
**Update on Proceedings against
Winscom Guangzhou Technologies Company Limited**

*Unless otherwise defined herein, all capitalised terms herein shall have the same meanings ascribed to them in the Company's announcement dated 29 September 2016 (the "**29 September Announcement**").*

The Board of the Company refers to the 29 September Announcement in respect of the commencement of proceedings by DMX HK against Winscom ("**Winscom Proceedings**") in the Shenzhen Qianhai Cooperation Zone People's court ("**Shenzhen Qianhai Court**") on 28 September 2016.

A hearing in relation to the Winscom Proceedings was held on 6 January 2017 where the defendant, Winscom, appeared in front of the Shenzhen Qianhai Court and alleged that it had not entered into the contract dated 8 October 2014 with DMX HK in respect of the Recoverable Amount as Winscom's official seal affixed on the contract was not authentic. In this regard, the Judge had ordered that the seal be examined and expert judgment be given on the authenticity of the seal. The results of the expert testimony report have verified that the official seal affixed on the contract does not match the official seal of Winscom.

In view of the above developments and based on the advice of DMX HK's legal counsel, the Board wishes to update that an application was filed by DMX HK to the Shenzhen Qianhai Court to withdraw the Winscom Proceedings. The Shenzhen Qianhai Court has granted DMX HK's application of withdrawal on 14 July 2017.

As at the date of this announcement, DMX HK is still exploring the various options for the appropriate steps going forward. The withdrawal of the Winscom Proceedings is not expected to have a material impact on the financial statements of the Company for the current financial year ending 31 December 2017. The Board will issue further announcements as appropriate of any material developments in relation to this matter.

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

BY ORDER OF THE BOARD

Iwao Oishi
Executive Director, Vice Chairman, and Acting Chief Executive Officer
Date: 21 July 2017