

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 second quarter ended 30 June 2018 (“**2Q2018**”) (“**2Q2018 Announcement**”). Shareholders should refer to the 2Q2018 Announcement for further details.

The Group’s revenue was \$145,000 for 2Q2018 due to projects secured by its subsidiary, Arete M Pte. Ltd. (“**Arete M**”). The Group’s administrative expenses however has increased to \$674,000 this quarter. The change is mainly due to the holding company exploring new business opportunities and accordingly investing in a new office, hiring more staff and engaging more professionals for advice.

The Group recorded total comprehensive loss of approximately \$0.31 million, being significantly higher than the total comprehensive loss of approximately \$0.88 million generated during the same period in 2017. This change was mainly due to an increase in the business operations of Arete M.

Update on Future Direction

As set out in the Group’s 2Q2018 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 also 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 the 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

14 August 2018