

8TELECOM INTERNATIONAL HOLDINGS CO. LTD.

(Incorporated in Bermuda on 5 January 2004 with limited liability)

(Company Registration No. 34713)

(the “**Company**”)

QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL

8Telecom International Holdings Co. Ltd. (the “**Company**”) has been placed on the watch-list with effect from 5 June 2017, pursuant to Rule 1311 of the SGX-ST Listing Manual. In accordance with Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors of the Company would like to provide the following quarterly update on the Company, together with its subsidiaries (collectively, the “**Group**”).

Update on Financial Situation

The Group has today released its unaudited financial statements for the first quarter ended 31 March 2018 (“**1Q2018**”) (“**1Q2018 Announcement**”). Shareholders should refer to the 1Q2018 Announcement for further details.

The Group’s revenue was \$50,000 for 1Q2018 due to the projects secured by its subsidiary, Arete M Pte. Ltd. (“**Arete M**”). However, the administrative expense increased significantly from \$541,000 in the 1Q2018 to \$656,000. This is due to the holding company currently exploring new business opportunities, and accordingly investing in a new office, hiring more staff and engaging more professionals for advice. At the same time, higher costs had also been incurred due to Arete M’s business expanding.

The Group recorded total comprehensive loss of \$0.63 million, being around \$100,000 more than the total comprehensive loss generated during the same period in 2017.

Update on Future Direction

As set out in the Group’s 1Q2018 Announcement, with reference to the proposed acquisition by the Company of 51% of the entire issued and paid-up share capital of (1) China Commodity Market Pte. Ltd. and (2) China Commodity Shopping Centre Pte. Ltd. as announced by the Group on 8 March 2018, the Group is currently seeking the SGX-ST’s approval for the circular in relation to, amongst others, the Proposed Acquisition.

The Group is anticipating revenue from Arete M’s fire installation contract works and project management work. In the interim, Arete M is currently exploring business opportunities and is still in the process of working closely with its prospective customers to develop and build its network solution business in Singapore as well as in the region. Accordingly, the Group is looking at other avenues to assist in funding of Arete M.

The Group is aware of the deadline given by the SGX-ST for its removal from the watch-list and as set out above, the Group is actively trying to improve its financial position. The Group will endeavour to meet the requirements of Rule 1314 of the Listing Manual to be removed from the watch-list.

The Group will continue to update shareholders on any material developments and make such necessary announcements as and when appropriate.

BY ORDER OF THE BOARD

Wang Zhejun
Executive Director

15 May 2018