This is further disclosure and clarifications on the "Company's announcement "(1) PROPOSED DISPOSAL OF ALL OF THE ISSUED SHARE CAPITAL OF I-GATE HOLDINGS SDN BHD and (2) PROPOSED DISPOSAL OF ALL OF THE ISSUED SHARE CAPITAL OF MEDIARING NETWORK SERVICES PTE. LIMITED AND MEDIARING COMMUNICATIONS PTE. LTD." on 18 August 2015 (the "Announcement"). Response to certain queries by SGX on the matter above.

Query 1.

We refer to the Company's announcement on 18 August 2015. It was announced that the Company has entered into a conditional share purchase agreement to sell 100% of the issued shares of I-Gate Holdings Sdn Bhd ("I-Gate") to Mr. Shamugam A/L Munusamy ("Shamugam") and Mediaring Network Services Pte. Limited ("MRNS") and Mediaring Communications Pte. Ltd. ("MRC") (MRNS and MRC, collectively the "Voice Entities") to Netpluz Asia Pte. Ltd. ("Netpluz"). Please:-

a) Clarify if the two transactions to Shamugam and to Netpluz are inter-conditional;

Company Response: The two transactions are not inter-conditional.

b) Company is selling I-Gate at RM75,000 to Shamugam who is disclosed to be "a retiree". Please disclose why the sale is made to Shamugam and confirm if Shamugam is an associate acting as a nominee of anyone in relation to this transaction? If so, please disclose accordingly;

Company Response: The sale is happening on a willing buyer and willing seller basis. Insofar as Shamugam has communicated to the Company, he is a retired personnel from telecommunications industry and wishes to enter into the telecommunications retail market through this acquisition, which comprises 2 Maxis retail shops and 3 other outlets.

The Company would like to confirm that to the best of its knowledge and belief, Shamugam is not acting as a nominee to anyone in relation to this transaction.

c) Disclose how Shamugam was introduced to the Company and whether Shamugam has any relationship with any Directors, Controlling Shareholders or associates of the Company. If an introducer was involved, please provide details of the introducer and disclose the fees paid;

Company Response: Shamugam approached one of the Directors of I-Gate Holdings Sdn. Bhd. and the discussion went ahead on a willing buyer-willing seller basis. No one is an introducer for the transaction and there are no such fees being paid or agreed to be paid.

There is no relation between Shamugam and any directors, controlling shareholders or associates of the Company

d) It is disclosed that the closing of the I-Gate Disposal is conditional inter alia upon "written confirmation of Maxis and Plaza Low Yat and S Alliance partners consenting

to the change of shareholder further to the I-Gate Disposal". As the Company owns 100% of I-Gate, please provide details on who the beneficial owners of "Maxis and Plaza Low Yat and S Alliance partners" are and explain the background why their consents would be required.

Company Response: The subsidiaries of I Gate ("I Gate Entities") are retail partners for the telecom operator Maxis in Malaysia through its retail stores in two locations Plaza Low Yat and Ikon Cheras Mall. These are the 2 shops which retail Maxis products as its business. There are other retail stores under management contracts known as S Alliance partners which are located in the shopping Malls called as Plaza Low Yat, Ikon Cheras and Plaza Alam Sentral.

As per the distribution contract with Maxis, Maxis exclusive partner agreement ("MEP") and lease agreement with Plaza Low Yat, prior approval is required in case of change in management, constitution, nature and control of MEP's business/tenancy. It is standard practice that the purchaser/buyer will want to have consent from the operator (Maxis) and the Landlord for approval on change of 100% ownership.

Query 2:

In paragraph 2.4.2, it was disclosed that the Company "guarantees to Shamugam that the net assets of the I-Gate Group are at least RM70,000 after all adjustments as at 31 March 2015". Please provide details on what the adjustments refer to.

Company Response: The adjustments referred to in the announcement are on account of intra S i2i Group balances, as intra S i2i Group balances are not part of net assets under disposal. The details of the intra S i2i Group balances have been provided to SGX on 13th July 2015 in response to the queries raised by SGX earlier.

Query 3:

It was disclosed as one of the "Other terms" that "If any of the conditions to closing are not satisfied, the Company must return the full consideration and indemnify Shamugam for costs not exceeding US$10,000."

a) If the conditions precedent to I-Gate Disposal are not satisfied, completion of the transaction would not have occurred. If so, would the full consideration have been paid by Shamugam?

Company Response: As per the terms of the I Gate Disposal SPA, the consideration is to be paid on the completion date. So if no consideration is paid before completion of conditions precedent then no money has to be returned.

b) As the full consideration for the sale is only RM75,000, why is it reasonable for the Company to be required to pay US$10,000 to Shamugam as cost?

Company Response: As mentioned the Malaysia/ I-Gate business has become an insignificant part of the Company and its subsidiaries (together referred to as "S i2i Group") business and is considered a non-core asset for the S i2i Group by the Board.

The winding up time and costs in Malaysia for I-Gate business may be substantial, hence the Board took the view of selling the I-Gate business at no less than book value.

As far as the amount of US$ 10,000 is concerned, it is a negotiated maximum amount stated only to be paid in the eventuality that the Company is not able to complete the conditions precedent and to reimburse the buyer for costs on legal and other expenses incurred for this transaction. The company will exercise full caution and due diligence that it only pays the actual amount which has been expensed upto a maximum of US$ 10,000.

Query 4

It was disclosed that "Netpluz is a private limited company incorporated in Singapore and was set up by a team of information-communications professionals with more than 15 years of industry expertise and experience".

a) Please disclose the beneficial owner and the shareholders and directors of Netpluz. Does the beneficial owner/shareholders/directors or their respective associates of Netpluz have any connection to the Company, its directors or controlling shareholders in the past or present? And

Company Response: The Director and some employees of Netpluz have been ex employees of the Company (previously "Mediaring Limited") at middle management level. They were independently recruited employees of the Company through normal HRD process at that time and exited the company about 3-4 years back. They became entrepreneurs immediately thereafter and started another business and thereafter exited that business too about a year back, and started another company Netpluz after that.

One of the Voice Entities, Mediaring Network Services Limited, has an investment of approx S$ 25,000 since year 2006 in a company called NGV Pte Ltd, currently comprising of its approx 9.7% shareholding where one of the directors and shareholder of Netpluz Asia Pte Ltd is also a director and shareholder.

Other than above, to the best of the Company's knowledge and belief, they are not related to any director or controlling shareholder of the company.

The latest biz file of Netpluz Asia Pte Ltd is attached to this announcement as Annexure A.

b) As the consideration payable by Netpluz will be collected over several years after the disposal of the Company's Voice Business to Netpluz, please provide details on the size of Netpluz and its financial standing.

Company Response:

- Please note that 50% of the consideration (S$ 1.5 million) will be collected within 60 days of the first closing as the EGM is planned in October 2015 and by 2nd Closing which is on 1st Dec 2015.

- 23.33% (S$700K) will be collected by 1 December 2016 and the balance 26.67% (S$ 800K) will be collected by 1st June 2017.

- It should also be noted that the transfer of shares in the Voice Entities takes place in corresponding stages, hence it is not a payment in arrears.

- The share capital of Netpluz stands at S$ 1.46 million as per their latest biz file. As per the information received from Netpluz, the capital required for the consideration of this acquisition will be funded by the existing shareholders and new investors.

Query 5:

It was disclosed that Netpluz "is in the business of simplifying and satisfying the communication needs of its clients through the delivery of high quality managed data, voice and video services over a single, converged network".

Please disclose more information on Netpluz including the brand/name of this network offered by Netpluz and the significance or extensiveness of the network in order for shareholders to assess the credit standing and reputation of Netpluz.

Company Response:

As per the information received from Netpluz, it was formed by a team of highly competent infocomm professionals with more than 15 years of deep industry expertise and proven experience. Firmly believing that communications form the backbone of any business, Netpluz simplifies and satisfies communication needs of their clients through the delivery of high quality managed data, voice and video services over a single, converged network.

Backed by a strong technical support team, Netpluz managed services are designed and operationalized with cost efficiency and business productivity as the baseline, with uncompromising service standards.

With its core competencies and dedication, Netpluz aspires to become the top Managed Communications Service Provider in Asia Pacific.

For more information on Netpluz, please refer to its website www.netpluz.asia

Query 6:

It was mentioned that the consideration for the Voice Business of S$3 million was calculated with reference to the net asset value of the Voice Entities.

Please quantify the net asset value of the Voice Entities.

Company Response: As disclosed in the Announcement, the net assets of Voice Entities as at 30th June 2015 were approximately S$1,322,000, however, the consideration for the Voice Business of S$ 3 million has been based on the negotiated mutually agreed net asset value of S$ 1.105 million.

Query 7:

The consideration of S$3 million will be paid according to "Disposal installments" set out under paragraph 3.4.1 of the Announcement. We note that only S$900K is paid on completion and the balance 70% of the consideration staggered up to 1 June 2017 (Final Closing).

Company Clarification/background:

- Please refer to the full payment mechanism as disclosed in the Announcement:
- 50% of the payment (S$1.5 million) which is greater than the agreed Net Assets of S$ 1.105 million will be received by 1st Dec 2015, which is within 60 days of the First Closing (assuming EGM in Oct 2015).
- Hence the company will get consideration greater than its agreed Net Assets back within 60 days.

  For further clarity the details of various completion stages are reproduced again as below which were in the Announcement:

The payment of the Voice Business Consideration mentioned in paragraph 3.4.1 of the Announcement is as follows:

(a) Netpluz shall pay S$900,000 upon completion of the transfer of 35,970 shares in MRC and 306,496 shares in MRNS (i.e. 30% of the share capital of each of MRC and MRNS) on the date falling no later than the second Business Day after all conditions precedents to the first closing have been satisfied (the "**First Closing**");

(b) Netpluz shall pay S$600,000 (the "**Second Closing Purchase Price**") upon completion of the transfer of 23,980 shares in MRC and 204,330 shares in MRNS (i.e. 20% of the share capital of each of MRC and MRNS) on or before 1 December 2015 or such other date as the parties may mutually agree (the "**Second Closing**");

(c) Netpluz shall pay S$700,000 (the "**Third Closing Purchase Price**") upon completion of the transfer of 27,973 shares in MRC and 238,351 shares in MRNS (i.e. 23.33% of the share capital of each of MRC and MRNS) on or before 1 December 2016 or such other date as the parties may mutually agree (the "**Third**

Closing"); and

(d) Netpluz shall pay S$800,000 (the "**Final Closing Purchase Price**") upon completion of the transfer of 31,977 shares in MRC and 272,474 shares in MRNS (i.e. 26.67% of the share capital of each of MRC and MRNS) on or before 1 June 2017 or such other date as the parties may mutually agree (the "**Final Closing**").

Please:-

a) Provide reasons for the Company's decision for the allowance for staggering of such significant payments for the Voice Business Disposal for such long periods of up to 2 years after the disposal. How is this in the interest of the Company?

Company Response:

- This is a willing seller and a willing buyer negotiation. The Company is securing a payment of S$1.5 million (S$ 900,000 on First Closing and S$ 600,000 on Second Closing-by 1st Dec 2015) which is greater than the agreed Net Assets of approx S$1.105 million value within 60 days of expected date of First closing (assuming EGM in October 2015)

- In addition the Company has gone at length to secure further that in the event of default of staggered payment, there are roll back rights. Please refer to the roll back rights in the Announcement, reproduced herein below in response to query 7 (c) for ready reference.

- At all times the company is transferring ONLY proportionate shares to Netpluz based on staggered payments and no more. This is already disclosed in the Announcement.

- The transaction terms have to be read in totality with the payment consideration terms and the roll back rights to understand the safeguards put in place fully.

- Also the roll back rights make sure that in the event of non-payment the shareholding freezes at that level of payment.

In the event of non-payment after Second Closing (second payment of S$ 600,000 on 1st Dec 2015) the control of the Voice Entities and the Board reverts back to the Company with no reimbursement back to Netpluz.

b) Provide the financial standing and track record of Netpluz;

Company Response:

This is the second venture of this group of entrepreneurs which, as per the information received from Netpluz, will be funded through its existing shareholders and new Investors. The share capital of Netpluz stands at S$ 1.46 million as per their latest biz file. The biz file of Netpluz is attached to this announcement as Annexure A.

c) Elaborate on the assurance that the Company has satisfied itself with that Netpluz will continue to make payments after the Company have handed the entire business over to Netpluz;

Company Response:

Please refer to the mechanism for transaction completion in stages and the roll back rights referred to above.

As per the information received from Netpluz, the capital required for the consideration of this acquisition will be funded by the existing shareholders and new investors.

The company has negotiated safeguard through roll back rights and has assured guarantee of agreed Net Assets of approx S$ 1.105 million at all times to safeguard the interest of the Company. Please also refer to our response to query 7 (a) for more details.

The roll back rights as mentioned in the Announcement are reproduced again as below:

Roll-back rights

(a) If Netpluz fails to complete the Second Closing (payment of S$ 600K) or the Third Closing (payment of S$ 700K) in accordance with the Voice Business SPA:

(i) its shareholding in the Voice Entities shall remain at the level immediately prior to such closing;

(ii) the Company will regain control of the board of directors and operations of each Voice Entity. Netpluz shall be liable to transfer to each of the Voice Entities all the customer contracts which may have been transferred to Netpluz subject to the terms of Voice Business SPA and cease to hold any bank accounts authority in respect of each of the Voice Entities; and

(iii) Netpluz shall be obliged to remain as the outsourced supplier to each of the Voice Entities for Infrastructure Services, if so required by the Company and at a price mutually agreed between the Netpluz and the Company, which in any event shall not exceed the lesser of (x) the then prevailing market prices for such infrastructure services or (y) the existing fees being paid by the Company for such infrastructure services immediately prior to the First Closing.

(b) If Netpluz fails to complete the Final Closing in accordance with the Voice Business SPA:

(i) its shareholding in the Voice Entities shall remain at the level immediately prior to such closing, being 73.33%;

(ii) the Company will have joint control of the board of directors and operations of each Voice Entity, along with Netpluz;

(iii) Netpluz shall be liable, on a demand made by the Company, to transfer to each of the Voice Entities all the customers contracts and business and all the bank accounts of the Voice Entities shall be jointly managed by the Company and Netpluz; and

(iv) Netpluz shall remain as the exclusive outsourced supplier to each of the Voice Entities for Infrastructure Services, which in any event shall not exceed the lesser of (x) the then prevailing market prices for such services or (y) the existing fees being paid by the Company for such Infrastructure Services immediately prior to the First Closing.

(c) If the roll-back rights conferred on the Company are exercised by the Company as contemplated in paragraphs 0, Netpluz shall be liable to remit an amount equivalent to losses made in any of the Voice Entities or transfer to the Company the respective equivalent number of shares in the relevant Voice Entities to the extent of such losses.

d) Disclose whether the Company has tried looking for other buyers and provide details of such efforts;

Company Response:

The company did make efforts in past 3-4 years for such divestment, however, could not succeed. The Company feels that such details are confidential in nature as the negotiation with other parties didn't materialize in the past and there are confidentiality obligations attached.

e) Elaborate on why the Company is of the view that this transaction is in the best interest of the Company; and

Company Response:

- As disclosed in our Announcement, voice over internet protocol ("VOIP") and Voice business is not a core business of the Company any more. There is consolidation happening all over the world as the differentiation and voice margin is thinning day by day. This is a very focused and niche business and is more suitable to companies who only focus on this business as a core business. Cost optimization is a must as margins are coming down. Hence the Company decided to exit this business as also declared during the AGM

in April 2015 that it wishes to exit the non- core businesses. It is increasingly harder to find a willing seller and a willing buyer relationship as the universe is shrinking in this sector.

- The VOIP business industry is not considered to be a major growth industry and most players in this space have either consolidated or exited the business due to intense cost pressures. The disposal of the Voice Business would not have any significant impact in the future growth strategy of the Company and the Voice Business Disposal will help to release the working capital

- The Company is securing a value greater than agreed Net Assets of approx S$1.105 million within 60 days of First Closing by 1st Dec 2015. Also the Company is only transferring shares proportional to the payments received at any point of time at each installment being paid.

- The Company has also negotiated roll back rights to protect itself as explained before.

- Hence the Company feels this is in the best interest of the Company.

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f) Disclose the date that the Company considers as the Voice Business Disposal to have taken place.

Company Response:

The Voice Business Disposal will be deemed to be affected at the First Closing.

Query 8

It was disclosed that "If certain accounts receivables of the Voice Entities are not recovered in full prior to the Final Closing, the Voice Business Disposal Consideration will be reduced by the amount of the shortfall, provided that the reduction will not exceed $430,000."

a) As the disposal consideration is only S$900K, please explain why would the significant reduction of 47% or S$430K to the consideration sum be reasonable. Please set out details of the Balance Sheet of the Voice Entities; and

b) Please quantify and provide details such as identity and aging schedule on the "accounts receivables".

Company Response:

- The Company is willing to show the details of aging schedule of the said "accounts receivable" to interested shareholders at its office as it is confidential information pertaining to the Company and its customers/third parties.

- Please note that if at all any reduction happens due to adjustment of the said accounts receivable it will ONLY be reduced from the final closing at the tail end and not before that, hence the Company would have received installments until then for the total amount of S$2.2 million which is well above the agreed Net asset value of S$ 1.105 million.

- This was a negotiated term after due diligence was completed. The sum of S$ 430K is the maximum amount.

- There will be full effort from the seller and the buyer to recover the accounts receivable amount as already disclosed.

- Any buyer will look at aging of accounts receivables and inventory during due diligence and it is the part of the process and hence the process was carried out.

- The percentage should be calculated from S$ 3 million which is the total disclosed consideration amount and not S$ 900K as we cannot assume that the buyer will only pay S$ 900K from the start of the transaction, hence it is less than 17% and not 47%.

Query 9

In section 3.4.2, it was mentioned that the First Closing is conditional upon a "written confirmation being obtained that (x) all liabilities of the Voice Entities being discharged or settled in full prior to completion save for those reflected in the Financial Statements".

If all liabilities are discharged by the Company before 31 December 2014, the net asset value would have been adjusted. Please explain why the need for another adjustment and why is the Company selling the assets at a discount to the adjusted net asset values.

Company Response

Please refer to the term 3.4.2 a (i) (x) of the Announcement. The Company clearly stated that the reference to "liabilities" there pertains to any other liability other than disclosed in the financial statements. Hence the question that the Company is selling assets at discount to the adjusted net assets does not arise. Item 3.4.2 a (i) (x) reproduced below:

"Written confirmation being obtained that (x) all liabilities of the Voice Entities being discharged or settled in full prior to completion save for those reflected in the Financial Statements, incurred or arising after 31 December 2014 in the ordinary course of business, arising under any contract disclosed to Netpluz or which would not have a material adverse effect on the relevant Voice Entity or its business;…"

Query 10

It was disclosed that the Second Closing and Third Closing are conditional upon the "First Closing and the Second Closing, as the case may be, having been completed in accordance with the terms and conditions of this Agreement".

Please disclose the terms of the First, Second and Third Closings.

Company Response:

The terms of the First, Second and the Third Closing as mentioned in the Announcement are reproduced as below:

Conditions precedent and long stop date

(a) The First Closing is conditional upon, inter alia, the following conditions being satisfied:

(i) written confirmation being obtained that (x) all liabilities of the Voice Entities being discharged or settled in full prior to completion save for those reflected in the Financial Statements[1], incurred or arising after 31 December 2014 in the ordinary course of business, arising under any contract disclosed to Netpluz or which would not have a material adverse effect on the relevant Voice Entity or its business; (y) evidence that the charge created by MRC in favour of DBS Bank will be fully satisfied within 30 days from the date of the First Closing; and (z) evidence that the net assets of the Voice Entities are not less than an aggregate S$1,105,000 with a total cash balance of not less than S$100,000 based on the audited accounts of the Voice Entities for the financial year ended 31 December 2014;

(ii) the Company having made all requisite announcements, or obtained all shareholders' approvals, as may be required under the Listing Manual in respect of the Transaction and/or the First Closing;

(iii) all necessary approvals and consents from all relevant governmental, regulatory or other authorities and third parties for the sale and transfer of the shares in the Voice Entities and completion of the terms of the Voice Business SPA having been obtained by the Voice Entities on terms and conditions acceptable to Netpluz and continuing to be in force;

(iv) all of the terms, covenants, conditions and undertakings of this Agreement having been complied with or performed by the Voice Entities and the Company and each representation and warranty made by the Voice Entities

[1] "Financial Statements" means the audited balance sheet as at 31 December 2014 and the related audited statements of income and cash flows for the fiscal year ended 31 December 2014 as well as the unaudited balance sheet as at 31 May 2015 and the related unaudited balance statements of income and cash flows for the five month period ended 31 May 2015 of the Voice Entities.

and the Company being true and accurate in all respects on the date such representations and warranties were made and on the First Closing with the same force and effect as if they had been made at and as of the First Closing Date; and

(v) The key employees of the Voice Entities identified by Netpluz having entered into a fixed term employment contract with Netpluz until the end of 2015 on such terms as maybe agreed by the key employees and Netpluz.

(b) The Second Closing and Third Closing are conditional upon:

(i) the First Closing and the Second Closing, as the case may be, having been completed in accordance with the terms and conditions of this Agreement; and

(ii) the Company having made all requisite announcements, or obtained all shareholders' approvals, as may be required under the Listing Manual in respect of the Voice Business Disposal and/or each such closing and if required.

(c) The Final Closing is conditional upon:

(i) the First Closing, the Second Closing and the Third Closing having been completed in accordance with the terms and conditions of the Voice Business SPA;

(ii) the Company having made all requisite announcements, or obtained all shareholders' approvals, as may be required under the Listing Manual in respect of the Voice Business Disposal and/or each such closing; and

(iii) the accounts receivables reflected in the accounts of the Voice Entities having been recovered as per agreed terms on or prior to the date of the Final Closing.

Query 11

In section 3.4.4, it was announced that "Netpluz shall be liable to transfer to each of the Voice Entities all the customer contracts which may have been transferred to Netpluz subject to the terms of Voice Business SPA and cease to hold any bank accounts authority in respect of each of the Voice Entities".

Please explain why is there the request that customers contracts be transferred to Netpluz when it is buying over the entire company.

Company Response

- As mentioned earlier Netpluz is carrying out its business in similar industry space, so for the purpose of cost optimization and economies of scale it may do cost optimization and transfer some customers to common delivery systems or entities.

- This condition will become applicable in the case of roll back and will gain importance at that time.

- Therefore, there is a condition that if any such customer contract is transferred, the interest of the Company is safeguarded as proper roll back rights are put in place in the event of any default by Netpluz.

- This way in case of non-payment of 2nd or 3rd installment the Company gets all its customer base and contracts back and can still run the business.

Query 12

It was disclosed that "Netpluz shall be obliged to remain as the outsourced supplier to each of the Voice Entities for Infrastructure Services". Please disclose sufficient details and information on the following for investors to make an informed decision on the Company's transactions and agreements:-

a) The reason why Netpluz should be the outsourced supplier if Netpluz fails to complete the Final Closing in accordance with the Voice Business SPA;
b) How Netpluz is suitable to be the outsourced supplier for each of the Voice Entities; and
c) Whether Voice Entities will be the sole customer of Netpluz.

Company Response:

- These conditions are only applicable in the event of roll back or non-payment of installments

- This is just in case that a roll back happens and on a particular day/time the Company has to suddenly/immediately commence service to the customers again then Netpluz should be obliged to supply the same service and scope as before to safeguard the Company, till it find its own means

- Also just in case the Company needs some internal usage of network and services which maybe in common infrastructure, then Netpluz should supply the same service in the interim at the lowest possible cost or at the cost allocated so Company is not at a disadvantage.

- Netpluz should be suitable to provide services as an outsourced supplier as it is the one who is buying the Voice Entities and its data base, infrastructure, customer information etc. which is a proven business for

the past 5-7 years and hence this will enhance their suitability. Please refer to response to query 5 for more details on Netpluz.

- Voice Entities will not be the sole customer for Netpluz as it will be free to choose its suppliers after the roll back. As informed to the Company, currently, Netpluz is a running entity in the similar industry and has many other customers.

Query 13

It was announced that if Netpluz fails to complete the Final Closing in accordance with the Voice Business SPA, "its shareholding in the Voice Entities shall remain at the level immediately prior to such closing, being 73.33%".

a) If the First Closing relates to 30% interest in the Voice Entities, please reconcile why Netpluz would be holding 73.33% in the Voice Entities if Netpluz fails to complete the Final Closing;
b) How much would Netpluz have paid for the 73.33% holdings; and
c) Please provide the net asset value attributable to the 73.33% interest.

Company Response:

- This is already disclosed above. There are 4 closing with clear defined dates and values. It is also explicitly disclosed that there is proportionate shareholding transfer on each closing commensurate to the payment made.

- The terms and conditions to each closing are reproduced in response to query 7 for clarity.

- Upto Third Closing and before Final Closing Netpluz would have paid S$ 2.2 million as part of S$ 3 million total consideration. It is clearly stated in the payment terms announced also which proportionately amounts to 73.3% of the shares.

- Agreed negotiated net assets of S$ 1.105 million at 73.3% will be approximately S$ 810,000

Query 14

In paragraph 3.4.4(c), it was disclosed that "If the roll-back rights conferred on the Company are exercised by the Company as contemplated in paragraphs 3.4.4, Netpluz shall be liable to remit an amount equivalent to losses made in any of the Voice Entities or transfer to the Company the respective equivalent number of shares in the relevant Voice Entities to the extent of such losses". Please:-

a. Explain in layman's terms what this paragraph means; and
b. Elaborate on what is the rationale of the "roll-back" rights and why this is in the interest of the Company.

Company Response:

- It is in the interest of the Company that in the event Netpluz makes any losses after the First, and Second Closing, in the event of a roll back, it remits the same amount back to the Company, or transfer back the respective equivalent number of shares in the relevant Voice Entities to the extent of such losses as the net losses will erode the agreed net assets (S$ 1.105 million) which the Company wishes to retain till Final Closing.

- Roll back is the safeguard to the Company if the installments or staggered payments do not happen.

- The Company is ONLY transferring proportionate shares as per the receipt of consideration which is clearly declared. In the event of a default of the Second and Third Closing, the Company will roll back the transaction and take control at operating level and also at Board level.

- This has been carefully negotiated in the interest of the Company.

- Please refer to the response of query 7 (c) for roll back rights of the Company

Query 15

In paragraph 3.4.5(b)(iv), it was disclosed that "Netpluz shall consolidate the Voice Entities' Infrastructure Services under their existing infrastructure for cost efficiency and savings purposes. All Infrastructure Costs incurred by the Voice Entities as a result of the Infrastructure Services provided by Netpluz shall not exceed the lower of (a) the prevailing market price for such Infrastructure Services and (b) the existing fees being paid by the Company for such Infrastructure Services prior to the First Closing".

a) For "Infrastructure Costs" and "prevailing market price" mentioned above, please disclose how would these costs be determined and how significant would these costs be. To quantify and provide illustration for these costs; and

b) Please explain why points (a) and (b) in the paragraph above are connected with "and" as a conjunction. If an existing infrastructure cost based on prevailing market price is paid, why do the entities have to pay again the existing fees that it is paying for such services? Please justify why this is not considered as double charging for the same services by providing illustration for the Company's response.

Company Response:

- This is just to safeguard that at all times the cost structure of the Infrastructure Services and other associated services remain equal to or lower than the cost prior to the First closing. These costs will be determined based on the business requirement which is a variable component of business. This cost structure is based on the vendor

Infrastructure Costs have already been defined in the Announcement reproduced again below for ready reference:

"Infrastructure Costs" means the costs incurred by Netpluz in setting up the network, hosting, equipment, voice and data services as part of the provision of Infrastructure Services and the ongoing cost in relation to the same.

- The objective of putting this clause is to ensure continuity of business and cost efficacy, in a situation of non completion of disposal and returning back of business to the Company.

- There is no double payment affected at any time and the "and" should be read as "or"

Query 16

Please quantify "monthly infrastructure fee" mentioned in paragraph 3.4.5(b)(v).

Company Response:

- This is the variable cost which changes every month based on new and ongoing contracts/renewals. The Company is willing to disclose this to interested shareholders at its office as it is a very detailed cost exercise and is dependent on vendor, operator and other supplier contracts which may be termed as classified information.

Query 17

It was announced in paragraph 3.4.5(b)(vi) that "Netpluz shall ensure that the net assets of the Voice Entities, in the aggregate and at the end of each calendar month, shall be not less than S$1,105,000, failing which Netpluz shall promptly notify the boards of the Voice Entities".

Please provide the basis for the reference value of $1.105 million for net asset value of the Voice Entities. What is the current net asset value of these Voice Entities?

Company Response:

- The value S$1.105 million is a mutually agreed net assets value of the Voice Entities based on which the transaction has been structured.

  This will work as benchmark for the Company at the time of First Completion and for Netpluz in case of any eventuality of roll back. As mentioned earlier, the net assets of Voice Entities as at 30th June 2015 were approximately S$1,322,000.

Query 18

In footnote 5 of the Announcement, it was disclosed that ""Management Fees" means an amount of money paid to Netpluz to incentivize them for the operational management of Voice Entities". Please:-

a) Quantify the Management Fees; and
b) Disclose how this amount will be determined and whether this fee is over and above the amount of infrastructure payment fees to be paid to Netpluz.

Company Response:

- Management fee will be determined based on the future profits earned by Voice Entities which Netpluz will generate after the First Completion. It is not possible to quantify that now.

- This is not a part of infrastructure fee but is contingent on the performance and the profit of Netpluz after First Closing.

Query 19

It was announced that the net loss attributable to the Voice Entities is approximately S$3,000. Please disclose whether this loss is due to a one-off non-recurring expenditure.

Company Response:

The net loss attributable to the Voice Entities of approximately S$3000 for the period January to June 2015 is not due to a one off non-recurring expenditure.