
**RESPONSE TO SGX QUERIES ON ANNOUNCEMENT OF UNAUDITED FINANCIAL RESULTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017**

The Board of Directors of DMX Technologies Group Limited (the "**Company**") wishes to announce its response to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX**") in connection with the announcement made by the Company on 14 November 2017, with regard to the unaudited financial results for the third quarter ended 30 September 2017 (the "**3Q2017 Results Announcement**").

SGX Queries

It was disclosed on page 15 of the 3Q2017 Results Announcement that the trade receivables are with credit worthy, reputable customers and all projects are irrevocable and not from any interested party. Please elaborate the reasons for the long outstanding trade receivables, especially those over 360 days which amounted to US\$2.8 million or 44% of the total trade receivables despite those are with credit worthy and reputable customers.

Company's Response to Queries

For the US\$2.8 million or 44% of the total trade receivables which are reported in the 3Q2017 Results Announcement to be overdue for more than 360 days (the "**Outstanding Trade Receivables**"), approximately 50% of these Outstanding Trade Receivables are attributable to customers in China, while approximately 48% are attributable to customers in Korea.

The customers in China comprise mainly of reputable telecommunications services providers and companies in the banking, financial services and insurance sector. Such projects are generally entered into on a long term basis, and the Outstanding Trade Receivables in such cases relate to post-completion payments which are typically subject to individual negotiations with each customer during the warranty period of one to two years after the Company has received the final acceptance from the customer.

For the Outstanding Trade Receivables in Korea, approximately 19% of the Outstanding Trade Receivables in Korea (amounting to approximately 9% of the total Outstanding Trade Receivables), which relate to a reputable telecommunications services provider in Korea, have been settled in October 2017. The remaining Outstanding Trade Receivables for Korea are for IT consultation services provided in relation to intelligent building projects of which construction work is still pending. As the construction projects tend to be long-term, measures to minimise credit risks have been taken in each project.

Other than China and Korea, the remaining Outstanding Trade Receivables are from projects in Malaysia, India and Hong Kong and the Group is in the process of collecting payments for such projects. The Group works with a task force in each country that monitors and reviews the recoverability of the trade receivables as each project progresses. The task force will provide updates on any changes in the credit quality of the customers to the Group, and such changes are closely monitored by the Group.

The Company wishes to highlight that the contents of this announcement are subject to the background and limitations as set out in the "Important Cautionary Note" on pages 1 and 2 of the 3Q2017 Results Announcement.



By Order of the Board

Iwao Oishi
Executive Director, Vice Chairman and Acting Chief Executive Officer
21 November 2017