
**BOARD OF DIRECTORS' RESOLUTION TO PLACE THE COMPANY
UNDER CREDITORS' VOLUNTARY LIQUIDATION**

The board of directors (the "**Board**") of DMX Technologies Group Limited (the "**Company**" and collectively with its subsidiaries, the "**Group**") wishes to announce that as at the date of the announcement, the Board has assessed the current situation of the Company and decided to propose placing the Company under creditors' voluntary liquidation for the best interest of shareholders and other stakeholders. The Board has considered the following in arriving at its decision:

- (a) as disclosed in the Disclosure Report announced on 22 April 2016 ("**Disclosure Report**"), when DMX changed its external auditor to PwC, the Transactions in Question (as defined in the Disclosure Report) ("**TIQ**") were detected and additional information regarding the substantiality of TIQ was requested by PwC during the audit for the financial year ended 31 December 2014. However, the Company was not able to meet this request. TIQ were executed by the Company's former management and a large portion of the Group's revenue and profits came from TIQ. Assuming that TIQ were excluded, cumulative losses of more than US\$90 million were incurred and more than US\$130 million of cash was drained from the Company from the financial year ended 31 December 2010 to the financial year ended 31 December 2015. The Company subsequently filed lawsuits against the former management for breach of the fiduciary duties and/or duties of care on 7 April 2016 and as announced on 6 October 2017, the Company commenced legal action in the High Court of the Republic of Singapore on 5 October 2017 against Deloitte for a claim for loss and damage suffered as a result of the professional negligence of Deloitte and will be seeking unliquidated damages to be assessed; and
- (b) the Board has tried to streamline the Group's operations but the Company's operations are still loss-making due to among others, its audit and legal costs, as well as other expenses necessary to ensure compliance with the listing rules; and
- (c) the Company was not able to obtain an exit offer from other parties including its shareholders.

Given the above, the Directors believe that the proposed creditors' voluntary liquidation represents a practicable means to allow the Shareholders to exit their position in the Company and, to the extent that there are any surplus assets remaining after payment to all creditors, receive a distribution in cash. There is, however, no assurance that a cash distribution can, or will be, made to shareholders.

The Company will be convening a special general meeting for the purposes of initiating the voluntary winding-up. A circular containing, among others, further details will be despatched to shareholders in due course.

As per the announcement released on 22 December 2017, the Company will hold its annual general meeting for the financial years ended 31 December 2014, 31 December 2015 and 31 December 2016 (the "**AGM**") by 31 January 2018. The Company will release further details on the AGM in due course.

Shareholders are advised to exercise caution when dealing in the securities of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests.

By Order of the Board

Iwao Oishi
Executive Director, Vice Chairman and Acting Chief Executive Officer
15 January 2018