

M1 LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199206031W)

ANNOUNCEMENT

PROPOSED ACQUISITION OF ASIAPAC DISTRIBUTION PTE. LTD.

Pursuant to Rule 704(17)(c) of the Listing Manual, the Board of Directors of M1 Limited (“**Company**”) wishes to announce that it has, through its wholly-owned subsidiary, M1 Net Ltd., today entered into a Share Purchase Agreement (“**SPA**”) to acquire 100% of the issued and paid-up ordinary shares of AsiaPac Distribution Pte. Ltd. (“**AsiaPac**”) from AsiaPac’s existing shareholders (“**Vendors**”). The proposed acquisition of AsiaPac (“**Proposed Acquisition**”) is subject to the satisfaction of completion conditions set out in the SPA.

Upon completion of the Proposed Acquisition (“**Completion**”), AsiaPac will become an indirect wholly-owned subsidiary of the Company.

AsiaPac is an established provider of information technology (IT) devices and services to enterprise and public sector customers in Singapore, and has expertise in enterprise solutions, systems integration and cloud related services. The Proposed Acquisition will fast track the Company’s entry into the information and communications technology (ICT) segment and enhance its proposition as an integrated corporate ICT solutions provider.

The aggregate purchase price (“**Aggregate Purchase Price**”) for the Proposed Acquisition will be up to S\$20.0 million, and will be payable in cash as follows:

- (a) An amount of S\$8.0 million will be payable to the Vendors upon Completion; and
- (b) Following Completion, further amounts of up to an aggregate of S\$12.0 million may be payable to the Vendors by way of earn-out payments, subject to the terms and conditions in the SPA, based on AsiaPac’s audited net profit after tax for its financial years up to and ending on 30 June 2019.

Under the SPA, AsiaPac shall have a net tangible asset value of at least S\$3,000,000 as at Completion (“**Minimum NTA**”). The Aggregate Purchase Price was arrived at following negotiations between the parties on a willing buyer, willing seller basis, taking into account various factors such as the Minimum NTA requirement, AsiaPac’s customer base and business prospects, and the synergistic benefits of the Proposed Acquisition for the M1 Group.

The Proposed Acquisition will be funded by internal resources, and is not expected to have any material effect on the earnings per share and net tangible assets per share of the M1 Group for the financial year ending 31 December 2018.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition.

By Order of the Board

Karen Teo
Company Secretary
27 June 2018