

# 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 on 14 March 2018 released its unaudited financial statements for the full year ended 31 December 2017 (“**FY2017 Announcement**”). Shareholders should refer to the FY2017 Announcement for further details.

The Group’s revenue has increased from \$11,000 to \$727,000 due to the increased projects secured by its subsidiary, Arete M Pte. Ltd. (“**Arete M**”). Its selling expenses decreased from \$177,000 to \$57,000 despite the increase in revenue. However, the administrative expense increased significantly from \$1.35 million to \$2.42 million. 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 administrative expenses had also been incurred due to Arete M’s business expanding.

The Group recorded total comprehensive loss of \$2.15 million as compared to total comprehensive loss of \$27.68 million generated during the same period in 2016.

### Update on Future Direction

As set out in the Group’s FY2017 Announcement, whilst the Group remains committed to assist Arete M Pte. Ltd. in securing sufficient capital to support its future growth in the information-communication services industry, it has also been exploring for new business so as to increase revenue streams. In the event that the Company continues to be unable to secure new financing to support Arete M Pte. Ltd.’s growth plan so that it becomes profitable, the Board may consider disposing Arete M Pte. Ltd. If so, we will update shareholders on the same in accordance with the requirement of the SGX-ST Listing Rules.

As part of the Group’s effort to increase its revenue stream, the Company has entered into a conditional sale and purchase agreement on 8 March 2018 with Letu Investment Pte. Ltd. and New Pacific Trading Pte. Ltd. (collectively, the “**Vendors**”) pursuant to which the Vendors propose to sell, and the Company acquires, 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. (the “**Proposed Acquisition**”).

In connection with the Proposed Acquisition, the Board intends to seek the approval of shareholders of the Company for the Company to diversify into the proposed new business (the “**Proposed Diversification**”) as follows:

- (a) the ownership, operation and management of supermarkets and department stores retailing food (including wet and dry foods) and beverages, general merchandise such as household products and toiletries, stationary, electrical appliances, cosmetics, apparel and footwear (the “**Products**”), including physical stores and web-stores on online platforms;
- (b) the sale, distribution and delivery of the Products to other businesses and consumers;
- (c) ownership, acquisition, operation and maintenance of factories manufacturing the Products, and warehouses involved in the storage and distribution of the Products; and

(d) development, ownership and acquisition of such related technology,  
(the “**Proposed New Business**”).

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

20 March 2018