
ANNOUNCEMENT OF COMMENCEMENT OF ARBITRATION PROCEEDINGS

Unless otherwise defined herein, all capitalised terms used herein shall have the same meanings ascribed to them in the 25 Feb Announcement and the 30 Jun Announcement (as defined herein).

The board of directors ("**Board**") of DMX Technologies Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") refers to its announcements on 25 February 2015 (the "**25 Feb Announcement**") relating to the suspension of Ms. Jismyl Teo and Mr. Skip Tang in connection with the HK Investigations, on 12 May 2015 (the "**12 May Announcement**") relating to the release of financial statements by KDDI Corporation, on 30 June 2015 and on 2 October 2015 (collectively, the "**Waiver Announcements**") relating to the grant of waivers sought by the Company from various listing rules.

As stated in the 12 May Announcement and the Waiver Announcements, in the course of the Initial Investigations, it was brought to the Board's attention that there is uncertainty in relation to accounts receivables arising from past transactions amongst the Company, and its clients and vendors, and the possibility of such accounts receivables not being collectible.

The Company has commenced arbitration proceedings in Shanghai under the auspices of the China International Economic and Trade Arbitration Commission ("**CIETAC**") against Beijing Hantz Technology Development Ltd ("**Beijing Hantz**"), a client of the Company, for the amount of US\$1,382,400 (the "**Recoverable Amount**"), collectible by the Company pursuant to a contract entered into between the Company and Beijing Hantz. At present, the amount of trade receivables owing to the Company from Beijing Hantz is approximately US\$140 million (the "**Outstanding Amount**"). The Company is currently evaluating its ability to collect the amount making up the difference between the Outstanding Amount and the Recoverable Amount. As disclosed in the Company's unaudited financial statement for the third quarter ended 30 September 2014, the Company's trade receivables amounted to US\$364 million. At the same time, it has come to the Company's knowledge that Beijing Hantz has commenced voluntary liquidation proceedings.

The Company will provide further updates on material developments, where appropriate.

Shareholders are advised to exercise caution when dealing in the securities of the Company and to refrain from taking any action in relation to their shares which may be prejudicial to their interests.

BY ORDER OF THE BOARD

Iwao Oishi
Executive Director, Vice Chairman, and Acting Chief Executive Officer
Date: 2 October 2015