

CIRCULAR DATED 9 MARCH 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the contents herein or as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

If you have sold or transferred all your shares in the capital of DMX Technologies Group Limited, please forward this Circular with the Notice of Special General Meeting and the attached Proxy Forms immediately to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited takes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Circular.



CIRCULAR TO SHAREHOLDERS
IN RELATION TO
THE PROPOSED CREDITORS' VOLUNTARY LIQUIDATION OF THE COMPANY

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Forms	: 31 March 2018 at 2.00 p.m.
Date and time of Special General Meeting	: 2 April 2018 at 2.00 p.m.
Place of Special General Meeting	: Ballroom 2, Level 3 Amara Singapore 165 Tanjong Pagar Road Singapore 088539

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

“Anken”	: Anken HR Limited
“Bermuda Companies Act”	: The Companies Act 1981 of Bermuda, as amended or modified from time to time
“Bermuda Court”	: The Supreme Court of Bermuda
“Bermuda Winding-Up Rules”	: The Companies (Winding-Up) Rules 1982 of Bermuda, as amended or modified from time to time
“Board”	: The board of directors of the Company for the time being
“Books Closure Date”	: A date and time to be announced on which the transfer books of the Company and the register of members of the Company will be closed in order to determine the entitlement of Shareholders to the Distribution thereunder
“Bye-laws”	: The bye-laws of the Company as amended, modified or supplemented from time to time
“CDP”	: The Central Depository (Pte) Limited
“CEC”	: Chinacast Education Corporation
“Circular”	: This circular to Shareholders dated 9 March 2018
“Company”	: DMX Technologies Group Limited
“Creditors”	: The creditors of the Company, including any contingent or prospective creditor
“Creditors’ Meeting”	: The Creditors’ meeting of the Company to be held on 2 April 2018
“Delisting”	: The delisting of the Company from the Official List of the SGX-ST
“Deloitte”	: Deloitte & Touche LLP
“Depositor Proxy Form”	: The enclosed proxy form in relation to the appointment of a proxy/proxies by a Depositor
“Directors”	: The directors of the Company for the time being
“Disclosure Report”	: The report announced on 22 April 2016 on SGXNET by the Company on the findings of the initial investigations
“Distribution”	: The distribution (if any) to be made by the Liquidators from the surplus assets of the Company, following settlement of the liabilities of the Company, to the Shareholders under the Proposed Creditors’ Voluntary Liquidation, in proportion to their shareholdings in the Company as at the Books Closure Date
“DMX BVI”	: DMX BVI Limited, the Company’s wholly-owned subsidiary incorporated in the British Virgin Islands
“DMX HK”	: DMX Technologies (Hong Kong) Limited, DMX BVI’s wholly-owned subsidiary incorporated in Hong Kong

“DMX Employee Share Option Scheme”	: The employee share option scheme of the Company adopted on 12 November 2002 to grant share options to eligible employees, including the executive directors and non-executive directors of the Group
“Final Creditors’ Meeting”	: The final meeting of the Creditors to be held to, <i>inter alia</i> , receive the Liquidators’ account of the winding up in accordance with Section 223 of the Bermuda Companies Act
“Final General Meeting”	: The final general meeting of the Company to be held to, <i>inter alia</i> , receive the Liquidators’ account of the winding up in accordance with Section 223 of the Bermuda Companies Act
“Former Management”	: The former management of the Company, namely: (a) Mr. Skip Tang Chi Tang, the former Chief Financial Officer of the Company; (b) Ms. Teo Chor Khin Jismyl, a former director of the Company and DMX HK and the former Chief Executive Officer of the Company; (c) Mr. Emmy Wu, a former director of the Company and DMX HK; and (d) Mr. Fu Yan Yan, the former General Manager (China) of DMX HK
“FY2010”	: The financial year ended 31 December 2010
“FY2014”	: The financial year ended 31 December 2014
“FY2014 Financial Statements”	: The financial statements of the Company for FY2014
“FY2015”	: The financial year ended 31 December 2015
“FY2016”	: The financial year ended 31 December 2016
“FY2017”	: The financial year ended 31 December 2017
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 5 March 2018, being the latest practicable date prior to the printing of this Circular
“Liquidators”	: The liquidators appointed subject to the approval of Shareholders at the SGM and Creditors at the Creditors’ Meeting, details of which are set out in paragraphs 2.5 and 2.7 of this Circular
“Listing Manual”	: The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Mozart”	: Mozart Management Co., Limited
“Notice of SGM”	: The notice of the SGM as set out on page 45 of this Circular
“Old Share Certificates”	: The existing share certificates relating to Shares in issue as at the Books Closure Date
“Optionholders”	: Holders of the Option(s)
“Options”	: The outstanding and unexercised options granted by the Company under the DMX Employee Share Option Scheme

“Proposed Creditors’ Voluntary Liquidation”	: The proposed creditors’ voluntary liquidation of the Company to be approved by the Shareholders at the SGM and further described in paragraph 2 of this Circular
“Proposed Liquidators”	: The proposed liquidators, Mr. Bob Yap Cheng Ghee of KPMG Services Pte. Ltd., Mr. Wong Pheng Cheong Martin of KPMG Services Pte. Ltd. and Mr. Mike Morrison of KPMG Advisory Limited to be appointed subject to the approval of Shareholders at the SGM and no appointment of other person(s) as the Liquidator(s) by the Creditors at the Creditors’ Meeting, details of which are set out in paragraphs 2.5 and 2.7 of this Circular
“Proxy Forms”	: The Depositor Proxy Form and the Shareholder Proxy Form
“PwC”	: PricewaterhouseCoopers LLP
“Registrar of Companies”	: The Registrar of Companies in Bermuda
“Securities Account”	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained by a Depository Agent
“SFA”	: The Securities and Futures Act (Chapter 289 of Singapore), as amended, modified or supplemented from time to time
“SGM” or “Special General Meeting”	: The special general meeting of the Company to be held on 2 April 2018
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SGX-ST Mainboard”	: The Mainboard of the SGX-ST
“Shareholder Proxy Form”	: The enclosed proxy form in relation to the appointment of a proxy/proxies by a Shareholder
“Shareholders”	: Registered holders of Shares in the register of members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“Shares”	: Issued shares of the Company
“Substantial Shareholder”	: A person who has an interest or interests in one or more voting Shares (excluding treasury shares), and the total number of votes attached to that Share, or those Shares, is not less than 5% of the total number of votes attached to all the voting Shares
“S\$”	: The lawful currency of the Republic of Singapore
“Tacoma”	: Tacoma Associates Limited
“Transactions in Question”	: Certain suspicious transactions with insufficient supporting documents to prove their substantiality which were detected when the Company changed its external auditor to PwC. Details are set out in the Disclosure Report
“US\$”	: The lawful currency of the United States of America
“%” or “per cent.”	: Per centum or percentage

The expressions “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**subsidiary**” has the meaning ascribed to it in Section 86 of the Bermuda Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include firms, corporations and other entities.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any term defined under the Bermuda Companies Act, the Bermuda Winding Up Rules, the SFA or the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Bermuda Companies Act, Bermuda Winding Up Rules, the SFA or the Listing Manual or any modification thereof, as the case may be. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Circular are of such laws and regulations (including the Listing Manual) as at the Latest Practicable Date.

Any discrepancies in tables included herein between the amounts in the columns of the tables and the totals thereof and relevant percentages (if any) are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

In this Circular, unless otherwise stated, the total number of issued Shares as at the Latest Practicable Date is 1,163,394,742 Shares, excluding 5,152,125 treasury shares.

INDICATIVE TIMETABLE

The dates given in the following timetable are indicative only and the actual dates of the events listed below may be subject to change. The estimated timeframe is based on the expectations of the Company and Proposed Liquidators as at the Latest Practicable Date and the actual timeframe will depend on various factors, some of which are beyond the Company's and Liquidators' control. For the "expected" events listed below, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Last date and time for lodgement of Proxy Forms for the SGM	31 March 2018 at 2.00 p.m.
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Date and time of the SGM ¹	2 April 2018 at 2.00 p.m.
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Date and time of Creditors' Meeting	2 April 2018 at 3.30 p.m.
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Subsequent to commencement of Proposed Creditors' Voluntary Liquidation	Estimated Timeframe
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Books Closure Date for the Distribution (if any)	To be determined and announced
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Expected Delisting Date	16 April 2018
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Expected date of Distribution (if any)	As soon as possible following settlement of all the liabilities of the Company and obtaining tax clearance from relevant tax authorities, if necessary
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Expected date for the Final General Meeting	As soon as practicable after the Distribution (if any)
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Expected date for the Final Creditors' Meeting	As soon as practicable after the Distribution (if any)
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Expected date of dissolution	Three (3) months from date of registration with the Registrar of Companies of the account of winding up laid before the Final General Meeting and Final Creditors' Meeting
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¹ Shareholders should note that the Proposed Creditors' Voluntary Liquidation will be deemed to and shall commence at the time of the passing of the special resolution approving the Proposed Creditors' Voluntary Liquidation at the SGM.

DMX TECHNOLOGIES GROUP LIMITED

(Incorporated in Bermuda on 29 October 2001)
(Company Registration Number: 31201)

Directors:

Mr. Iwao Oishi (*Executive Director, Vice Chairman and Acting Chief Executive Officer*)
Mr. Takashi Eida (*Non-Independent Non-Executive Director*)
Mr. Masatoshi Nobuhara (*Non-Independent Non-Executive Director*)
Mr. Keiji Ito (*Non-Independent Non-Executive Director*)
Mr. Mark Wang Yat-Yee (*Independent Non-Executive Director*)
Mr. Takuro Awazu (*Independent Non-Executive Director*)

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

9 March 2018

To: The Shareholders of DMX Technologies Group Limited

Dear Sir/Madam

THE PROPOSED CREDITORS' VOLUNTARY LIQUIDATION OF THE COMPANY

1. INTRODUCTION

Purpose of This Circular

- 1.1 The purpose of this Circular is to provide Shareholders with information relating to the Proposed Creditors' Voluntary Liquidation.
- 1.2 The Directors are convening the SGM to seek Shareholders' approval for the resolution relating to the Proposed Creditors' Voluntary Liquidation, as set out in the Notice of SGM.
- 1.3 Shareholders are advised to read this Circular in its entirety and to consult their legal, financial, tax or other professional adviser should they require advice in the context of this Circular.

Background

- 1.4 In late 2014 to early 2015, PwC, as the newly appointed auditor of the Company, raised concerns on certain complex Transactions in Question, and requested for explanations from the former management of the Group about the business rationale and commercial substance of these transactions and detailed supporting documents for these transactions, in order to complete the audit for FY2014.
- 1.5 On 9 February 2015, the Board announced that Ms. Teo Chor Khin Jismyl, the executive director and chief executive officer of the Company at that time and Mr. Skip Tang Chi Tang, the chief financial officer of the Company at that time, were suspended from all executive duties with effect from 9 February 2015 for an indefinite period. The Board made its decision after it was informed that Ms. Teo and Mr. Tang were arrested by the Commercial Crime Bureau of the Hong Kong Police Force on 3 February 2015.
- 1.6 After the announcement on 9 February 2015 and the request for a trading halt on 20 March 2015, the Company subsequently announced that Hong Kong legal counsel had been appointed to conduct investigations, and had provided a report on the findings of its investigation and its legal advice which raised certain issues which affected the completion and audit of the FY2014 Financial Statements. Specifically, the findings indicated that there were irregular accounting practices at two (2) of the Company's subsidiaries in 2008 and 2009. Based on the findings, the Company was advised by Hong Kong legal counsel to make a report to the Hong Kong Police Force and did so on 23 March 2015. In addition, Hong Kong legal counsel was tasked by the Company to continue and expand the scope of its investigations. In view of the above, the Company had requested for the trading halt to be converted into a suspension of trading of the Company's shares on SGX-ST with effect from 25 March 2015.

- 1.7 The Board subsequently decided to suspend the expanded investigations in May 2016 primarily due to cost concerns. The delays in the completion of the expanded investigations and audits have led to delays in the announcement of the unaudited financial statements and the holding of annual general meetings and the issuances of the annual reports for FY2014, FY2015 and FY2016. As disclosed in the announcements dated 31 August 2017 and 5 September 2017, the Company subsequently completed the disposal of 60% of the entire issued and paid-up capital of PT Packet Systems Indonesia, and part of the proceeds raised has been used to fund the fees for the completion of the audit for FY2014, FY2015 and FY2016.

Rationale for the Proposed Creditors' Voluntary Liquidation

- 1.8 As disclosed in the announcement dated 15 January 2018, the Board has resolved that it would be in the best interests of the Shareholders and other stakeholders to conduct the Proposed Creditors' Voluntary Liquidation in accordance with the provisions of the Bermuda Companies Act and the Bermuda Winding-Up Rules after taking into account the following considerations:
- (a) as disclosed in the Disclosure Report announced on 22 April 2016 ("**Disclosure Report**"), when the Company changed its external auditor to PwC, the Transactions in Question were detected and additional information regarding the substantiality of the Transactions in Question was requested by PwC during the audit for FY2014. However, the Company was not able to meet this request. The Transactions in Question were executed by the Former Management and a large portion of the Group's revenue and profits came from the Transactions in Question. Assuming that the Transactions in Question were excluded, cumulative losses of more than US\$90 million were incurred and more than US\$130 million of cash was drained from the Company from FY2010 to FY2015. The Company subsequently filed lawsuits against the Former Management for breach of their fiduciary duties and/or duties of care on 7 April 2016 and as announced on 6 October 2017, the Company commenced legal action in the High Court of the Republic of Singapore on 5 October 2017 against Deloitte for a claim for loss and damage suffered as a result of the professional negligence of Deloitte and will be seeking unliquidated damages to be assessed;
 - (b) the Board has tried to streamline the Group's operations but the Company's operations are still loss-making due to, among others, its audit and legal costs, as well as other expenses necessary to ensure compliance with the listing rules; and
 - (c) the Company had also considered various options to provide Shareholders with a reasonable exit alternative including the disposal of its assets and further financing from other party or similar transactions in an attempt to provide Shareholders with more options other than the Proposed Creditors' Voluntary Liquidation. However, as at the date of the announcement, and up until the Latest Practicable Date, no suitable opportunities had arisen.
- 1.9 Given the above, the Board believes that the Proposed Creditors' Voluntary Liquidation represents a practicable means to allow the Shareholders to exit their position in the Company and, in the unlikely event that there are any surplus assets remaining after payment to all Creditors, receive a distribution in cash.
- 1.10 The Board has therefore decided to convene the SGM to provide Shareholders with an opportunity to decide on the Proposed Creditors' Voluntary Liquidation.

2. THE PROPOSED CREDITORS' VOLUNTARY LIQUIDATION

Commencement of the Proposed Creditors' Voluntary Liquidation

2.1 A creditors' voluntary liquidation can be commenced under the Bermuda Companies Act if the shareholders of a company pass a resolution for the voluntary liquidation of the company and the directors of the company do not make a statutory declaration of solvency under Section 206 of the Bermuda Companies Act. A creditors' voluntary liquidation differs from a members' voluntary liquidation in that, among other things:

- (a) the company is required to cause a meeting of the creditors of the company to be summoned on the same day or the day after the shareholders' meeting at which the resolution for voluntary winding up is to be proposed, and is required to cause the notices of the meeting of creditors to be sent to the creditors simultaneously with the sending of the notices of the meeting of the company;
- (b) the company is required to cause notice of the meeting of creditors to be advertised in the Bermuda Royal Gazette on at least two (2) occasions;
- (c) the company is required to appoint at the shareholders' meeting one of the directors of the company to attend and preside at the meeting of creditors;
- (d) the directors of the company are required to cause to be laid before a meeting of the creditors a full statement of the company's affairs and the method and manner in which valuation of assets was arrived at, together with a list of creditors and estimated amount of their claims;
- (e) the creditors at the meeting of creditors may nominate a person(s) to be the liquidator(s) of the company, and such nomination(s) will take precedence over the shareholders' nomination(s);
- (f) the creditors at the meeting of creditors may, if they think fit, appoint a committee of inspection;
- (g) on the appointment of a liquidator, all the powers of the officers of the company shall cease, except so far as the committee of inspection, or if there is no such committee, the creditors, sanction the continuance thereof;
- (h) certain powers of the liquidators may only be exercised with the sanction of the Bermuda Court or the committee of inspection or (if there is no such committee) a meeting of the creditors; and
- (i) the remuneration of the liquidators must be approved by the committee of inspection or (if there is no such committee) a meeting of the creditors.

A brief summary of the creditors' voluntary liquidation process under Bermuda law is available at Appendix A for reference.

2.2 The Proposed Creditors' Voluntary Liquidation is subject to Shareholders' approval of the resolutions set out in the Notice of SGM.

2.3 The Proposed Creditors' Voluntary Liquidation, which will be conducted in accordance with the Bermuda Companies Act, the Bermuda Winding-Up Rules and the Bye-laws, will require the approval by a majority of not less than 75% of the votes cast by Shareholders entitled to vote, present and voting, on a poll, either in person or by proxy at the SGM, or in the case of Shareholders who are corporations, by their respective duly authorised representative or by proxy at the SGM. Assuming all procedures have been conducted in accordance with applicable laws and the Bye-laws and unless the Bermuda Court, on proof of fraud or mistake, thinks fit otherwise to direct, all proceedings taken in the voluntary winding up shall be deemed to have been validly taken and the resolution for winding up will be final and binding.

- 2.4 The Proposed Creditors' Voluntary Liquidation will be deemed to and shall commence at the time of the passing of the resolution approving the Proposed Creditors' Voluntary Liquidation at the SGM. The Bermuda Companies Act does not require the approval of the Bermuda Court or the approval of the Creditors at the Creditors' Meeting to be obtained for the Proposed Creditors' Voluntary Liquidation.

Nomination and Appointment of Liquidator

- 2.5 The Creditors and the Shareholders at the Creditors' Meeting and SGM may respectively nominate a person to be Liquidator for the purpose of winding-up the affairs and distributing the assets of the company. Subject to Shareholders' approval being obtained at the SGM and no appointment of other person(s) as the Liquidator(s) by the Creditors at the Creditors' Meeting, it is proposed that Mr. Bob Yap Cheng Ghee, Mr. Wong Pheng Cheong Martin and Mr. Mike Morrison be appointed as the Liquidators of the Company jointly and severally. Please refer to paragraph 10 of this Circular for further information on the Proposed Liquidators. The process of nomination of a liquidator involves the nomination of an appropriate person or persons at the relevant meetings held for the purpose of the winding-up with the approval recorded in the minutes of the meeting.
- 2.6 At the Creditors' Meeting, the Directors will cause a full statement of the position of the Company's affairs together with a list of the Creditors and the estimated amount of their claims to be laid before the Creditors, and it is proposed that Mr. Iwao Oishi, Executive Director, Vice Chairman and Acting Chief Executive Officer of the Company, will preside at the meeting. The Creditors will then be entitled to vote on the appointment of the Liquidators. Further details on the statement of the position of the Company's affairs together with a list of the Creditors and the estimated amount of their claims to be laid before the Creditors' Meeting are available at [Appendix B](#).
- 2.7 If the Creditors and the Shareholders nominate different persons, the person(s) nominated by the Creditors shall be the Liquidator(s). In these circumstances, any Director, Shareholder, or Creditor may within seven (7) days after the date on which the nomination was made by the Creditors apply to the Bermuda Court for an order directing that the person(s) nominated as liquidator(s) by the Shareholders shall be Liquidator(s) instead of or jointly with the person nominated by the Creditors or appointing some other person to be Liquidator instead of the person appointed by the Creditors. There is no specific requirement under Bermuda law for notice to be given to the Shareholders if the Creditors nominate a different Liquidator. If persons other than the Proposed Liquidators are nominated by the Creditors and appointed to be the Liquidator(s), the Company will release an announcement to inform Shareholders of the appointment. If the Company has already been delisted, notice will be given to Shareholders in accordance with the notice provisions under the Bye-laws.
- 2.8 As a fiduciary, each Liquidator must act honestly and is prohibited from profiting from his position as a Liquidator except by way of his remuneration as stated in paragraph 2.1(i) of this Circular.
- 2.9 The powers and duties of the Liquidators are governed by, among others, Section 226 of the Bermuda Companies Act and the Bye-laws. The corporate state and corporate powers of the Company shall continue until the Company is dissolved.

Consequences of Commencement of Proposed Creditors' Voluntary Liquidation

- 2.10 All the powers of the Directors and officers of the Company will cease from the time the Proposed Creditors' Voluntary Liquidation commences and a Liquidator has been appointed, except to the extent sanctioned by the committee of inspection (if there is one) or otherwise by the Creditors.
- 2.11 The Company shall, from the commencement of the Proposed Creditors' Voluntary Liquidation, cease to carry on its business, except so far as may be required for the beneficial winding up thereof.
- 2.12 Any transfer of Shares, not being a transfer made to or with the sanction of the Liquidators, or any alteration in the status of the members of the Company, which are made after the commencement of the Proposed Creditors' Voluntary Liquidation, shall be void.

- 2.13 After the Proposed Creditors' Voluntary Liquidation has commenced, under the Bermuda Companies Act, the Liquidators have the power to stay the Proposed Creditors' Voluntary Liquidation either altogether or for a limited time if they are satisfied that such a stay is in the best interests of the Shareholders or Creditors. A "stay" under Bermuda law in this context means a halt to the process.

Delisting

- 2.14 Shareholders should note that Shareholders' approval for the Proposed Creditors' Voluntary Liquidation will lead to the Delisting. Rule 1308 of the Listing Manual read with Rules 1307(1), (2) and (3) of the Listing Manual provides that in a voluntary liquidation, shareholders' approval for the delisting of a company is not required. The Proposed Creditors' Voluntary Liquidation would constitute a reasonable exit alternative for the purpose of compliance with Rule 1309.

THE COMPANY WOULD LIKE TO HIGHLIGHT THAT WHEN THE COMPANY IS DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST, SHAREHOLDERS WILL HOLD SHARES IN AN UNLISTED COMPANY. SHARES OF UNLISTED COMPANIES ARE GENERALLY VALUED AT A DISCOUNT TO THE SHARES OF COMPARABLE LISTED COMPANIES AS A RESULT OF THE LACK OF LIQUIDITY. AS SUCH, IT IS LIKELY TO BE DIFFICULT FOR SHAREHOLDERS OF AN UNLISTED COMPANY TO SELL THEIR SHARES IN THE ABSENCE OF A PUBLIC MARKET FOR THE SHARES. SHAREHOLDERS SHOULD ALSO NOTE THAT WHILE THE COMPANY WILL CONTINUE TO BE SUBJECT TO THE BERMUDA COMPANIES ACT, THE COMPANY WILL NO LONGER BE SUBJECTED TO THE RULES OF THE LISTING MANUAL SUBSEQUENT TO THE DELISTING.

- 2.15 The Company has on 5 March 2018 received confirmation from the SGX-ST that the SGX-ST has no objection to the Company's application for the proposed Delisting to take place approximately two (2) weeks after the SGM, subject to Shareholders' approval for the Proposed Creditors' Voluntary Liquidation and the appointment of the Liquidators.

The decision of the SGX-ST is not to be taken as an indication of the merits of the Delisting.

Please refer to paragraph 8 of this Circular for further details relating to the administrative procedures relating to the Delisting.

Distribution (if any)

- 2.16 In accordance with Section 225 of Bermuda Companies Act, after the realisation by the Liquidators of the Company's assets and the settlement of the Company's liabilities, which includes the Liquidators' fees and other professional fees incurred in relation to the Proposed Creditors' Voluntary Liquidation, the Liquidators shall return the surplus assets (if any) to the Shareholders according to their rights and interests in the Company as provided in the Bye-laws. Please refer to paragraph 9 of this Circular for further details relating to the administrative procedures relating to the Distribution (if any).

3. STATE OF AFFAIRS OF THE COMPANY AND THE GROUP

Where the Company is the plaintiff in an action commenced prior to the winding-up, there is no automatic stay of such action(s) upon the commencement of the Proposed Creditors' Voluntary Liquidation and the Liquidator (in place of the Board) may choose either to continue the action, or to discontinue. In such circumstances, the Liquidator will usually take advice concerning the likelihood of success of such proceedings. Typically, the Liquidator's decision will be influenced by the state of the Company's assets and available funds, as well as the prospects of success in the action. If the Liquidator decides to proceed, such action will proceed in the same way as that of an action by any other claimant. The Company may be ordered to give security for costs in light of the fact that the Company is in liquidation which is considered *prima facie* evidence that there is reason to believe that it will be unable to pay the defendant's costs if ordered to do so. Where the Company is a defendant, there is no automatic stay on proceedings.

Ongoing Legal Proceedings

3.1 A brief summary of the ongoing legal actions that the Group is involved in is set out below:

(a) DMX Technologies (Hong Kong) Limited

As announced by the Company on 7 April 2016 and 15 July 2016, DMX BVI, commenced by way of a Writ of Summons a derivative action on behalf of DMX HK in the High Court of the Hong Kong Special Administrative Region Court of First Instance on 7 April 2016 against (i) the Former Management; (ii) Mozart; (iii) Tacoma; and (iv) DMX HK.

The action is in respect of unauthorised payments made to Mozart of the account receivables due to DMX HK by DMX HK's customers, as well as unauthorised payments made to Tacoma by DMX HK of the account payables due to DMX HK's contracting parties between 2008 and 2012.

Pursuant to the Writ of Summons, DMX BVI is claiming:

- (i) against Tacoma for (A) a declaration that Tacoma held and/or holds on trust for DMX HK all the monies and/or assets received from DMX HK and/or their traceable proceeds or products (or any part thereof), and (B) an order for all necessary accounts to be taken and/or inquiries to be made, and the payment of such sums to DMX HK as may be found due;
- (ii) against Mozart for (A) a declaration that Mozart holds on trust for DMX HK all of the account receivables received by Mozart (instead of to DMX HK) and all traceable proceeds and/or assets thereof, and (B) an order for all necessary accounts to be taken and/or inquiries to be made, and the payment of such sums to DMX HK as may be found due; and
- (iii) against the Former Management for, among others, an order that each of them account to DMX HK for any of DMX HK's property that he or she has misapplied, damages and/or equitable compensation, together with all interests and costs.

As announced on 7 April 2016, the legal action was originally a shareholder derivative action in which the shareholder bringing proceedings on behalf of the company (in this case, DMX BVI) acts as the plaintiff and the company on whose behalf such proceedings are brought (in this case, DMX HK) is named as a defendant so that any orders made in the proceedings may be binding on the company. In such an action, DMX BVI would not be seeking remedies against DMX HK, but would in fact be seeking remedies against the Former Management, Mozart and Tacoma for and on behalf of DMX HK.

As announced on 15 July 2016, the Writ of Summons was subsequently amended such that the action is no longer a shareholder derivative action commenced by DMX BVI on behalf of DMX HK. Instead, DMX HK replaced DMX BVI as the plaintiff in the action and is longer a defendant in the action.

(b) Anken HR Limited

As announced by the Company on 19 July 2016, an action against the Company has been commenced by Anken in the District Court of the Hong Kong Special Administration Region on 23 June 2016 by filing of a Writ of Summons dated the same date against the Company. The Writ of Summons was not served on the Company until 27 June 2016.

Pursuant to the statement of claim endorsed on the said Writ of Summons, Anken is claiming a sum of S\$55,000, being the fee purportedly due from the Company to Mr. Daniel Kung Men Hong, a former non-executive Director, for his service as an independent director of the Company for FY2014. Pursuant to the said statement of claim, Mr. Kung purportedly assigned to Anken all monies due and payable to him from the Company in respect of the director's fee.

(c) Chinacast Education Corporation

As announced by the Company on 15 August 2016, an action against the Company and DMX HK, was commenced by CEC in the Court of First Instance in the High Court of the Hong Kong Special Administration Region on 12 August 2016 by the filing of a Writ of Summons dated the same date against Mozart, the Company and DMX HK as co-defendants.

Pursuant to the indorsement of claim on the said Writ of Summons, CEC is claiming, among others, a sum of approximately US\$4,000,000 from Mozart, the Company and DMX HK jointly and severally as constructive trustees.

(d) Deloitte

As announced by the Company on 6 October 2017, the Company has commenced legal action in the High Court of the Republic of Singapore on 5 October 2017 against Deloitte for a claim for loss and damage suffered as a result of the professional negligence of Deloitte and will be seeking unliquidated damages to be assessed.

Investigations and criminal filings

- 3.2 As announced by the Company on 1 November 2017, based on certain additional new findings in connection with the Former Management and the unauthorised payments referred to in the Company's announcement dated 7 April 2016 and the findings from the initial investigations and expanded investigations, the Company was advised by Hong Kong legal counsel to make a report to the Hong Kong Police Force, and had done so on 31 October 2017.
- 3.3 The Company had also announced on 22 February 2018 that DMX HK had on 12 January 2018, been granted an order from the High Court of Hong Kong for the release of certain documents and records to, among others, the Hong Kong Police, for the facilitation of further investigations. These documents and records provide evidence in support of allegations against Former Management for their wrongdoings. Based on further analysis of these documents and records, the Company was advised by Hong Kong legal counsel to make a further report to the Hong Kong Police, and had done so on 21 February 2018. In view of the findings in the further analysis that Singapore entities, individuals and bank accounts were involved in the Transactions in Question, the Company had on 21 February 2018 filed a Suspicious Transaction Report to the Suspicious Transactions Reporting Office of the Singapore Police Force, pursuant to applicable laws and regulations of Singapore.
- 3.4 The Company intends to pursue to the fullest extent possible all its rights and remedies against the relevant parties and will work closely with the legal counsels and regulatory authorities responsible for the various relevant jurisdictions in relation to any of the investigations.

Plans for the Subsidiaries

- 3.5 The Company's final objective is to dispose or liquidate all companies within the Group. The proceeds arising either from a disposal or a return to contributories will then be applied towards shareholders of the Group after settling the Company's liabilities. As at the Latest Practicable Date, the plans for the subsidiaries are set out below:

Entity	Place of Incorporation	Operation Status	Proposed Exit Option
DMX (BVI) Limited	British Virgin Islands	Active	Liquidation
1MP Ltd	British Virgin Islands	Dormant	Liquidation
DMX Technologies (S'pore) Pte Ltd	Singapore	Dormant	Creditors' Voluntary Liquidation
DMX Technologies (China) Limited	Hong Kong	Active	Creditors' Voluntary Liquidation
DMX Technologies (Hong Kong) Limited	Hong Kong	Active	Creditors' Voluntary Liquidation
BEE MediaSoft Limited	Hong Kong	Dormant	Creditors' Voluntary Liquidation
Lotun Technology Limited	Hong Kong	Dormant	Creditors' Voluntary Liquidation
Beijing DMX Technologies Limited	Mainland China	Active	Deregistration / Liquidation
Beijing DMX Xingnet Information Technology Limited	Mainland China-Variable Interest Entity	Dormant	Deregistration / Liquidation
1MP Technology Beijing Limited	Mainland China-Variable Interest Entity	Dormant	Deregistration / Liquidation
Beijing AVN Film Development Company Limited	Mainland China-Variable Interest Entity	Dormant	Deregistration / Liquidation
DMX Technologies Korea Co. Ltd	Korea	Dormant	Dissolution and Liquidation
DMX Technologies Sdn Bhd	Malaysia	Dormant	Creditors' Voluntary Liquidation
DMX Packet (Malaysia) Sdn Bhd	Malaysia	Active	Disposal / Creditors' Voluntary Liquidation
DMX Technologies (India) Private Ltd	India	Dormant	Creditors' Voluntary Liquidation

Shareholders should note that the above-mentioned plans for the subsidiaries are indicative only, and may be subject to change after further review by the respective advisors and/or liquidators of each entity.

4. FINANCIAL INFORMATION OF THE GROUP

4.1 The financial information of the Group set out below:

- (a) as at 31 December 2016 is extracted from the audited consolidated financial statements of the Group for FY2016. Shareholders should refer to and read the audited consolidated financial statements for FY2016 as set out in the annual report of the Company for FY2016 in its entirety for further details; and
- (b) as at 31 December 2017 is extracted from the unaudited consolidated financial statements of the Group for FY2017 (being the latest available unaudited consolidated financial statements of the Group as at the Latest Practicable Date). Shareholders should refer to and read the FY2017 financial statements released by the Company on SGXNET on 28 February 2018 in its entirety for further details.

4.2 Profit and Loss Statements

	Audited FY2016 (US\$'000)	Unaudited FY2017 (US\$'000)
Turnover	104,932	44,288
Gross Profit	22,335	12,204
Profit/(Loss) before taxation	(7,308)	(8,924)
Profit/(Loss) after taxation	(8,102)	(9,981)

4.3 Balance Sheets

	As at 31 December 2016 (US\$'000)	As at 31 December 2017 (US\$'000)
Current assets	63,826	21,065
Non-current assets	6,671	3,165
Total Assets	70,497	24,230
Current liabilities	45,521	12,060
Non-current liabilities	1,385	0
Total Liabilities	46,906	12,060
NET ASSETS	23,591	12,170

4.4 As at the Latest Practicable Date, the Company estimates that the contingent liabilities of the Company are as set out below:

Type	Counterparties	Description	Estimated Quantification
Legal Proceedings	Anken HR Limited	Please refer to paragraph 3.1(b) for further details.	Nil. The Company does not expect this contingent liability to crystallise
Legal Proceedings	Chinacast Education Corporation	Please refer to paragraph 3.1(c) for further details.	US\$4,000,000

Type	Counterparties	Description	Estimated Quantification
Corporate Guarantee	1. Logicalis Singapore Pte Ltd 2. PT Metrodata Electronics TBK	Corporate Guarantee in favour of the purchasers for the performance of the payment obligations of DMX BVI under the sale and purchase agreement dated 20 June 2017 for the disposal of 60% of the shareholding in PT Packet Systems Indonesia.	US\$7,500,000 (Maximum Cap)

5. ESTIMATED COSTS AND EXPENSES FOR THE PROPOSED CREDITORS' VOLUNTARY LIQUIDATION AND PLANS FOR THE SUBSIDIARIES

The Company estimates that approximately US\$1,690,000 in aggregate is required to carry out the Proposed Creditors' Voluntary Liquidation and the plans for the subsidiaries as set out in paragraph 3.5. The breakdown of the estimated costs and expenses is as follows:

Estimated fees payable to the Proposed Liquidators for the Proposed Creditors' Voluntary Liquidation ⁽¹⁾	US\$200,000
Estimated professional fees for the Proposed Creditors' Voluntary Liquidation, and the plans for the subsidiaries ⁽²⁾	US\$1,490,000
Total Estimated Costs and Expenses	US\$1,690,000

Shareholders should note that the fees and expenses as set out above are only estimates based on the information available to the Company as at the Latest Practicable Date and may be subject to further changes.

Notes:

- (1) Please refer to paragraph 10.4 of this Circular for more details.
- (2) This is an estimate of the professional fees to be incurred in undertaking the Proposed Creditors' Voluntary Liquidation and the plans for the subsidiaries as set out in paragraph 3.5, including an estimate of any applicable liquidators' fees and the legal fees to be incurred for the completion of the ongoing legal proceedings that the Group is involved in.

6. DMX EMPLOYEE SHARE OPTION SCHEME

- 6.1 As at the Latest Practicable Date, there are outstanding and unexercised Options granted by the Company under the DMX Employee Share Option Scheme to subscribe for up to an aggregate of 11,357,858 Shares as follows:

Date of grant	Balance as at Latest Practical Date	Exercise Price per Share	Exercise Period
25 April 2008	3,886,858	S\$0.226	24 April 2009 to 25 April 2018
28 November 2008	7,471,000	S\$0.093	27 November 2009 to 28 November 2018

- 6.2 The Company had on the date of this Circular given notice to the holders of Options (“**Optionholders**”) that the Notice of SGM has been dispatched and each Optionholder (or his personal representative) is entitled to exercise all or any of his Options at any time not later than two (2) business days prior to the SGM by giving the relevant notice in writing to the Company, accompanied by a remittance of the aggregate subscription costs whereupon the Company shall as soon as possible and in any event, no later than the business day immediately prior to the date of the SGM, allot the relevant Shares to the Optionholder credited as fully paid.
- 6.3 Alternatively, if arrangements are made (which are confirmed in writing by the Company’s auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Optionholders, whether by the payment of cash or the grant of other options or otherwise, an Optionholder holding an Option, as yet not exercised, may not, at the discretion of the remuneration committee of the Board, be permitted to exercise that Option in the manner as provided for in paragraph 6.2 above.
- 6.4 To the extent that an Option is not exercised within the period referred to in paragraph 6.2, it shall lapse and become null and void.

7. BOOKS CLOSURE DATE

If the Shareholders approve the Proposed Creditors’ Voluntary Liquidation at the SGM, the Books Closure Date will be determined and an announcement will be made as to the Books Closure Date. Such announcement will be made at least five (5) Market Days prior to the Books Closure Date.

8. ADMINISTRATIVE PROCEDURES FOR DELISTING

- 8.1 The Company will cancel all the existing share certificates relating to Shares in issue as at the Books Closure Date (the “**Old Share Certificates**”). The cancellation of the Old Share Certificates will be made on the date on which the Delisting takes effect. In respect of Depositors having Shares standing to the credit of their Securities Accounts as at the Books Closure Date, no further action needs to be taken as arrangements will be made by the Company with CDP for all the Old Share Certificates issued in the name of CDP or its nominee as at the Books Closure Date to be cancelled. Following the withdrawal of the Old Share Certificates issued in the name of CDP or its nominee, CDP will debit the Shares in the Securities Accounts of such Depositors. The Depositors’ names will be entered in the Company’s register of members as members, and replacement share certificates will be issued to the Depositors. Upon cancellation, the Old Share Certificates shall be void and will cease to have any effect or be valid for any purpose. The Company will bear the costs of the issuance of new replacement share certificates.
- 8.2 To facilitate destruction of the Old Share Certificates, scrip-based Shareholders are encouraged to return to the Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, their Old Share Certificates in respect of such Shares.

THE COMPANY WOULD LIKE TO HIGHLIGHT THAT WHEN THE COMPANY IS DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST, SHAREHOLDERS WILL HOLD SHARES IN AN UNLISTED COMPANY. SHARES OF UNLISTED COMPANIES ARE GENERALLY VALUED AT A DISCOUNT TO THE SHARES OF COMPARABLE LISTED COMPANIES AS A RESULT OF THE LACK OF LIQUIDITY. AS SUCH, IT IS LIKELY TO BE DIFFICULT FOR SHAREHOLDERS OF AN UNLISTED COMPANY TO SELL THEIR SHARES IN THE ABSENCE OF A PUBLIC MARKET FOR THE SHARES. SHAREHOLDERS SHOULD ALSO NOTE THAT WHILE THE COMPANY WILL CONTINUE TO BE SUBJECT TO THE BERMUDA COMPANIES ACT, THE COMPANY WILL NO LONGER BE SUBJECTED TO THE RULES OF THE LISTING MANUAL SUBSEQUENT TO THE DELISTING.

9. ADMINISTRATIVE PROCEDURES FOR THE DISTRIBUTION (IF ANY)

Distribution (If Any)

- 9.1 Depositors having Shares standing to the credit of their Securities Accounts as at the Books Closure Date should note that following the Delisting and after CDP debits the Shares in the Securities Accounts of such Depositors, in the event the Proposed Creditors' Voluntary Liquidation proceeds, CDP will not be involved in the Distribution (if any). The Distribution (if any) will be undertaken by the Liquidators. Please refer to paragraph 8.1 of this Circular for more information.

Dissolution of the Company

- 9.2 After the Distribution (if any), the Liquidators will convene the Final General Meeting and Final Creditors' Meeting which will conclude the winding up of the Company. At least one (1) month's notice by way of newspaper advertisement is required to convene the Final General Meeting and Final Creditors' Meeting in accordance with Section 223 of the Bermuda Companies Act. By the time of such newspaper advertisement, the Company would have been delisted from the SGX-ST Mainboard. At the Final General Meeting and Final Creditors' Meeting, the Liquidators' account of the winding up will be received. Within one (1) week after the Final General Meeting and Final Creditors' Meeting is held, the Liquidator shall send to the Registrar a copy of the account, and shall make a return to him of the holding of the meetings and of their dates. If no quorum is present at either meeting, the Liquidator shall, in lieu of the return hereinbefore mentioned, make a return that the meeting was duly summoned and that no quorum was present thereat.

The Registrar on receiving the account and, in respect of each such meeting, either of the returns hereinbefore mentioned, shall forthwith register them, and on the expiration of three (3) months from the registration thereof the Company shall be deemed to be dissolved.

Shareholders may wish to note that pursuant to Section 260 of the Bermuda Companies Act, upon an application being made by the Liquidators or by any other person who appears to the Bermuda Court to be interested, the Bermuda Court may, at any time not later than 10 years from the date of dissolution, make an order declaring the dissolution to be void. When such an order is made and registered with the Registrar of Companies, the Company is deemed to have continued in existence as if it had not been dissolved. The concept of "interested person" is not defined in the Bermuda Companies Act. Accordingly, this gives the Bermuda Court discretion to determine if a claimant is an interested person. For these purposes, an interested person is likely to be someone that has some right, duty or claim, whether legal or equitable, in the Company, demonstrated to the satisfaction of the Bermuda Court.

10. PROPOSED LIQUIDATORS

Appointment

- 10.1 The proposed liquidators are Mr. Bob Yap Cheng Ghee of KPMG Services Pte. Ltd., Mr. Wong Pheng Cheong Martin of KPMG Services Pte. Ltd. and Mr. Mike Morrison of KPMG Advisory Limited. Subject to Shareholders' approval being obtained at the SGM and subject to the approval at the Creditors' Meeting, Mr. Bob Yap Cheng Ghee, Mr. Wong Pheng Cheong Martin and Mr. Mike Morrison will be appointed as the Liquidators of the Company jointly and severally. The Bermuda Companies Act does not require the approval of the Bermuda Court for such appointment.

Background Information of Proposed Liquidators

- 10.2 Mr. Bob Yap Cheng Ghee has been with KPMG for over 24 years. He currently serves as the Head of Deal Advisory in the Asia Pacific region as well as the Head of Advisory in Singapore. Mr. Bob Yap Cheng Ghee specialises in corporate insolvency and restructuring engagements, which encompass compulsory and voluntary liquidation, judicial management, receivership, corporate turnaround, consensual work outs and general business advisory services. Mr. Bob Yap Cheng Ghee also leads forensic investigations for local and international organisations across both private and public sectors, spanning industries such as insurance, energy and utilities, electronics, engineering, pharmaceuticals, financial services and real estate. His appointments across various countries such as China, Indonesia, Malaysia, Korea, Taiwan, Hong Kong, and Singapore include:

- (a) Appointed as joint and several liquidators of MF Global Singapore Pte. Limited, which had over 6,200 customers and creditors with a debt exposure of approximately S\$700 million. The liquidators recovered and managed customer segregated funds held by the correspondent brokers, clearing houses and financial institutions globally and was one of the first MF Global entities worldwide to successfully effect interim distributions of funds to customers of up to 90% of their entitlement.
- (b) Appointed as liquidators to Lehman Brothers entities in Singapore after Lehman Brothers filed for bankruptcy protection in the US. Also led in the solvency review of the Lehman Brothers group of companies with an aggregate debt exposure of approximately S\$3 billion.
- (c) Appointed as liquidators of OW Bunker Far East (Singapore) Pte Ltd and Dynamic Oil Trading (Singapore) Pte Ltd, which were subsidiaries of OW Bunker Group, one of the world's leading global marine fuel company headquartered in Denmark. The collapse was precipitated by alleged fraud committed in Singapore and the significant losses incurred causing the collapse of the OW Bunker Group. Total debt exposure is approximately US\$300 million.
- (d) Appointed as joint official liquidator of a large shipbuilding company headquartered in the Cayman Islands with operations in Singapore and total debt exposure of US\$21 million. It owned an Aframax Tanker Vessel for conversion into a floating production platform and storage unit and had a MSC/Gusto CJ70 Jackrig under construction in Singapore. Also conducted a forensic investigation into the alleged unauthorised transfers of funds by the company with the evidence gathered used to bring legal proceedings against the management of the company.
- (e) Appointed as scheme manager in the successful restructuring using a scheme of arrangement, of over US\$2.2 billion of debts owing by a large company involved in offshore rig construction, shipbuilding, conversion, and ship repairs. The company owned and operated four (4) shipyards in Singapore and Indonesia and continues as a going concern.
- (f) Appointed as judicial manager of Swiber Holdings Limited and Swiber Offshore Construction Ptd. Ltd., a leading global engineering, procurement, installation & commissioning service provider for offshore oil and gas field development. The total estimated debt exposure of the group is in excess of US\$2 billion.
- (g) Appointed as joint and several liquidators of BSI Bank Limited, a merchant bank in Singapore which offers private banking and wealth management services and is a wholly-owned subsidiary of BSI SA, a bank headquartered in Switzerland. The Liquidators assisted BSI in the transfer of their private banking and wealth management business to EFG International and winding down the remaining operations of BSI.

Mr. Wong Pheng Cheong Martin joined KPMG in 1996. Apart from specialising in corporate turnarounds, his portfolio also includes judicial management engagements, receiverships, both compulsory and voluntary liquidation and business advisory services. During the course of his work, Mr. Wong Pheng Cheong Martin has dealt extensively with complex cross border insolvency and litigation cases, notably in connection with the United States of America, the United Kingdom, Italy, China, Malaysia, Indonesia, Australia, Thailand, Korea, India, the United Arab Emirates and Central America. His appointments include:

- (i) Restructured medium term note issued by SGX listed Offshore & Marine companies: AusGroup Limited, Marco Polo Marine Limited and Falcon Energy Group Limited in 2016 – 2018.
- (ii) Restructured by way of a scheme of arrangement in Singapore and implementation of a corresponding cross border Concordato Preventivo in Italy for an Italian owned international bulk shipping company with financial exposure exceeding US\$1 billion.

- (iii) Restructured an Indian-owned, Singapore head-quartered shipping company operating bulk carriers, chemical and pressurized tankers. Financial obligations restructured amount up to approximately US\$800 million.
- (iv) Led and managed a multi-disciplinary, multi-office KPMG team in the cross-border administration, wind-down and liquidation of 40 Lehman Brothers entities spread across nine (9) jurisdictions in Asia. Aggregate exposure in excess of US\$3 billion.
- (v) Led and managed a team in the judicial management of a local subsidiary of one of India's foremost private sector company with a market capitalisation of more than US\$18 billion and annual turnover of US\$4.75 billion. The engagement involved the administration of offices in London, Moscow, the Middle East and Central America and the realisation and recovery of assets in these countries largely through litigation.
- (vi) Managed and coordinated three (3) core teams in the conduct of an independent and comprehensive business review into one of Asia's largest listed original equipment manufacturer and supplier of high precision plastic injection moulds and components with annual turnover of circa S\$500 million, employing in excess of 10,000 highly skilled technicians and engineers in 12 fully integrated manufacturing facilities in Singapore, Malaysia and across the People's Republic of China.

Mr. Mike Morrison is the head of Transactions and Restructuring for KPMG's offshore group which includes Bermuda, the Caribbean, and the Channel Islands and is a Managing Director and head of KPMG Advisory Limited in Bermuda.

Having over 20 years of experience in the UK and Bermuda specialising in transaction services and restructuring, Mr Mike Morrison has led a range of complex cross-border financial services engagements, including:

- (A) Stressed and distressed advisory and formal insolvency appointments as a liquidator or receiver over a broad spectrum of companies.
- (B) Acquisition advice and due diligence on cross-border merger & acquisitions, including banks, investment funds and (re)insurance portfolios.
- (C) Forensic engagements including investigations into money laundering.
- (D) Pre-lending commercial and financial reviews for banking syndicates in multinational, multi-million dollar contexts.
- (E) Valuations of fund administration and management companies, for merger & acquisitions and presentation to tax authorities.
- (F) Recent engagements include joint liquidator appointments of numerous high profile, complex insolvencies, including:
 - New Stream Capital Fund Limited;
 - The South of England Protection & Indemnity (Bermuda) Association Limited;
 - Par-La-Ville Hotel & Residences Limited;
 - Gerova Financial Group;
 - Parkcentral Global Hub Fund;
 - Africa Alpha Capital I Limited;
 - Millennium Global Emerging Credit Fund;
 - Hatteras Re; and
 - Enron Re.

Mr. Bob Yap Cheng Ghee, Mr. Wong Pheng Cheong Martin and Mr. Mike Morrison have confirmed that they do not have any conflict of interest if appointed or engaged as the Liquidators, and none of them has any relationship with the Company, its Directors and/or the Substantial Shareholders.

Consent

- 10.3 Mr. Bob Yap Cheng Ghee, Mr. Wong Pheng Cheong Martin and Mr. Mike Morrison have given their consent to act as Liquidators, subject to Shareholders' approval being obtained at the SGM and subject to the approval at the Creditors' Meeting in respect of their proposed appointment.

Remuneration

- 10.4 Subject to the relevant approvals set out in paragraphs 2.1(i), 2.5 and 2.7 in relation to their appointment and remuneration, and the terms and conditions as stated in their letter of engagement dated 24 January 2018, the remuneration of the Liquidators, which will be based on their hourly rates and time costs incurred in carrying out the winding up of the Company, is preliminarily estimated to be an aggregate amount of US\$200,000 (excluding disbursements, applicable taxes, subcontract fees, legal fees, out of pocket expenses and any other additional costs that may vary during the course of liquidation). The Liquidators' remuneration, applicable taxes and disbursements incurred are to be paid out of the Company's assets.

11. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

- 11.1 Based on the Register of Directors' Shareholdings, as at the Latest Practicable Date, the direct and deemed interests of the Directors are as follows:

Names of Directors	Direct Interest	Shareholding Percentage (%)⁽¹⁾	Deemed Interest	Shareholding Percentage (%)
Mr. Iwao Oishi	–	–	–	–
Mr. Takashi Eida	–	–	–	–
Mr. Masatoshi Nobuhara	–	–	–	–
Mr. Keiji Ito	–	–	–	–
Mr. Mark Wang Yat-Yee	225,000	0.0193	–	–
Mr. Takuro Awazu	5,000	0.0004	–	–

- 11.2 Based on the Register of Substantial Shareholders maintained by the Company, as at the Latest Practicable Date, the direct and deemed interests of the Company's Substantial Shareholders are as follows:

Names of Substantial Shareholders	Direct Interest	Shareholding Percentage (%)⁽¹⁾	Deemed Interest	Shareholding Percentage (%)⁽¹⁾
KDDI Corporation ⁽²⁾	–	–	596,622,835	51.2829
Venture Corporation Limited	142,500,000	12.2486	–	–
Teo Chor Khin Jismyl ⁽³⁾	2,907,558	0.2499	55,167,967	4.7420

Notes:

- (1) Based on the total number of Shares (excluding treasury shares) of 1,163,394,742 Shares as at the Latest Practicable Date.
- (2) Registered in the name of HSBC (Singapore) Nominees Pte Ltd.
- (3) Ms. Teo Chor Khin Jismyl has a direct interest in 2,907,558 Shares and is deemed to be interested in 21,034,320 Shares held by Eagle One Consultants Limited ("EOCL") and 34,133,647 Shares held by Group Equity International Limited ("GEIL") by virtue of the fact that she is the sole shareholder and joint shareholder of EOCL and GEIL, respectively.

- 11.3 Save in respect of their shareholdings in the Company as disclosed in paragraphs 11.1 and 11.2 above, none of the Directors and/or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Creditors' Voluntary Liquidation.

12. DIRECTORS' RECOMMENDATION

- 12.1 The Directors are of the opinion that the Proposed Creditors' Voluntary Liquidation is in the best interests of the Company for reasons as set out in paragraphs 1.8 and 1.9 of this Circular.
- 12.2 Accordingly, the Directors recommend that Shareholders vote in favour of the resolution to be proposed at the SGM in relation to the Proposed Creditors' Voluntary Liquidation as set out in the Notice of SGM.

13. SPECIAL GENERAL MEETING

The SGM, according to the Notice of SGM, is to be held at Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on 2 April 2018 at 2.00 p.m. for the purpose of considering and, if thought fit, passing the resolution as set out in the Notice of SGM.

14. ACTION TO BE TAKEN BY SHAREHOLDERS

- 14.1 The Company is incorporated in Bermuda and operates subject to Bermuda law. Under the Bermuda Companies Act, only those persons whose names are entered on the register of members of such company would have the right to attend and vote, or to appoint proxies to do so, at general meetings of such company. Accordingly, arrangements have been made whereby CDP appoints Depositors as its proxies to attend and vote at the SGM.
- 14.2 Shareholders (who are registered holders of Shares other than CDP) and who are unable to attend the SGM and wish to appoint a proxy to attend and vote at the SGM on their behalf will find enclosed with this Circular a Shareholder Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the offices of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than 48 hours before the time appointed for the SGM. The completion and return of a Shareholder Proxy Form by such Shareholder does not preclude him from attending and voting in person at the SGM in place of his proxy if he finds that he is able to do so, and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- 14.3 Depositors whose names are shown in the records of CDP as at a time not earlier than 48 hours before the time appointed for the SGM supplied by CDP to the Company, may attend and vote at the SGM as CDP's proxies. Such Depositors who are individuals and who wish to attend the SGM in person need not take any further action and can attend and vote at the SGM without the lodgement of any proxy form. Such Depositors who are not individuals, and such Depositors who are individuals and who are unable to attend personally but wish to appoint a nominee to attend and vote on his behalf as CDP's proxy, will find enclosed with this Circular a Depositor Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event, so as to arrive at the offices of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than 48 hours before the time appointed for the SGM. The completion and return of a Depositor Proxy Form by a Depositor who is an individual does not preclude him from attending and voting in person as CDP's proxy at the SGM in place of his nominee if he finds that he is able to do so, and in such event, his appointment of his nominee shall be deemed to be revoked.

15. DIRECTORS' RESPONSIBILITY STATEMENT

- 15.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Creditors' Voluntary Liquidation, the Company and its subsidiaries.
- 15.2 The Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.
- 15.3 Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the office of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, during normal business hours from the date of this Circular up to and including the date of the SGM:

- (a) the Bye-laws of the Company;
- (b) the Company's annual report for FY2016; and
- (c) the letters of consent to act from the Proposed Liquidators.

Yours faithfully

For and on behalf of the Board of Directors of
DMX TECHNOLOGIES GROUP LIMITED

Iwao Oishi
Executive Director, Vice Chairman and Acting Chief Executive Officer

9 March 2018

APPENDIX A

BRIEF SUMMARY OF THE CREDITORS' VOLUNTARY LIQUIDATION PROCESS UNDER BERMUDA LAW

1. SGM AND CREDITORS' MEETING

The SGM will be convened for the purposes of passing the resolution approving the Proposed Creditors' Voluntary Liquidation, appointing the Liquidators and nominating up to five (5) nominees to the committee of inspection.

Notice must be given of a Creditors' Meeting to be held on the same day or the day after the SGM. Notice of the Creditors' Meeting will be dependent upon the requirement for notice of the SGM as set out in the Company's Bye-laws. Notice of the Creditors' Meeting must be published in the Bermuda Royal Gazette on two (2) occasions prior to the meeting. Notice of the SGM and of the Creditors' Meeting will be sent out on the same day.

Creditors' proxies need to be received by the Company by 3.30 p.m. the day preceding the Creditors' meeting.

At the Creditors' Meeting, the Directors will cause to be laid a full statement of the Company's affairs and the method and manner in which valuation of assets was arrived at, together with a list of Creditors and the estimated amount of their claims.

The purpose of the Creditors' Meeting is to receive the statement of affairs and list of Creditors and, if wished, to nominate a Liquidator. The quorum is three (3) Creditors present or represented, or all of the Creditors, if there are less than three (3). A resolution of the Creditors is passed when approved by a majority in number and value of those voting personally or by proxy. If the Creditors and the Shareholders nominate different persons, the person(s) nominated by the Creditors shall be the Liquidator(s). In these circumstances, any Director, Shareholder, or Creditor may within seven (7) days after the date on which the nomination was made by the Creditors apply to the Bermuda Court for an order directing that the person(s) nominated as Liquidator(s) by the Shareholders shall be Liquidator(s) instead of or jointly with the person nominated by the Creditors or appointing some other person to be Liquidator instead of the person appointed by the Creditors.

The Creditors at the Creditors' Meeting may, if they think fit, appoint a committee of inspection consisting of not more than five (5) persons, and if such a committee is appointed, the Shareholders may, either at the SGM or at any time subsequently in general meeting, appoint such number of persons as they think fit to act as members of the committee of inspection not exceeding five (5) in number. The Creditors may, if they think fit, resolve that all or any of the persons appointed by the Shareholders ought not to be members of the committee of inspection, and, if the Creditors so resolve, may replace any of the committee members with their own nominated members. For the avoidance of doubt, the Company does not intend to nominate any person to the committee of inspection at the SGM.

The Proposed Creditors' Voluntary Liquidation is deemed to have formally commenced at the time of passing of the winding up resolution at the SGM.

2. FILING OF NOTICES

Within 21 days after the SGM has been held, notice of the resolution to wind up the Company, together with a notice from the Liquidators of their appointment, and the formal notice to claim must be published in an appointed newspaper in Bermuda. Notices must also be advertised in the Official Gazette of Bermuda and be given to the Registrar of Companies within that period.

3. REALISATION OF ASSETS BY THE LIQUIDATORS

The Liquidators will carry out their statutory duties in realising the assets of the Company, including an investigation into the affairs of the Company, developing and carrying out a liquidation strategy to resolve all issues and realise all assets, including those from subsidiaries and relating to litigation commenced by the Group.

4. CREDITORS PROVE THEIR DEBTS

The Liquidators will publish, in an appointed newspaper in Bermuda, notice to Creditors that they should submit any proof of debts. This will usually be published at the same time that the notice of the winding up resolution is published (referred to in paragraph 2 above). In addition, the Liquidators must send notice in writing to all persons appearing from the books and records of the Company to be Creditors (including contingent creditors) inviting them to file a claim against the Company within the allocated time period. After the period by which Creditors must submit their claims has expired (which must be not less than 14 days from the date of the notice) the Liquidators will arrange for a distribution to Creditors on a *pari passu* basis according to the quantum of their debt. Payment of the liquidators' fees and expenses will be made in full prior to a final distribution to Creditors.

5. RETURN OF CAPITAL TO SHAREHOLDERS

If surplus assets remain following the payment of the fees and expenses of the Proposed Creditors' Voluntary Liquidation and payment of all Creditor claims, the Liquidators will return the surplus assets, if any, to the Shareholders of the Company. This outcome must be viewed as unlikely.

6. FINAL GENERAL MEETING AND FINAL CREDITORS' MEETING

The Final General Meeting and Final Creditors' Meeting, which requires one (1) month's notice in an appointed newspaper in Bermuda, concludes the winding-up. At each of the Final General Meeting and Final Creditors' Meeting, the Liquidators' account of the winding up is received and resolutions determining the manner in which the books and records of the Company are to be disposed of and dissolving the Company are passed.

Save as specified in this Appendix A, there are very few mandatory timelines or milestones required under the Bermuda Companies Act. In the event of the winding-up continuing for more than one (1) year, the Liquidator is required to summon a general meeting of the Company and a meeting of the Creditors at the end of the first year from the commencement of the winding up, and of each succeeding year, or at the first convenient date within three (3) months from the end of the year or such longer period as the Registrar of Companies may allow, and is required to lay before the meetings an account of the Liquidator's acts and dealings and of the conduct of the winding-up during the preceding year.

7. NOTIFICATION OF DISSOLUTION

Within one (1) week after the date of the Final General Meeting and Final Creditors' Meeting, or, if the meetings are not held on the same date, after the date of the later meeting, the Liquidators shall send to the Registrar of Companies a copy of the account, and shall make a return to him of the holding of the meetings and of their dates. If no quorum is present at either meeting, the Liquidators shall, in lieu of the return hereinbefore mentioned, make a return that the meeting was duly summoned and that no quorum was present thereat.

The Registrar of Companies on receiving the account and, in respect of each such meeting, either of the returns hereinbefore mentioned, shall forthwith register them, and on the expiration of three (3) months from the registration thereof the Company shall be deemed to be dissolved.

APPENDIX B

STATEMENT OF THE POSITION OF THE COMPANY'S AFFAIRS, LIST OF THE CREDITORS AND THE ESTIMATED AMOUNT OF CREDITORS' CLAIMS

STATEMENT OF AFFAIRS

Company Name: DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

Statement of Assets and Liabilities as at 28 February 2018

	Book Value	Estimated realisable value
1 ASSETS NOT SPECIFICALLY CHARGED		
(a) Real estate as detailed in Schedule A†	NA	NA
(b) Sundry debtors as detailed in Schedule B†	US\$8,497,662	US\$8,497,662
(c) Cash in hand	NA	NA
(d) Cash at bank	US\$82,000	US\$82,000
(e) Stock as detailed in inventory	NA	NA
(f) Plant and equipment as detailed in inventory	NA	NA
(g) Other assets as detailed in Schedule C†	US\$32,509	US\$32,509
2 ASSETS SUBJECT TO SPECIFIC CHARGES, LIENS, MORTGAGES, BILLS OF SALE OR HIRE-PURCHASE AGREEMENTS, as detailed in Schedule D	NA	NA
Less amounts owing as detailed in Schedule D	NA	NA
TOTAL ASSETS	US\$8,612,171	US\$8,612,171

† Where this statement of affairs is made for the purposes of Schedule A, B, C and D are to show the method and manner in which the valuation of the assets were arrived at.

CONTINUATION SHEET 1

Company Name: DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda).....

Company No: 31201 (Bermuda Company number).....

Statement of Assets and Liabilities as at 28 February 2018.....

	Book Value	Estimated Realisable Values
TOTAL ESTIMATED REALISABLE ASSETS	US\$8,612,171	US\$8,612,171
3 Less PREFERENTIAL CREDITORS ENTITLED TO PRIORITY OVER THE HOLDERS OF DEBENTURES UNDER ANY FLOATING CHARGE, as detailed in Schedule E	NA	NA
4 Less AMOUNTS OWING AND SECURED BY DEBENTURES OR FLOATING CHARGE OVER COMPANY'S ASSETS TO	NA	NA
5 Less PREFERENTIAL CREDITORS as detailed in Schedule F	NA	NA
ESTIMATED AMOUNT AVAILABLE FOR UNSECURED CREDITORS	US\$8,612,171	US\$8,612,171

CONTINUATION SHEET 2

Company Name: DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

	Book Value	Estimated Realisable Values
ESTIMATED AMOUNT AVAILABLE FOR UNSECURED CREDITORS	US\$8,612,171	US\$8,612,171
6 CREDITORS (UNSECURED) as detailed in Schedule G (Amount claimed (US\$1,564,852)	(US\$1,564,852)	(US\$1,564,852)
7 BALANCES OWING TO PARTLY SECURED CREDITORS as detailed in Schedule H	NA	NA
Total claims (NA)		
Security held (NA)		
8 CONTINGENT ASSETS	US\$ -	To be determined
Estimated to produce		
As detailed in Schedule I		
9 CONTINGENT LIABILITIES	(US\$11,500,000)	(US\$11,500,000)
Estimated to rank for		
As detailed in Schedule J		
ESTIMATED * DEFICIENCY/SURPLUS (Subject to costs of *administration/liquidation)	(US\$4,452,681)	To be determined
SHARE CAPITAL	US\$58,427,343	US\$58,427,343
Issued (1,168,546,867 Shares)		
Paid-up (1,168,546,867 Shares)		

* Delete where applicable

CONTINUATION SHEET 3

Company Name: DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

REAL ESTATE: SCHEDULE A (If space is insufficient, please use Continuation Sheet)

Particulars 1	
Address and description of property:	
Cost Price or Book Value: Estimated Realisable Value:	
Valuation for rating purposes:	
Particulars for tenancy:	
Where possession of deeds may be obtained:	
Short Particulars of Title:	
NA	
Particulars 2	
Address and description of property:	
Cost Price or Book Value: Estimated Realisable Value:	
Valuation for rating purposes:	
Particulars of tenancy:	
Where possession of deeds may be obtained:	
Short Particulars of Title:	

CONTINUATION SHEET 4

Company Name: DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

SCHEDULE B (If space is insufficient, please use Continuation Sheet)
SUNDRY DEBTORS (INCLUDING LOAN DEBTORS)

Particulars 1	
Name of Debtor:	DMX (BVI) Ltd.
Address of Debtor:	Flat B, 9/F, World Tech Centre, 95 How Ming Street, Kwun Tong, Kowloon, Hong Kong
Amount owing:	US\$61,469,387
Amount Realisable:	US\$ 6,798,977
Deficiency:	US\$54,670,410
Particulars of security (if any) held:	NA
Explanation of deficiency:	Amount had been provided for doubtful debts
Particulars 2	
Name of Debtor:	DMX Technologies (Hong Kong) Limited
Address of Debtor:	Flat B, 9/F, World Tech Centre, 95 How Ming Street, Kwun Tong, Kowloon, Hong Kong
Amount owing:	US\$156,317,293
Amount Realisable:	US\$1,365,875
Deficiency:	US\$154,951,418
Particulars of security (if any)	NA
Explanation of deficiency:	Amount had been provided for doubtful debts

CONTINUATION SHEET 5

Company Name: DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

SCHEDULE B (If space is insufficient, please use Continuation Sheet)
SUNDRY DEBTORS (INCLUDING LOAN DEBTORS)

Particulars 3	
Name of Debtor:	Bee Mediasoft Limited
Address of Debtor:	Flat B, 9/F, World Tech Centre, 95 How Ming Street, Kwun Tong, Kowloon, Hong Kong
Amount owing:	US\$7,000
Amount Realisable:	US\$7,000
Deficiency:	US\$ -
Particulars of security (if any) held:	NA
Explanation of deficiency:	NA
Particulars 4	
Name of Debtor:	DMX Technologies (S'pore) Pte Ltd
Address of Debtor:	10 Hoe Chiang Road, Keppel Towers #16-03, Singapore 089315
Amount owing:	US\$604,731
Amount Realisable:	US\$223
Deficiency:	US\$604,508
Particulars of security (if any)	NA
Explanation of deficiency:	Amount had been provided for doubtful debts

CONTINUATION SHEET 6

Company Name: DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

SCHEDULE B (If space is insufficient, please use Continuation Sheet)
SUNDRY DEBTORS (INCLUDING LOAN DEBTORS)

Particulars 5	
Name of Debtor:	DMX Technologies (China) Limited
Address of Debtor:	Flat B, 9/F, World Tech Centre, 95 How Ming Street, Kwun Tong, Kowloon, Hong Kong
Amount owing:	US\$14,899,104
Amount Realisable:	US\$322,418
Deficiency:	US\$14,576,686
Particulars of security (if any) held:	NA
Explanation of deficiency:	Amount had been provided for doubtful debts
Particulars 6	
Name of Debtor:	DMX Technologies Korea Co. Ltd.
Address of Debtor:	6F, Sun Min Building, 625, Eonju-ro, Gangnam-gu, Seoul Korea (135-756)
Amount owing:	US\$363,169
Amount Realisable:	US\$3,169
Deficiency:	US\$360,000
Particulars of security (if any)	NA
Explanation of deficiency:	Amount had been provided for doubtful debts

CONTINUATION SHEET 7

Company Name: DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

SCHEDULE C (If space is insufficient, please use Continuation Sheet)
OTHER ASSETS (DEPOSITS OR INVESTMENTS)

Description of deposit or investment	Cost	Amount Realisable
Prepayments –		
Estera Corporate Services (HK) Limited	US\$31,910	US\$31,910
Shareinvestor Pte Ltd	US\$599	US\$599
Total Prepayments	US\$32,509	US\$32,509
 Investments –		
DMX (BVI) Ltd.	US\$11,534,000	US\$ -
<i>Investments in subsidiary written off</i>	(US\$11,534,000)	US\$ -
Total Investments	US\$ -	US\$ -

CONTINUATION SHEET 8

Company Name: DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

SCHEDULE D (If space is insufficient, please use Continuation Sheet)
ASSETS SUBJECT TO SPECIFIC CHARGES, LIENS, MORTGAGES, BILLS OF
SALE OR HIRE PURCHASE AGREEMENTS

Particulars 1	
Description of Asset:	/
Date charge given:	
Description of Charge:	
Holder of Charge:	
Terms of Repayment:	
Cost or book Value:	
Estimated Realisable Value:	
Amount owing under Charge:	
NA	
Particulars 2	
Description of Asset:	/
Date charge given:	
Description of Charge:	
Holder of Charge:	
Terms of Repayment:	
Cost or book Value:	
Estimated Realisable Value:	
Amount owing under Charge:	

CONTINUATION SHEET 9

Company Name : DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

SCHEDULE E (If space is insufficient, please use Continuation Sheet)
PREFERENTIAL CREDITORS ENTITLED TO PRIORITY OVER THE HOLDERS
OF DEBENTURES UNDER ANY FLOATING CHARGE

1 Employee's name:

Address:

Wages:

- Notice or leave pay
- Gratuity or retrenchment benefits
- Other service benefits

Estimated Liability:

2 Employee's name:

Address:

Wages:

- Notice or leave pay
- Gratuity or retrenchment benefits
- Other service benefits

Estimated Liability:

NA

3 Employee's name:

Address:

Wages:

- Notice or leave pay
- Gratuity or retrenchment benefits
- Other service benefits

Estimated Liability:

4 Employee's name:

Address:

Wages:

- Notice or leave pay
- Gratuity or retrenchment benefits
- Other service benefits

Estimated Liability:

CONTINUATION SHEET 8

Company Name : DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

SCHEDULE F (If space is insufficient, please use Continuation Sheet)
PREFERENTIAL CREDITORS (OTHER THAN THOSE DETAILED IN
SCHEDULE E)

1 Name:
Address:
Description of amount owing:
Amount owing:

2 Name:
Address:
Description of amount owing:
Amount owing:

NA

3 Name:
Address:
Description of amount owing:
Amount owing:

4 Name:
Address:
Description of amount owing:
Amount owing:

CONTINUATION SHEET 9

Company Name : DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda).....

Company No: 31201 (Bermuda Company number).....

SCHEDULE G (If space is insufficient, please use Continuation Sheet)
UNSECURED CREDITORS

- 1 Name: DMX Technologies (Macao Commercial Offshore) Co. Limited
Address: Rua Pequim no.230-236, Edificio Macau Financial Centre, 11 andar "E", Macau
Amount claimed: US\$691,922
Amount admitted: US\$691,922
Reason for disputed amount (if any): NA
- 2 Name: Foo Meng Tong
Address: 12A Jalan Labu Manis Singapore 537999
Amount claimed: US\$38,000
Amount admitted: US\$38,000
Reason for disputed amount (if any): NA
- 3 Name: Mark Wang Yat-Yee
Address: 38 Draycott Drive, #15-01 Singapore 259428
Amount claimed: US\$33,000
Amount admitted: US\$33,000
Reason for disputed amount (if any): NA
- 4 Name: Takuro Awazu
Address: 6-19-50-801 Akasaka, Minato-ku, Tokyo Japan 1070052
Amount claimed: US\$29,000
Amount admitted: US\$29,000
Reason for disputed amount (if any): NA

CONTINUATION SHEET 10

Company Name : DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

SCHEDULE G (If space is insufficient, please use Continuation Sheet) UNSECURED CREDITORS

- 5 Name: Boardroom Corporate & Advisory Services Pte Ltd
Address: 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623
Amount claimed: US\$101,830
Amount admitted: US\$101,830
Reason for disputed amount (if any): NA
- 6 Name: PricewaterhouseCoopers LLP
Address: 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936
Amount claimed: US\$403,000
Amount admitted: US\$403,000
Reason for disputed amount (if any): NA
- 7 Name: Li, Wong, Lam & W. I. Cheung
Address: 22nd Floor, Infinitus Plaza, No.199 Des Voeux Road Central, Hong Kong
Amount claimed: US\$245,000
Amount admitted: US\$245,000
Reason for disputed amount (if any): NA
- 8 Name: WongPartnership LLP
Address: 12 Marina Boulevard Level 28, Marina Bay Financial Centre Tower 3, Singapore 018982
Amount claimed: US\$23,100
Amount admitted: US\$23,100
Reason for disputed amount (if any): NA

CONTINUATION SHEET 11

Company Name : DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda).....

Company No: 31201 (Bermuda Company number).....

SCHEDULE H (If space is insufficient, please use Continuation Sheet)
PARTLY SECURED CREDITORS

Particulars 1	
Name: Address: Particulars of security held: Nature of security: Estimated value of security held: Amount owing to creditor: Amount estimated to rank as unsecured:	
	NA

Particulars 2	
Name: Address: Particulars of security held: Nature of security: Estimated value of security held: Amount owing to creditors: Amount estimated to rank as unsecured:	

CONTINUATION SHEET 11

Company Name : DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

SCHEDULE I (If space is insufficient, please use Continuation Sheet)
CONTINGENT ASSETS

- 1 Description of Asset: Potential claims from on-going legal suit with Deloitte & Touche LLP

Gross Asset: To be determined *

Estimated to produce: To be determined *

- 2 Description of Asset: Potential claims from on-going legal suit with Former Management (Tang Chi Tang, Teo Chor Khin Jismyl, Emmy Wu and Fu Yan Yan), Mozart Management Co., Limited and Tacoma Associates Limited.

Gross Asset To be determined *

Estimated to produce: To be determined *

- 3 Description of Asset:

Gross Asset

Estimated to produce:

- 4 Description of Asset:

NA

Gross Asset

Estimated to produce:

- 5 Description of Asset:

Gross Asset

Estimated to produce:

***Note:** These are on-going legal suits and management are not able to quantify the contingent asset when preparing this SOA. Hence, gross asset and estimated to produce have been indicated as "to be determined"

CONTINUATION SHEET 12

Company Name : DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

SCHEDULE J (If space is insufficient, please use Continuation Sheet)
CONTINGENT LIABILITIES

1 Name: Chinacast Education Corporation

Address: 5 Vista Real, Mill Valley, California, United States of America

Nature of Liability: Potential claims from on-going legal suit

Gross Liability: Estimated at US\$4,000,000

Estimated to rank for: To be determined

2 Name: Anken HR Limited

Address: Room 301, 3rd floor, Sun Hung Kai Centre, 30 Harbour Road, Wan Chai, Hong Kong

Nature of Liability: Potential claims from on-going legal suit

Gross Liability: S\$0

Estimated to rank for: To be determined

3 Name: Logicalis Singapore Pte Ltd & PT Metrodata Electronics TBK

Address: 150 Kampong Ampat, #04-06 KA Centre, Singapore 368324 & APL Tower, 37th Floor, Jl. Letjen S. Parman Kav. 28, Jakarta 11470, Indonesia respectively.

Nature of Liability: Corporate Guarantee

Gross Liability: Maximum of US\$7,500,000

Estimated to rank for: To be determined

4 Name:

Address:

Nature of Liability:

NA

Gross Liability:

Estimated to rank for:

CONTINUATION SHEET 13

Company Name : DMX TECHNOLOGIES GROUP LIMITED (Incorporated in Bermuda)

Company No: 31201 (Bermuda Company number)

SCHEDULE J (If space is insufficient, please use Continuation Sheet)
CONTINGENT LIABILITIES

5 Name:

Address:

Nature of Liability:

Gross Liability

Estimated to rank for:

6 Name:

Address:

Nature of Liability:

NA

Gross Liability:

Estimated to rank for:

7 Name:

Address:

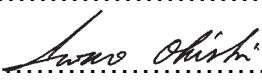
Nature of Liability:

Gross Liability

Estimated to rank for:

I hereby certify that the particulars contained in the above statement of affairs are true to the best of my knowledge and belief.

Dated this 5th day of March 2018

Signature: 

Iwao Oishi

Name of Director

LIST OF THE CREDITORS AND THE ESTIMATED AMOUNT OF CREDITORS' CLAIMS

List of Creditors as at 28 February 2017						
Entity	Creditor	Amount Outstanding (US\$)	Contact Person	Street Name	Building Name	Country
DMX Technologies Group Limited	DMX Technologies (Macao Commercial Offshore) Co. Limited	691,922	Iwao Oishi	Rua Pequim no.230-236, 11 and/or "E", Macau	Edificio Macau Financial Centre	Macau
DMX Technologies Group Limited	PricewaterhouseCoopers LLP	403,000	Tuck Seng Tham	7 Straits View, Level 12,	Marina One, East Tower	Singapore
DMX Technologies Group Limited	L. Wong, Lam & W. I. Cheung	245,000	Desmond Cheung	199 Des Voeux Road	22nd Floor, Infinitus Plaza	Hong Kong
DMX Technologies Group Limited	Boardroom Corporate & Advisory Services Pte Ltd	101,830	Stella Yang	50 Raffles Place #32-01	Singapore Land Tower	Singapore
DMX Technologies Group Limited	Foo Meng Tong	33,000	Foo Meng Tong	12A Jalan Labu Manis	Not Applicable	Singapore
DMX Technologies Group Limited	Mark Wang Yat-Yee	29,000	Mark Wang Yat-Yee	38 Draycott Drive, #15-01	Not Applicable	Singapore
DMX Technologies Group Limited	Takuro Awazu	23,100	Takuro Awazu	6-19-50-801 Akasaka, Minato-ku, Tokyo	Not Applicable	Japan
DMX Technologies Group Limited	WongPartnership LLP		Vivien Yui	12 Marina Boulevard Level 28	Marina Bay Financial Centre Tower 3	Singapore
Total Creditors		1,564,852				

DMX TECHNOLOGIES GROUP LIMITED

(Incorporated in Bermuda on 29 October 2001)
(Company Registration Number: 31201)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting (“**SGM**”) of DMX Technologies Group Limited (the “**Company**”) will be held at Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on 2 April 2018 at 2.00 p.m. for the purpose of considering and, if thought fit, passing the resolution set out below as a Special Resolution.

Unless herein defined, all capitalised terms in this Notice of SGM shall have the same meanings as used in the circular dated 9 March 2018 issued by the Company to the shareholders of the Company.

As a Special Resolution – Creditors’ Voluntary Liquidation

THAT:

- (a) the Company be wound up voluntarily pursuant to the provisions of the Companies Act 1981 (including the Companies (Winding-Up) Rules 1982 of Bermuda) (the “**Companies Act**”) (the “**Creditors’ Voluntary Liquidation**”);
- (b) subject to the approval of Creditors’ Meeting, Mr. Bob Yap Cheng Ghee of KPMG Services Pte. Ltd., Mr. Wong Pheng Cheong Martin of KPMG Services Pte. Ltd. and Mr. Mike Morrison of KPMG Advisory Limited be and are hereby appointed as liquidators (the “**Liquidators**”) of the Company, jointly and severally, for the purposes of the Creditors’ Voluntary Liquidation, such appointment to be effective subject to the approval of Creditors’ Meeting, and with full power and authority to conduct the winding up of the Company in accordance with the Companies Act;
- (c) subject to the approval of Creditors’ Meeting, the Liquidators be and are hereby authorised to, jointly and severally, distribute and divide amongst the members of the Company either in cash and/or in specie the whole or any part of the surplus assets of the Company and may for such purpose set such value as they deem fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members, in accordance with the Bye-laws of the Company as the Liquidators may determine;
- (d) subject to the approval of Creditors’ Meeting, the Liquidators be and are hereby authorised to, jointly and severally, take such steps, make such arrangements, do all such acts and things and exercise such discretion in connection with, relating to or arising from the matters contemplated herein, as they may from time to time consider necessary, desirable or expedient to give effect to such matters and this resolution as they may deem fit;
- (e) the Company appoints one (or more) of the directors of the Company to attend and preside at the Creditors’ Meeting; and
- (f) subject to the approval of Creditors’ Meeting, the Liquidators be and are hereby authorised to appoint attorneys-in-fact to act on their behalf.

By Order of the Board

Iwao Oishi

Executive Director, Vice Chairman and Acting Chief Executive Officer

9 March 2018

Notes:

1. If a Depositor (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore) wishes to attend and vote at the SGM, he must be shown to have Shares entered against his name in the Depository Register, as certified by The Central Depository (Pte) Limited ("**CDP**"), at least 48 hours before the time of the SGM.
2. Shareholders (who are registered holders of Shares other than CDP) and who are unable to attend the SGM and wish to appoint a proxy to attend and vote at the SGM on their behalf will find enclosed with this Circular a Shareholder Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the offices of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than 48 hours before the time appointed for the SGM.
3. Depositors whose names are shown in the records of CDP as at a time not earlier than 48 hours before the time appointed for the SGM supplied by CDP to the Company, may attend and vote at the SGM as CDP's proxies. Such Depositors who are individuals and who wish to attend the SGM in person need not take any further action and can attend and vote at the SGM without the lodgement of any proxy form. Such Depositors who are not individuals, and such Depositors who are individuals and who are unable to attend personally but wish to appoint a nominee to attend and vote on his behalf as CDP's proxy, will find enclosed with this Circular a Depositor Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event, so as to arrive at the offices of the Company's Singapore share transfer agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623 not less than 48 hours before the time appointed for the SGM.
4. The completion and return of the Depositor Proxy Form or the Shareholder Proxy Form will not preclude the Depositor/ Shareholder from attending and voting in person at the SGM if he/she wishes to do so, in place of his proxy.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendances lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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