

**KONNECTIVITY PTE. LTD.**

(Reg. No. 201832874H)

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Tel: 62706666 Fax: 64136352

15 March 2019

To: Holders ("**Optionholders**") of outstanding options ("**Options**") granted under the M1 Share Option Scheme 2002 and the M1 Share Option Scheme 2013 (collectively, the "**Option Schemes**")

Dear Sir/Madam

**Compulsory Acquisition of Shares in M1 Limited ("M1" or the "Company") pursuant to Section 215(1) of the Companies Act, Chapter 50 of Singapore ("Companies Act") by Konnectivity Pte. Ltd. (the "Offeror") and rights pursuant to Section 215(3) of the Companies Act**

**1. Introduction**

**1.1 Offer.** We refer to:

- 1.1.1 the offer document (the "**Offer Document**") dated 7 January 2019 (the "**Commencement Date**") in relation to the voluntary conditional general offer (the "**Offer**") by us for all the issued and paid up ordinary shares in the capital of M1 (excluding treasury shares) ("**Shares**"), other than those Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees. The Offer has since been declared unconditional in all respects on 15 February 2019;
- 1.1.2 the letter (the "**Options Proposal**") dated 7 January 2019 setting out the proposal made by us to the Optionholders and enclosing an acceptance form for the Options Proposal (the "**Acceptance Form**"); and
- 1.1.3 the letter to Shareholders (the "**Compulsory Acquisition Letter**") dated 15 March 2019 setting out our intention to exercise our right of compulsory acquisition under Section 215(1) of the Companies Act and enclosing a Notice to Dissenting Shareholder in the form prescribed under the Companies Act (the "**Form 57**") and a Notice to Non-Assenting Shareholder in the form prescribed under the Companies Act (the "**Form 58**").

All capitalised terms used and not defined herein shall have the same meanings given to them in the Offer Document.

**If you have already (i) accepted the Options Proposal in respect of all of your Options in accordance with the terms and conditions of the Options Proposal, or (ii) exercised all of your Options in accordance with the terms of the Option Schemes prior to the date of this letter, please disregard this letter.**

Electronic copies of the Offer Document, the Options Proposal (including the Acceptance Form) and the Compulsory Acquisition Letter (including the Form 57 and the Form 58) are available on the website of the SGX-ST at [www.sgx.com](http://www.sgx.com).

**1.2 Holdings of Shares.** As announced on 6 March 2019, as at 5.00 p.m. (Singapore time) on 6 March 2019, the total number of Shares owned, controlled or agreed to be acquired by us and parties acting or deemed to be acting in concert with us (including valid acceptances of the Offer) amount to an aggregate of 854,143,523 Shares, representing approximately 92.20 per cent. of all the Shares in issue<sup>1</sup>.

## **2. Compulsory Acquisition under Section 215(1) of the Companies Act**

As we have received valid acceptances pursuant to the Offer or otherwise acquired Shares following the Commencement Date other than through valid acceptances of the Offer in respect of not less than 90 per cent. of the total number of issued Shares (other than those already held by us, our related corporations or respective nominees as at the Commencement Date), we are entitled, and as stated in the Offer Document and announced on 6 March 2019, intend, to exercise our right of compulsory acquisition under Section 215(1) of the Companies Act (the “**Compulsory Acquisition Exercise**”) to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer at the Offer Price of S\$2.06<sup>2</sup> in cash for each Share and on the same terms and conditions of the Offer. We will then proceed to delist the Company from the SGX-ST.

We will exercise the right of compulsory acquisition to acquire all the Shares held by Shareholders who have not accepted the Offer on or about 16 April 2019 (the “**Transfer Date**”), being the date after the expiration of one month from the date of the Form 57 which has been despatched to Shareholders today, together with the Compulsory Acquisition Letter and the Form 58, subject to and on the terms set out in the Form 57 and the provisions of Section 215(4) of the Companies Act.

## **3. Effect of Compulsory Acquisition on Optionholders**

**3.1 Provisions of the Option Schemes.** Pursuant to Rule 8.1 of each of the Option Schemes, where we become entitled or bound to exercise rights of compulsory acquisition under the provisions of the Companies Act and, being entitled to do so, give notice to Optionholders that we intend to exercise such rights on a specified date, your Options shall remain exercisable by you until the expiry of such specified date or the expiry of the exercise period of your Options as provided under the Option Schemes, whichever is earlier. Any Options not so exercised into new Shares shall lapse on the completion of the Compulsory Acquisition Exercise.

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<sup>1</sup> Calculated based on 926,409,782 Shares, based on the business profile of the Company extracted from the Accounting and Corporate Regulatory Authority of Singapore on 6 March 2019, and rounded to the nearest two (2) decimal places.

<sup>2</sup> Such price is subject to, and may be adjusted pursuant to, the terms and conditions set out in the Offer Document, including paragraph 2.5 (Adjustments for Distributions) of the Offer Document.

**3.2 Lapse of Options.** Accordingly, we are writing to inform you that we are exercising our right of compulsory acquisition under Section 215(1) of the Companies Act on the Transfer Date and if you do not:

**3.2.1** tender all your Options in acceptance of the Options Proposal by 5.30 p.m. (Singapore time) on 18 March 2019 (the “**Closing Date**”); or

**3.2.2** exercise all your Options into new Shares by the Transfer Date,

your Options shall lapse upon the completion of the Compulsory Acquisition Exercise.

**3.3 Acceptance of the Options Proposal.** Should you wish to tender all your Options in acceptance of the Options Proposal, please:

**3.3.1** complete and sign the Acceptance Form that was despatched to you on 7 January 2019, in accordance with the provisions and instructions in the Options Proposal and the Acceptance Form; and

**3.3.2** deliver the completed and signed Acceptance Form at your own risk to Connectivity Pte. Ltd. c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 so as to arrive no later than 5.30 p.m. (Singapore time) on the Closing Date.

No acknowledgement of receipt of documents will be given.

**3.4 Exercise of Options.** Alternatively, if the Options that you hold are, as at the date of this letter, exercisable into Shares and you wish to exercise your Options, please reach out to the Company or refer to the rules of the Option Schemes (as the case may be) for the relevant procedure for doing so.

#### **4. Delisting**

**4.1 Listing Status of M1.** Rule 723 of the Listing Manual requires M1 to ensure that at least 10 per cent. of the total number of Shares (excluding treasury shares) is at all times held by the public (the “**Free Float Requirement**”). As announced on 27 February 2019 and based on the latest information available to us and to the best of our knowledge, the Free Float Requirement is no longer satisfied, and as stated in the Offer Document, we have no intention of preserving the listing status of M1 and undertaking or supporting any action to satisfy the Free Float Requirement or for any trading suspension by the SGX-ST to be lifted.

**4.2** Pursuant to Rule 1303(1) of the Listing Manual, the SGX-ST will suspend trading of the Shares on the SGX-ST at the close of the Offer. M1 will be delisted from the SGX-ST upon the completion of the Compulsory Acquisition Exercise. The date on which M1 will be delisted from the SGX-ST will be announced in due course.

**5. General**

**If you are in any doubt about any of the matters referred to in this letter, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.**

**6. Responsibility Statement**

The directors of the Offeror (including any director who may have delegated detailed supervision of the preparation of this letter) have taken all reasonable care to ensure that the facts stated and opinions expressed in this letter are fair and accurate and that there are no other material facts not contained in this letter, the omission of which would make any statement in this letter misleading.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from M1, the sole responsibility of the directors of the Offeror has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this letter.

The directors of the Offeror jointly and severally accept responsibility accordingly.

Yours faithfully  
For and on behalf of  
**Konnectivity Pte. Ltd.**

A handwritten signature in black ink, appearing to read 'Lamy Sebastien Francois', with a horizontal line underneath.

Lamy Sebastien Francois  
Director