
GRANT OF WAIVERS FROM RULE 707 OF THE LISTING MANUAL

Unless otherwise defined herein, all capitalised terms used herein shall have the same meanings ascribed to them in the Company's announcements on 25 February 2015, 30 June 2015, 19 May 2016, 30 September 2016, 20 October 2016, 30 December 2016, 20 June 2017 and 21 June 2017.

1. The Board refers to the Company's announcement on 21 June 2017 ("**June 2017 Announcement**") in respect of the application to the SGX-ST to seek further extensions of time in relation to the deadline under Rule 707(1) of the Listing Manual ("**Waiver Application**").
2. As stated in the Company's announcement on 20 October 2016 (the "**October 2016 Announcement**"), the Company had sought and had previously been granted waivers under Rule 707(1) of the Listing Manual to hold the FY2014 AGM, FY2015 AGM and FY2016 AGM by 30 June 2017 ("**Deadline**").
3. Pursuant to the Waiver Application, the Company had requested for a further extension of six and a half (6.5) months under Rule 707(1), to hold the FY2014 AGM, FY2015 AGM and FY2016 AGM by 15 January 2018. The reasons for this application are set out in paragraph 5 below.
4. The Board wishes to announce that the SGX-ST had on 7 July 2017 granted the Company up to 15 January 2018 to hold the FY2014 AGM, FY2015 AGM and FY2016 AGM, subject to the fulfilment of certain conditions as set out in paragraph 6 below (the "**Waivers**").

Reasons for the Waivers

5. The Company had sought the Waivers on the following grounds:
 - (a) As announced by the Company in the June 2015 Announcement, the Company's appointed Hong Kong legal counsel ("**HK Counsel**") conducted an initial investigation into the subject matter of the ongoing investigations by the Commercial Crime Bureau of the Hong Kong Police Force (the "**Initial Investigations**"). The Initial Investigations revealed that there were irregular accounting practices at two (2) of the Company's subsidiaries in 2008 and 2009 (the "**Accounting Issues**"). Meanwhile, the Company's external auditors, PricewaterhouseCoopers LLP ("**PWC**"), raised the following issues (the "**Audit Issues**"):
 - (i) uncertainty regarding (A) accounts receivables from certain past transactions amongst the Company, certain clients and vendors; and (B) the collectability of such accounts receivables; and
 - (ii) uncertainty regarding (A) asset values recorded in respect of certain suppliers; and (B) the Company's tangible and intangible assets which correspond to transactions with such suppliers.

As such, the Company further expanded the scope of the Initial Investigations (the "**Expanded Investigations**") and engaged in addition to HK Counsel, an independent, external accounting investigations team (the "**Forensic Accountant**") to conduct independent forensic investigative procedures relating to the Expanded Investigations.

- (b) Based on the findings of the Initial Investigations, the board of directors highlighted in the Company's announcement on 22 April 2016 that (i) the unaudited tangible and intangible fixed assets attributable to certain transactions in question for FY2014 amounting to approximately US\$28 million remains unsubstantiated due to the lack of documentary evidence for the transactions in question and (ii) the Company is uncertain as to the collectability of the unaudited account receivables and other receivables for FY2014 amounting to approximately US\$378 million.
- (c) Due to the substantial costs of continuing the Expanded Investigations and the fees for completing the audit on the Company relating to the FY2014 Financial Statements (the "FY2014 Audit"), the Board of the Company had decided to suspend the Expanded Investigations and such audit until such time that the Company is able to meet the fees.
- (d) For the purposes of completing the FY2014 Audit, the Company is currently exploring alternative options with its external auditor to undertake investigation support and to resume the FY 2014 Audit. To this end, the external auditor is currently working with the Company on an extended scope audit in respect of the FY2014 Financial Statements, the FY2015 Financial Statements and the FY2016 Financial Statements (the "**Extended Scope Audits**").
- (e) The Company had released announcements on 20 June 2017 and 7 July 2017 on the disposal of 60% of the entire issued and paid-up capital of PT Packet Systems Indonesia (the "**Proposed Disposal**") which is held by a direct wholly-owned subsidiary of the Company, DMX (BVI) Ltd. It is envisaged that the completion of the Extended Scope Audits will be dependent on part of the proceeds raised from the Proposed Disposal.
- (f) The Company intends to seek the approval of shareholders for the Proposed Disposal at a special general meeting ("**SGM**") to be convened by end August 2017, and accordingly, a circular in relation to the Proposed Disposal, together with a notice of the SGM, will be despatched to shareholders in due course. To address any concerns that shareholders may have on the ongoing developments in the Company, the Company also proposes to hold a shareholders' dialogue back to back with the proposed SGM, which will serve as a forum to facilitate engagement between the Company and its shareholders. The Company has to date complied with the deadlines as set out in the October 2016 Announcement and in Rules 705(1) and 705(2) of the Listing Manual in respect of the release of its unaudited quarterly and full year financial statements, and expects to be able to continue to comply with the upcoming deadlines for the release of its unaudited financial statements, even with the grant of the Waivers.
- (g) With the proceeds raised from the Proposed Disposal, the external auditor has advised that it would be able to complete the Extended Scope Audits by end November 2017. Subject to the approval of the relevant authorities in Bermuda, and for practical purposes, the Company intends to hold one annual general meeting upon the completion of the Extended Scope Audits.
- (h) The Extended Scope Audits would have to be completed before the audited FY2014, FY2015 and FY2016 Financial Statements can be released. As a consequence of the delay in the release of the audited FY2014, FY2015 and the FY2016 Financial Statements, the Company will not be in a position to issue the Annual Report for FY2014, FY2015 or FY2016 (containing the audited FY2014, FY2015 and FY2016 Financial Statements and the relevant auditor's reports from PWC) and the notice of AGM to its shareholders in time to hold the FY2014, FY2015 or FY2016 AGM by the Deadline. The Company is aware that under Rule 704(15) and Rule 707(2) of the Listing

Manual, the notice of AGM and annual report has to be circulated to shareholders at least 14 clear days before the date of the AGM. The Company estimates that the necessary preparations for the AGM, including the type-setting of the financial statements and printing will require at least 10 business days of preparation after the completion of the Extended Scope Audits. Therefore, the Company only expects to be in the position to hold the FY2014, FY2015 and FY2016 AGM by 15 January 2018.

Conditions to the Waivers

6. The Waivers are subject to the following conditions:
 - (a) the Company announcing the period of extensions granted, the reasons for seeking the extensions of time and the conditions as required under Listing Rule 107;
 - (b) the Board's confirmation that the extensions of time will not be prejudicial to the interests of shareholders of the Company;
 - (c) the Company holding a shareholders' dialogue to address shareholders' concerns on developments in the Company by end August 2017;
 - (d) completion of the Extended Scope Audits by November 2017;
 - (e) submission of a written confirmation from the Company that the Waivers do not contravene any laws and regulations governing the Company and the constitution of the Company; and
 - (f) approval from the relevant regulatory authority in Bermuda (if applicable) of the extensions of time for the Company to hold its FY2014 AGM, FY2015 AGM and FY2016 AGM by 15 January 2018.
7. With reference to paragraph 6(b), the Board confirms that the extensions of time sought under the Waivers will not be prejudicial to the interests of shareholders of the Company. The Company has provided the written confirmation required under paragraph 6(e) above to the SGX-ST on 20 June 2017.

The Company will continue to keep shareholders informed on any material developments as and when appropriate.

By Order of the Board

Iwao Oishi
Executive Director, Vice Chairman and Acting Chief Executive Officer
10 July 2017