
Announcement of Commencement of Proceedings against
Shenzhen Winscom Industrial Company Limited (深圳市维新康实业有限公司)

*Unless otherwise defined herein, all capitalised terms herein shall have the same meanings ascribed to them in the Company's announcement dated 22 April 2016 (the "**22 April Announcement**").*

The board of directors (the "**Board**") of DMX Technologies Group Limited (the "**Company**") refers to the 22 April Announcement relating to *inter alia*, the disclosure report on the Initial Investigations, and the update on the material actions taken by the Company as of 22 April 2016 and the steps to be taken by the Company going forward.

As highlighted in the 22 April Announcement, the unaudited account receivables and other receivables due to the Company from Shenzhen Winscom Industrial Company Limited (深圳市维新康实业有限公司) ("**Winscom**") for FY2014 amounted to approximately US\$190 million (the "**Outstanding Amount**").

In view of the above, the Board wishes to announce that the Company's indirect wholly-owned subsidiary, DMX Technologies (Hong Kong) Limited ("**DMX HK**"), has commenced proceedings against Winscom in the Shenzhen Qianhai Cooperation Zone People's Court on 28 September 2016, for the amount of US\$1,182,784, ("**Recoverable Amount**") being the amount owed by Winscom to DMX HK pursuant to a contract entered into between DMX HK and Winscom on 8 October, 2014. The Company is currently evaluating its ability to collect the amount comprising the difference between the Outstanding Amount and the Recoverable Amount.

The Company will make further announcements as appropriate of any material developments in relation to this matter.

Shareholders are advised to exercise caution when dealing with the Company's securities. Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Iwao Oishi
Executive Director, Vice Chairman, and Acting Chief Executive Officer
Date: 29 September 2016