8TELECOM INTERNATIONAL HOLDINGS CO. LTD.

(Incorporated in Bermuda on 5 January 2004)
(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 third quarter ended 31 December 2018 (""**FY2018 Announcement**"). Shareholders should refer to the FY2018 Announcement for further details.

The Group's revenue has increased significantly from $0.727 million in 2017 to $1.736 million in 2018, this is a result of an increase in projects secured by the subsidiary, Arete M Pte. Ltd. In line with the increased revenue, the Group's Cost of Sales has increased from $0.564 million in 2017 to $0.968 million in 2018. The Group recorded total comprehensive loss of $ 1.459 million in financial year 2018, being significantly lower than $2.147 million in financial year 2018. This change was mainly due to an increase in revenue of Arete M while experiencing a lower cost of sales.

Update on Future Direction

The Board refers to the announcement dated 13 February 2019, where the Company has received a letter of demand from Lim Tong Soon, Chung Fui Leng Shirley Mrs Tan Fui Leng Shirley, Loy Soo Kwee, Christopher Chong Seng Fatt, Tang Pen San and Teo Siew Lin (the "Minority Shareholders") where by the Minority Shareholders have, inter alia, demanded for the return of the Company's shares in Arete M in exchange for the cancellation of certain promissory notes amounting to $2.15m in relation to the Arete M Acquisition. The Company is currently negotiating with the Minority Shareholders to resolve this situation.

In the event that the Company is unable to come to an amicable resolution with the Minority Shareholders, the Company may have to dispose of its shareholdings in Arete M and should the Company be unable to acquire other assets or operating subsidiaries, it will become a cash company pursuant to Rule 1018 of the Listing Manual of the SGX-ST.

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

Wan Guang
Executive Director

1 March 2019