



**Incorporated in the Republic of Singapore**  
**Company Registration No.: 198303359D**

## **Update on legal proceedings in Singapore**

### **– Creative awarded S\$36 million in legal proceedings against Huawei**

We refer to the Company's disclosures on 31 January 2012 (contained in the Company's Second Quarter and Half Year Financial Statements announcement), 13 March 2012 and 3 May 2012 (contained in the Company's Third Quarter Financial Statements announcement) with regard to the legal proceedings initiated by the Company and its subsidiary QMax Communications Pte Ltd ("QMax") against the vendor of equipment for the wireless broadband project referred to in the said disclosures.

The Company and QMax had sought to recover damages and all losses suffered in relation to the wireless broadband project against the vendor, Huawei International Pte Ltd ("Huawei"), for misrepresentation or alternatively, for breach of contract. Huawei had, in turn, filed a counterclaim seeking relief which included damages for the alleged wrongful rescission and/or termination of the contract.

Further to the above-mentioned disclosures, the Court issued its judgment on 16 August 2017.

In its judgment, the Court held that Huawei was liable for misrepresentation and was grossly negligent. It also held, in the alternative, that Huawei was liable for breach of contract. Consequently, the Court ordered Huawei to pay the Company and QMax the approximate sums of US\$9.3 million and S\$15.6 million with interest, such sums totalling approximately S\$36 million inclusive of interest to date. Huawei's counterclaim for wrongful rescission and/or termination was dismissed. In addition, costs of the legal proceedings were awarded to the Company and QMax.

The judgment is appealable to the Court of Appeal. In the event that the judgment is not appealed, the judgment sums will be recognised in the Company's financial statements for the current quarter ending 30 September 2017.

Ng Keh Long  
Company Secretary

16 August 2017