

8TELECOM INTERNATIONAL HOLDINGS CO. LTD.

(Incorporated in Bermuda)
(Company Registration No. 34713)
(the “**Company**”)

APPROVAL FOR APPLICATION FOR WAIVER TO COMPLY WITH RULE 705(1) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”) (THE “LISTING MANUAL”) AND EXTENSION OF TIME

The Board of Directors (the “**Board**”) of 8Telecom International Holdings Co. Ltd (the “**Company**”) refers to the Company’s earlier announcement dated 1 March 2018 (“**1 March Announcement**”) regarding the Company’s application to Singapore Exchange Trading Limited (the “**SGX-ST**”) for a waiver from 705(1) of the Listing Manual of the SGX-ST and for an extension of two (2) weeks to announce the Company’s FY2017 Results. Capitalised terms in this announcement shall have the same meanings as ascribed to them in the 1 March Announcement unless otherwise defined.

The SGX-ST has today informed the Company that it has no objections to the Company’s application for the Company’s application for the Extension, subject to the following:

- (a) the Company announcing the Extension granted, the Company’s detailed reasons for making the Extension application on 1 March 2018, including the Company’s explanation to the SGX-ST for making the submission on the last day for financial reporting, and the conditions as required under Listing Rule 107; and
- (b) submission of a written confirmation from the Company that it is not aware of any of any information that will have a material bearing on investors’ decision which has yet to be announced by the Company prior to the release of its FY2017 Results on 14 March 2018.

The Company will provide the written confirmation required under sub-paragraph (b) above to the SGX-ST in due course.

Further to the 1 March Announcement and in line with sub-paragraph (a) above, the Board wishes to elaborate on the reasons for the Extension:

- (i) The audit committee of the Company (the “**AC**”) had held its meeting on 28 February 2018 and it had then been brought to the attention of the AC two matters, which had caused them to feel uncomfortable. Firstly, there had been a change in the use of Placement proceeds without prior Board approval, and although management had a good reason and the AC is able to understand the rationale behind their actions, they nevertheless deem such change in use of Placement proceeds as a breach of corporate governance and internal controls. Secondly, arising from the change in the use of Placement proceeds, the AC further realised that some expenses had not been correctly classified, making them feel extremely uncomfortable and accordingly, the AC had thereupon immediately requested for the incoming new auditors (“**Incoming Auditors**”) of the Company to be present at an AC meeting. This AC meeting was held on 1 March 2018, whereupon the AC had requested for the Incoming Auditors to guide the Group’s finance team and review the FY2017 Results to verify the usage of proceeds, and to ensure that the usage had been documented and correctly classified. Upon review, together with the Incoming Auditors, of the FY2017 Results, documentary evidence of certain transactions were requested for, but were not immediately available. At the meeting, the AC was trying to work through the FY2017 results to see if it was still possible to release the announcement in time on 1 March 2018. However, the AC ultimately took the prudent approach to have the Incoming Auditors conduct a more thorough review and check on the FY2017 Results. This decision was only made around 9.30 pm on 1 March 2018. Time was also required in order to prepare the extension application for submission to SGX.

The net proceeds of the Placement are approximately \$986,960 (the “**Net Proceeds**”) and to date, as announced by the Company on 8 March 2018, the Net Proceeds have been fully

utilised. Further details on the Company's change in use of placement proceeds have been set out in the Company's announcement dated 8 March 2018.

- (ii) As abovementioned, while the AC understood the intentions of management behind the change in use of Placement proceeds, it is of the view that there must not be a repeated instance of this, management has accordingly provided an undertaking that there shall be no change in use of any proceeds, unless Board approval has been obtained. The AC had also requested for one of the independent directors to be a co-authorised signatory to the Company's accounts as a further safeguard. Accordingly, management has agreed and will be adding Ms Zhang Yuanyuan, an independent director of the Company, as an authorised signatory to the Company's bank account. Further details on the Company's change in use of placement proceeds have been set out in the Company's announcement dated 8 March 2018.
- (iii) The AC and management considers in any event, with the hiring of the Finance Manager and given that she has now been with the Company for five (5) months and has become familiar with the Company's business, that the Company is for the time being adequately resourced. Upon completion of the proposed acquisition of 51% of the total issued and paid-up share capital of China Commodity Market Pte. Ltd. and China Commodity Shopping Centre Pte. Ltd. as announced by the Company on 8 March 2018, the Group will be larger and would accordingly require more resources. In light thereof, the Company plans to hire a Chief Financial Officer in time to come. It had also previously been unable to do so due to a lack of interest, given that the Group did not have much operations and would not have been able to offer competitive remuneration at market standards. Further details on the Company's proposed acquisition of 51% of the total issued and paid-up share capital of China Commodity Market Pte. Ltd. and China Commodity Shopping Centre Pte. Ltd. have been set out in the Company's announcement dated 8 March 2018.

The Company had on 14 March 2018, announced its FY2017 Results.

BY ORDER OF THE BOARD

Wang Zhejun
Executive Director

26 March 2018