506891C)
(Incorporated in the Republic of Singapore)
("Company")

other than those already owned, controlled or agreed to be acquired by
Yinda Pte. Ltd. and parties acting in concert with it

OFFER ANNOUNCEMENT

1. INTRODUCTION

1.1. The Acquisition

The Offeror has on 5 May 2017 entered into a sale and purchase agreement ("**Share Purchase Agreement**") with TEE International Limited ("**TEE**") and CMC Engineering Sdn. Bhd. ("**CMCE**", together with TEE, "**Vendors**") and acquired an aggregate of 113,104,000 Shares from the Vendors at S\$0.095 per Share (the "**Acquisition**") representing approximately 74.41% of all the ordinary shares in the capital of the Company ("**Shares**"). Completion of the Acquisition took place on 5 May 2017.

As at the date of this announcement, the Offeror and its concert parties hold an aggregate of 113,104,000 Shares representing approximately 74.41% of all the Shares in the capital of the Company.

1.2. Mandatory Offer

The Offeror will, in accordance with Section 139 of the Securities and Futures Act, Chapter 289 of Singapore and Rule 14 of the Singapore Code on Takeovers and Mergers (the "**Code**"), make a mandatory unconditional cash offer for all the Shares ("**Offer**"), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with it ("**Offer Shares**").

2. THE OFFER

2.1. The Offer Terms

In accordance with Rule 14 of the Code, the Offeror will make the Offer for all the Offer Shares subject to and on the following principal terms and conditions:

(a) **Offer Price.** The consideration for each Offer Share will be as follows:

For each Offer Share: S\$0.095 in cash ("Offer Price").

(b) **No Encumbrances.** The Offer Shares will be acquired:

(i) fully paid-up;

- (ii) free from all liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever; and
- (iii) together with all rights, benefits and entitlements attached thereto as at the date of this announcement and thereafter attaching thereto (including the right to receive and retain all dividends, rights and other distributions or return of capital, if any, which may be announced, declared, paid or made thereon by the Company) on or after the date of this announcement.

If any dividend, right or other distribution or return of capital is announced, declared, paid or made by the Company on or after the date of this announcement, the Offeror reserves the right to reduce the Offer Price by an amount equivalent to such dividend, right, other distribution or return of capital.

2.2. Undertaking from Vendors not to accept the Offer

Under the Share Purchase Agreement, each Vendor has irrevocably and unconditionally undertaken to the Offeror not to accept the Offer in respect of the remaining 7,448,000 Shares held by each of them ("**Remaining Shares**") after completion of the Acquisition, and that they shall not transfer, sell or otherwise dispose of, or encumber the Remaining Shares for a period of six (6) months from the date of completion of the Acquisition.

3. FINANCIAL EVALUATION OF THE OFFER

The Offer Price represents the following premium over the historical transacted prices of the Shares on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"):

	Benchmark Price ⁽¹⁾⁽²⁾ (S\$)	Premium over Benchmark Price %
Last transacted price per Share on 5 May 2017, being the last trading day preceding the date of this announcement	0.0800	18.8
VWAP per Share for the one month period up to and including 5 May 2017	0.0706	34.6
VWAP per Share for the three month period up to and including 5 May 2017	0.0728	30.5

Source: Data extracted from Reuters as at 5 May 2017, being the last trading day preceding the date of this announcement.

Note(s):

- (1) Excludes off-market share transactions.
- (2) Rounded to the nearest four (4) decimal places.

4. INFORMATION ON THE OFFEROR

The Offeror is a private limited company incorporated in Singapore, and is a wholly-owned subsidiary of Shanghai Yinda Science and Technology Industrial Co Ltd ("**Shanghai Yinda**"). As at the date of this announcement, the Offeror has an issued share capital of S\$1,722,451.00 comprising 1,722,451 issued ordinary shares and the directors of the Offeror are Qian Zhongcheng, Qian Zimin and Song Xingyi.

Shanghai Yinda is held by Shanghai Yinda Technology Group Co Ltd ("**Shanghai Yinda Group**") (60%), Song Xingyi (20%) and Qian Zhongcheng (20%). Shanghai Yinda Group is in turn held by Song Xingyi (47.8%), Wang Hua (37.0%) and Wang Zhijun (15.2%).

Shanghai Yinda Group is engaged in the information technology, telecommunications and related businesses.

5. INFORMATION ON THE COMPANY

Based on publicly available information, the Company is incorporated in Singapore and listed on the Catalist Board of the SGX-ST. The Company and its subsidiaries ("**Group**") provide integrated communication solutions and services to communications network operators and communication network equipment vendors in Singapore, Malaysia, Thailand and Philippines. The Group's business is divided into four main segments, namely in-building coverage, outdoor construction, telecommunications implementation and maintenance services.

Based on a search conducted at the Accounting and Corporate Regulatory Authority of Singapore, the Company has an issued and paid-up share capital of S\$14,965,218 comprising 152,000,000 Shares.

Additional information on the Company can be found at its corporate website at <http://www.cmcinfocomm.com/>.

6. RATIONALE FOR THE OFFER

The Offer is made by the Offeror to comply with Rule 14.1 of the Code.

7. INTENTION OF THE OFFEROR

7.1. Listing Status and Compulsory Acquisition

Pursuant to Rule 1104 of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**"), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and parties acting in concert with it to above 90% of the total number of issued Shares (excluding any Shares held in treasury), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until it is satisfied that at least 10% of the total number of issued Shares (excluding any Shares held in treasury) are held by at least 200 shareholders who are members of the public (the "**Free Float Requirement**"). Rule 1303(1) of the Catalist Rules provides that if the Offeror succeeds in receiving acceptances exceeding 90% of the total number of issued Shares (excluding any Shares held in treasury), thus causing the percentage of the total number of issued Shares (excluding any Shares held in treasury) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

Under Rule 724(1) of the Catalist Rules, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be delisted.

The Offeror's present intention is to maintain the listing status of the Company. However, in the event the Free Float Requirement is not satisfied at the close of the Offer, the Offeror will assess the options available at that time.

Pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore (the "**Companies Act**"), in the event that the Offeror acquires not less than 90% of the total

number of issued Shares as at the close of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding any Shares held in treasury), the Offeror would be entitled to exercise the right to compulsorily acquiring all the Shares from shareholders of the Company who have not accepted the Offer at a price equal to the Offer Price.

In addition, pursuant to Section 215(3) of the Companies Act, if the Offeror acquires such number of Shares which, together with the Shares held by it, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares as at the close of the Offer, the shareholders of the Company who have not accepted the Offer have a right to require the Offeror to acquire their Shares at the Offer Price. Such shareholders of the Company who wish to exercise such a right are advised to seek their own independent legal advice.

As stated above, the Offeror's present intention is to maintain the listing status of the Company. However, if the Offeror receives acceptances pursuant to the Offer in respect of not less than 90% of the total number of Offer Shares in issue as at the close of the Offer (other than those already held by the Offeror, its related companies and their respective nominees as at the date of the despatch of the Offer Document (defined below)), the Offeror will consider whether or not to exercise its rights of compulsory acquisition under section 215(1) of the Companies Act to acquire those Offer Shares not acquired by the Offeror pursuant to the Offer.

- 7.2. Save as disclosed in this Announcement, the Offeror presently has no intention to (a) introduce any major changes to the business of the Company; (b) redeploy the fixed assets of the Company; or (c) discontinue the employment of the employees of the Company, other than in the ordinary course of business. However, the Offeror retains the flexibility at any time to consider any options or opportunities in relation to the Company which may present themselves.

8. CONFIRMATION OF FINANCIAL RESOURCES

UOB Kay Hian Private Limited has confirmed that sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Offer on the basis of the Offer Price.

9. OFFER DOCUMENT

Further information on the Offer will be set out in the offer document to be issued by the Offeror (the "**Offer Document**"). The Offer Document which will set out the full terms and conditions of the Offer and enclose the appropriate form(s) of acceptance of the Offer, will be despatched to the shareholders of the Company not earlier than 14 days and not later than 21 days from the date of this announcement. The Offer will remain open for acceptances by shareholders of the Company for a period of at least 28 days from the date of posting of the Offer Document.

Shareholders of the Company are advised to exercise caution when dealing in their Shares, pending receipt of the Offer Document.

10. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

10.1. Shareholdings

Save for the acquisition of Shares under the Share Purchase Agreement, based on the latest information available to the Offeror, as at the date of this announcement, none of (i) the Offeror and its directors, (ii) Shanghai Yinda and its directors and (iii) Shanghai Yinda Group and its directors (collectively the "**Relevant Parties**" and each a "**Relevant Party**):

- (a) owns, controls or has agreed to acquire any convertible securities, warrants, options or derivatives in respect of the Offer Shares or securities which carry voting rights in the Company (collectively, "**Relevant Securities**");
- (b) has dealt for value in any Relevant Securities during the period commencing 6 months prior to the date of this announcement ("**Reference Period**");
- (c) has received any irrevocable undertaking from any party to accept the Offer; and
- (d) has, in relation to the Relevant Securities:
 - (i) granted any security interest to another person, whether through a charge, pledge or otherwise;
 - (ii) borrowed from another person (excluding borrowed Relevant Securities which have been on-lent or sold); or
 - (iii) lent to another person.

10.2. Further Enquiries

In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other persons who are or may be presumed to be acting in concert with the Offeror in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures will be made in due course subsequently and in the Offer Document.

11. OVERSEAS SHAREHOLDERS

11.1. Overseas Jurisdictions

This announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this announcement in any jurisdiction in contravention of applicable law. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted.

The release, publication or distribution of this announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction ("**Restricted Jurisdiction**") and the Offer will not be made to, nor will the Offer be capable of acceptance by, any person within any Restricted Jurisdiction if the offer to and/or acceptance by such person will violate the laws of the Restricted Jurisdiction. Persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The ability of the shareholders of the Company who are not resident in Singapore to accept the Offer may be affected by the laws of the relevant jurisdictions in which they are located. Persons who are not resident in Singapore should inform themselves of, and observe, any applicable requirements.

12. RESPONSIBILITY STATEMENT

The directors of the Offeror, Shanghai Yinda and Shanghai Yinda Group (including any who may have delegated detailed supervision of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or publicly available sources (including, without limitation, in relation to the Company), the sole responsibility of the directors of the Offeror, Shanghai Yinda and Shanghai Yinda Group has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this announcement.

Issued by
YINDA PTE. LTD.

7 May 2017