
GRANT OF EXTENSION OF TIME FOR THE HOLDING OF THE ANNUAL GENERAL MEETING (“AGM”) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015 (“FY2015”)

The board of directors of the Company (the “**Board**”) wishes to announce that pursuant to an application made by the Company on 8 July 2015 (the “**AGM Deferment Application Date**”) for a waiver from complying strictly with the requirement under Rule 707(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Listing Manual**”) to hold the AGM within 4 months of the end of its financial year (i.e. by 31 July 2015) and to extend the time for the holding of the AGM, the SGX-ST has on 29 July 2015 granted an extension of time for the Company to convene its AGM by 30 August 2015 (the “**Extension**”), subject to the conditions as set out below.

Conditions

The Extension is subject to the following conditions:

- (i) the Company announcing the period of extension granted, the reasons for seeking the extension of time and the conditions as required under Rule 107 of the Listing Manual;
- (ii) submission of a written confirmation from the Company that the extension of time does not contravene any laws and regulations governing the Company and the articles of association of the Company; and
- (iii) the Company convening its AGM by 30 August 2015, subject to approval of the same being obtained from the Accounting & Corporate Regulatory Authority.

Reason for requiring the Extension

The reason for seeking the extension of time to convene the Company’s AGM by 30 August 2015 is in relation to the pending disposal by the Company of 100% of Addvalue Communications Pte Ltd (“**AVC**”) (as announced by the Company on 25 March 2014 (with ensuing status updates provided in each of the subsequent quarterly results announcements of the Company) (the “**Pending Disposal**”)).

As mentioned in the Company’s unaudited results announcement for FY2015 on 30 May 2015, the buyer for the Pending Disposal had in early May 2015, in response to the Company’s quest for assurance of its commitment to the deal, affirmed that, while it remains committed, it would need to know, prior to divulging any further information on its commitment, whether the Company is agreeable to the possible revision of certain terms of the Pending Disposal. The proposed revision is expected to help the buyer overcome certain hurdles that have resulted in the delay in closing the deal and hence enable parties to proceed further with the Pending Disposal. Whilst the Company has responded that it is prepared to consider a revision of terms, the buyer has, as of the AGM Deferment Application Date, yet to forward its proposed revision to the terms for the Company’s consideration. The buyer had initially informed that it would revert with clarity on the specifics in June 2015 but subsequently indicated that it would be able to do so only in July 2015.

Subsequent to the AGM Deferment Application Date, the buyer reverted to the Company with a letter setting out some initial proposals for a revision to the terms of Pending Disposal (the “**Buyer’s Letter**”), which are currently being negotiated between the Company and the buyer. An appropriate announcement will be made by the Company once the terms being negotiated have been mutually agreed and formalised.

Following consultation with the auditor of the Company prior to the AGM Deferment Application Date, the Company learned that, except with a confirmation that the parties are able to arrive at an agreement in respect of the proposed revision, thereby adding assurance that the Pending Disposal is progressing, the auditor intends to subject certain assets of AVC to impairment for the financial statements in respect of FY2015. As such, the receipt (or the absence) of the duly signed Buyer's Letter and the Company's consideration of the Buyer's Letter, if received, are expected to materially affect the audited financial results of the Company and its subsidiaries (the "**Group**") for FY2015, particularly with regard to the impairment implication on certain assets of AVC.

In this connection, the Company is of the view that it would be less confusing to the shareholders of the Company (the "**Shareholders**") to receive a set of audited financial results only after there is clarity on the status of the Pending Disposal. Following the receipt of the Buyer's Letter subsequent to the AGM Deferment Application Date, the Company would like to avoid tabling for the approval of Shareholders a set of audited financial statements which would distort the true and fair view of the financial performance and position of the Group for FY2015.

To meet the timeline of holding the AGM by the requisite 31 July 2015, the audited financial statements have to be signed off by 7 July 2015 at the latest. It is therefore not possible to obtain clarity on the status of the Pending Disposal as required by the auditor in time for the audited financial statements to include or not include the impairment with certainty. Hence, the application for a deferment of the AGM was submitted by the Company.

While both the Company and the buyer are committed to use best commercial efforts to reach agreement and in seeing the transaction through, Shareholders are to note that the Pending Disposal is not to be taken as a done deal or that parties will eventually come to an agreement.

As the completion of the Pending Disposal is still subject to the fulfillment of many precedent conditions, there can be no assurance of its completion or, if it were to be eventually completed, as to the length of time required to do so. Hence, Shareholders are advised to exercise caution when dealing in the securities of the Company and refrain from taking any action in relation to their securities which may be prejudicial to their interests.

By Order of the Board

Dr Chan Kum Lok Colin
Chairman & CEO

29 July 2015