DECLOUT LIMITED
(Registration No: 201017764W)
UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017 ("3Q2017")

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement including the correctness of any of the statements or opinions made or reports contained in this announcement.

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PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	3Q2017			9M2017		
	30-Sep-17 $'000	30-Sep-16 $'000	Change %	30-Sep-17 $'000	30-Sep-16 $'000	Change %
Revenue	73,399	81,162	(9.6)	203,863	212,835	(4.2)
Cost of sales	(54,581)	(60,958)	(10.5)	(152,123)	(156,991)	(3.1)
Gross profit	**18,818**	**20,204**	(6.9)	**51,740**	**55,844**	(7.3)
Other items of income						
Other income	2,318	637	263.9	5,240	4,877	7.4
Other items of expense						
Other charges, net	(1,801)	(1,146)	57.2	(10,031)	(2,347)	327.4
Selling expenses	(2,775)	(3,222)	(13.9)	(7,846)	(9,166)	(14.4)
Administrative expenses	(17,448)	(18,565)	(6.0)	(46,605)	(45,164)	3.2
Finance costs	(531)	(1,013)	(47.6)	(1,526)	(3,957)	(61.4)
Share of results of associates	-	19	(100.0)	(1)	(277)	(99.6)
Loss before tax	**(1,419)**	**(3,086)**	(54.0)	**(9,029)**	**(190)**	N.M.
Income tax expense	(2,400)	(240)	N.M.	(2,574)	(1,684)	52.9
Loss, net of tax	**(3,819)**	**(3,326)**	14.8	**(11,603)**	**(1,874)**	N.M.
(Loss) / Profit, net of tax attributable to:						
Owners of the Company	**(2,998)**	**(3,463)**	(13.4)	**(8,647)**	**(3,052)**	183.3
Non-controlling interests	(821)	137	N.M.	(2,956)	1,178	N.M.
	(3,819)	**(3,326)**	14.8	**(11,603)**	**(1,874)**	N.M.

N.M. - Not meaningful

		Group					
		3Q2017			9M2017		
	Note	30-Sep-17 $'000	30-Sep-16 $'000	Change %	30-Sep-17 $'000	30-Sep-16 $'000	Change %
Statement of comprehensive income							
Other comprehensive income							
Foreign currency translation	1	268	(195)	N.M.	(129)	(2,780)	(95.4)
Other comprehensive income for the period, net of tax		**268**	**(195)**	N.M.	**(129)**	**(2,780)**	(95.4)
Total comprehensive income for the period		**(3,551)**	**(3,521)**	0.9	**(11,732)**	**(4,654)**	152.1
Total comprehensive income attributable to:							
Owners of the Company		(2,844)	(3,507)	(18.9)	(8,752)	(4,949)	76.8
Non-controlling interests		(707)	(14)	N.M.	(2,980)	295	N.M.
Total comprehensive income for the period		(3,551)	(3,521)	0.9	(11,732)	(4,654)	152.1

Notes to Income Statement

	Note						
Other income							
Interest income		45	84	(46.4)	177	189	(6.3)
Net gain on disposal of subsidiaries	2	1,386	-	N.M.	1,387	-	N.M.
Gain on remeasurement of an associate pursuant to a step-up acquisition		-	-	N.M.	-	2,898	N.M.
Others	3	887	553	60.4	3,676	1,790	105.4
		2,318	637	N.M.	5,240	4,877	7.4
Other charges, net							
Allowance / (Write-back) for impairment on trade receivables	4	387	128	202.3	507	(281)	N.M.
Plant and equipment written off		6	2	200.0	21	6	250.0
Provision for stock obsolescence	5	828	506	63.6	1,796	1,173	53.1
Foreign exchange (gain) / loss	6	(48)	(322)	(85.1)	1,134	175	N.M.
Loss / (gain) on disposal of plant and equipment		50	(194)	N.M.	127	(1,034)	N.M.
Amortisation of intangible assets	7	415	1,026	(59.6)	1,453	2,308	(37.0)
Others	8	163	-	N.M.	4,993	-	N.M.
		1,801	1,146	N.M.	10,031	2,347	N.M.
Other items							
Amortisation of intangible assets (included in cost of sales)		166	146	13.7	466	436	6.9
Depreciation of plant and equipment	9	2,477	1,901	30.3	6,971	5,129	35.9
Interest expenses	10	531	1,013	(47.6)	1,526	3,957	(61.4)
Listing expenses (included in administrative expenses)		-	2,181	N.M.	-	2,181	N.M.

N.M. - Not meaningful

Notes

(1) Under other comprehensive income, the amounts represented foreign exchange differences which arose from the translation of the Group's net asset of foreign operations in America and Europe. The gain of $0.2m for 3Q2017 arose from the strengthening of British pound (GBP) against Singapore dollar ($), as compared to a loss of $0.2m in 3Q2016 whereby GBP weakened by 2.6%. The loss of $0.2m for the nine months ended 30 September 2017 ("9M2017') relates primarily to the US dollar (USD) which weakened against $ by 2.8%, as compared to a loss of $2.8m for the nine months ended 30 September 2016 ("9M2016") whereby GBP and USD weakened by 15.6% and 3.4% respectively.

(2) The accounting gain of $1.4m arose from the restructuring exercise ("Corous360 Restructuring') in relation to the Company's 75.3%-owned subsidiary, Corous360 Pte Ltd ("Corous360"), whereby the Company's effective interest in subsidiaries of Corous360, Epicsoft Asia Pte Ltd ("EPA") and Play-E Pte Ltd ("PlayE") decreased from 75.3% to 49.0%. Following the completion of Corous360 Restructuring, EPA and PlayE are now indirect 49.0%-owned associates of the Company.

(3) Others increased by $0.3m and $1.9m for 3Q2017 and 9M2017 respectively, mainly due to the write-back of provisions no longer required in respect of the divestment of ATS in late 2016.

(4) The write-back on impairment of trade receivables for 9M2016 arose mainly from the recovery of debts which were previously impaired. An allowance for impairment of $0.5m was made in 9M2017 in respect of certain trade receivables that are assessed to be potentially impaired.

(5) The increase in provision for stock obsolescence for 9M2017 was mainly from Procurri Corporation Limited and together with its subsidiaries ("Procurri Group") due to its policy to mark down multi-generational inventories to net realisable value.

(6) Foreign exchange losses of $1.1m for 9M2017 arose from the revaluation of certain subsidiaries' receivables denominated in USD which had weakened against the $. There was a decrease of 85.1% or $0.3m of foreign exchange gain for 3Q2017 due to a gain of $0.3m recorded in 3Q2016 whereby USD had strengthened against the $ by 1.2%.

(7) Total amortisation expense for 3Q2017 and 9M2017 were lower than previous periods mainly due to the absence of costs from ATS which was divested in November 2016, as well as lower amortisation expense from intangibles arising from the acquisition of TJ Systems (S) Pte Ltd ("TJS") in January 2016.

(8) The $5.0m incurred for 9M2017 comprised mainly the one-off downward adjustment to the total consideration pertaining to the divestment of ATS in November 2016.

(9) The increase in depreciation of plant and equipment for 3Q2017 and 9M2017 were mainly due to an increase in new purchases of plant and equipment and also arising from the new subsidiary, Rockland Congruity LLC ("Rockland") under the Procurri Group in January 2017.

(10) Interest expenses were lower for 3Q2017 and 9M2017 as the amounts for previous periods included $1.5m of imputed notional non-cash interest cost on the redeemable exchangeable bonds which were redeemed in July 2016.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
	$'000	$'000	$'000	$'000
Non-current assets				
Property, plant and equipment	38,540	23,381	1,832	2,577
Investment in subsidiaries	-	-	95,438	69,718
Investment in associates	19,752	2,000	-	-
Trade and other receivables	-	-	2,000	
Intangible assets	37,670	57,935	-	-
Finance lease receivables	992	1,677	-	-
Other financial receivable	-	1,621	-	-
Deferred tax assets	1,336	3,327	-	-
Total non-current assets	**98,290**	**89,941**	**99,270**	**72,295**
Current assets				
Inventories	27,266	28,555	-	-
Trade and other receivables	78,358	90,866	26,407	59,150
Amount due from customers for contract work-in-progress	6,333	3,171	-	-
Amount due from an associate	50	-	-	-
Finance lease receivables	1,251	1,299	-	-
Other assets	9,758	5,177	322	338
Cash and bank balances	24,469	65,413	4,716	19,376
Income tax recoverable	4	-	-	-
Total current assets	**147,489**	**194,481**	**31,445**	**78,864**
Total assets	**245,779**	**284,422**	**130,715**	**151,159**
Equity				
Share capital	114,456	114,456	114,456	114,456
Treasury shares	(5,874)	-	(5,874)	-
Retained earnings	9,898	18,545	7,274	10,264
Other reserves[1]	(21,815)	(9,706)	2,624	4,961
Equity attributable to owners of the Company	**96,665**	**123,295**	**118,480**	**129,681**
Non-controlling interests	37,236	42,823	-	-
Total equity	**133,901**	**166,118**	**118,480**	**129,681**
Non-current liabilities				
Deferred tax liabilities	860	1,120	-	-
Trade and other payables	10	277	-	-
Other liabilities	866	1,422	-	-
Loans and borrowings	10,724	9,013	-	375
Provisions	1,084	1,065	238	238
Total non-current liabilities	**13,544**	**12,897**	**238**	**613**
Current liabilities				
Trade and other payables	42,619	57,557	5,594	14,317
Amount due to customers for contract work-in-progress	566	120	-	-
Other liabilities	20,405	4,748	-	-
Loans and borrowings	32,148	41,482	6,403	6,548
Income tax payables	2,596	1,500	-	-
Total current liabilities	**98,334**	**105,407**	**11,997**	**20,865**
Total liabilities	**111,878**	**118,304**	**12,235**	**21,478**
Total equity and liabilities	**245,779**	**284,422**	**130,715**	**151,159**

[1] please refer to paragraph 8 for more information

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Group	As at 30-Sep-17			As at 31-Dec-16		
	Secured $'000	Unsecured $'000	Total $'000	Secured $'000	Unsecured $'000	Total $'000
Amount repayable in one year or less, on demand	15,051	17,097	**32,148**	17,650	23,832	**41,482**
Amount repayable after one year	2,741	7,983	**10,724**	2,453	6,560	**9,013**
	17,792	**25,080**	**42,872**	**20,103**	**30,392**	**50,495**

Details of collaterals

The above borrowings of $17.8m are secured by the following:

1. Term loans of $1.5m secured by charges over freehold properties and corporate guarantees issued by the Company and some of its subsidiaries.

2. Trade facilities of $14.1m comprising trust receipts and trade receivables factoring. Trust receipts are secured by fixed deposits and guaranteed by a corporate guarantee given by the Company. Trade receivables factoring is secured by a charge over trade receivable balances on a recourse basis.

3. Finance lease obligations of $2.2m secured by charges over the leased assets.

1(c) A statement of cash flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	3Q2017		9M2017	
	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
	$'000	$'000	$'000	$'000
Cash flows from operating activities				
Loss before tax	**(1,419)**	**(3,086)**	**(9,029)**	**(190)**
Depreciation of plant and equipment	2,477	1,901	6,971	5,129
Amortisation of intangible assets	581	1,172	1,919	2,744
Loss / (gain) on disposal of plant and equipment, net	50	(194)	127	(1,034)
Plant and equipment written off	6	2	21	6
Provision for stock obsolescence	828	506	1,796	1,173
Share-based payments	694	891	1,686	1,545
Interest income	(45)	(84)	(177)	(189)
Interest expenses	531	1,013	1,526	3,957
Share of results of associates	-	(19)	1	277
Gain on disposal of a subsidiary	(1,386)	-	(1,387)	-
Gain on remeasurement of an associate pursuant to a step-up acquisition	-	-	-	(2,898)
Exchange differences	(111)	(111)	(1,616)	(2,099)
Operating cash flows before changes in working capital	**2,206**	**1,991**	**1,838**	**8,421**
(Increase) / decrease in inventories	(501)	3,467	(4,002)	(7,555)
(Increase) / decrease in amount due from customers for contract work-in-progress	(2,081)	153	(2,716)	(534)
Decrease / (increase) in trade and other receivables	842	(2,738)	1,335	228
Increase in amount due from associates	(50)	-	(51)	-
Decrease / (increase) in finance lease receivables	1,702	(4,593)	2,354	(4,952)
Decrease / (increase) in other assets	903	(1,154)	(4,889)	(3,242)
Decrease in trade and other payables	(388)	(7,196)	(12,416)	(16,766)
Increase / (decrease) in other liabilities	2,234	776	15,767	2,793
Cash used in operations	**4,867**	**(9,294)**	**(2,780)**	**(21,607)**
Income taxes paid	(302)	(485)	(2,056)	(1,784)
Net cash flows generated from / (used in) operating activities	**4,565**	**(9,779)**	**(4,836)**	**(23,391)**
Cash flows from investing activities				
Purchase of property, plant and equipment	(2,882)	(2,495)	(14,259)	(8,833)
Proceeds from disposal of plant and equipment	860	(532)	998	1,354
Net cash outflows from acquisition of subsidiaries	-	-	-	(1,013)
Net cash on disposal of subsidiaries	(2,637)	-	(2,620)	-
Net cash on disposal of an associate	-	-	2,000	-
Interest received	45	84	177	189
Net cash flows used in investing activities	**(4,614)**	**(2,943)**	**(13,704)**	**(8,303)**
Cash flows from financing activities				
Share issuance expense	-	(8)	(118)	(32)
Purchase of treasury shares	-	-	(8,977)	-
Acquisition of non-controlling interests	-	(1,058)	-	(1,064)
Contributions from non-controlling interests	-	37,018	-	37,018
Dividends paid to non-controlling interests	-	(61)	(701)	(61)
Release / (Placement) of fixed deposits pledged for bank facilities	158	3	1,852	(62)
Proceeds from loans and borrowings	31,823	37,124	101,832	111,468
Repayments of loans and borrowings	(34,426)	(32,474)	(113,239)	(91,391)
Interest paid	(567)	(479)	(1,666)	(1,651)
Net cash flows (used in) / generated from financing activities	**(3,012)**	**40,065**	**(21,017)**	**54,225**
Net (decrease) / increase in cash and cash equivalents	**(3,061)**	**27,343**	**(39,557)**	**22,531**
Effect of exchange rate changes on cash and cash equivalents	87	(90)	406	282
Cash and cash equivalents at beginning of financial period	25,232	17,262	61,409	21,702
Cash and cash equivalents at end of financial period	**22,258**	**44,515**	**22,258**	**44,515**
Cash and cash equivalents comprise the following:				
Cash and bank balances	24,469	45,334	24,469	45,334
Less: Bank overdrafts	(607)	(367)	(607)	(367)
Less: Fixed deposits pledged as collateral for banker's guarantee	(185)	(253)	(185)	(253)
Less: Fixed deposits pledged as collateral for banking facilities	(1,419)	(199)	(1,419)	(199)
Cash and cash equivalents	**22,258**	**44,515**	**22,258**	**44,515**

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Total Equity	Attributable to Owners of the Company $'000	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Earnings $'000	Non-Controlling Interests $'000
For the third quarter ended 30 September							
At 1 July 2017	149,133	109,284	114,456	(5,948)	(12,120)	12,896	39,849
Total comprehensive income for the period	(3,551)	(2,844)	-	-	154	(2,998)	(707)
Contributions by and distributions to owners							
Transfer of treasury shares pursuant to DeClout Performance Share Plan ("PSP")	-	-	-	74	(74)	-	-
Share-based payments	694	694	-	-	694	-	-
Changes in ownership interests in subsidiaries							
Disposal of subsidiaries	(12,375)	(10,469)	-	-	(10,469)	-	(1,906)
At 30 September 2017	**133,901**	**96,665**	**114,456**	**(5,874)**	**(21,815)**	**9,898**	**37,236**
At 1 July 2016	117,751	92,710	107,618	-	(26,106)	11,198	25,041
Total comprehensive income for the period	(3,521)	(3,507)	-	-	(44)	(3,463)	(14)
Contributions by and distributions to owners							
Issuance of ordinary shares for acquisitions of non-controlling interests of subsidiaries	6,288	6,288	6,288	-	-	-	-
Issuance of ordinary shares pursuant to PSP	-	-	155	-	(155)	-	-
Dividends paid to non-controlling interests	(61)	-	-	-	-	-	(61)
Contributions from non-controlling interests	37,018	-	-	-	-	-	37,018
Share issuance expense	(8)	(8)	(8)	-	-	-	-
Share-based payments	891	891	-	-	891	-	-
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries	-	-	-	-	-	-	-
Changes in non-controlling interests of subsidiaries without a change in control	195	14,189	-	-	14,189	-	(13,994)
At 30 September 2016	**158,553**	**110,563**	**114,053**	**-**	**(11,225)**	**7,735**	**47,990**
For the nine months ended 30 September							
At 1 January 2017	166,118	123,295	114,456	-	(9,706)	18,545	42,823
Total comprehensive income for the period	(11,732)	(8,752)	-	-	(105)	(8,647)	(2,980)
Contributions by and distributions to owners							
Purchase of treasury shares	(8,977)	(8,977)	-	(8,977)	-	-	-
Transfer of treasury shares pursuant to DeClout Performance Share Plan ("PSP")	-	-	-	3,221	(3,221)	-	-
Dividends paid to non-controlling interests	(701)	-	-	-	-	-	(701)
Share issuance expense	(118)	(118)	-	(118)	-	-	-
Share-based payments	1,686	1,686	-	-	1,686	-	-
Changes in ownership interests in subsidiaries							
Disposal of subsidiaries	(12,375)	(10,469)	-	-	(10,469)	-	(1,906)
At 30 September 2017	**133,901**	**96,665**	**114,456**	**(5,874)**	**(21,815)**	**9,898**	**37,236**
At 1 January 2016	103,537	81,829	86,953	-	(15,911)	10,787	21,708
Total comprehensive income for the period	(4,654)	(4,949)	-	-	(1,897)	(3,052)	295
Contributions by and distributions to owners							
Issuance of ordinary shares for acquisitions of subsidiaries	7,000	7,000	7,000	-	-	-	-
Issuance of ordinary shares for acquisitions of non-controlling interests of subsidiaries	17,838	17,838	17,838	-	-	-	-
Issuance of ordinary shares pursuant to PSP	-	-	2,294	-	(2,294)	-	-
Dividends paid to non-controlling interests	(61)	-	-	-	-	-	(61)
Contributions from non-controlling interests	37,018	-	-	-	-	-	37,018
Share issuance expense	(32)	(32)	(32)	-	-	-	-
Share-based payments	1,545	1,545	-	-	1,545	-	-
Changes in ownership interests in subsidiaries							
Acquisition of subsidiaries	3,173	1,215	-	-	1,215	-	1,958
Changes in non-controlling interests of subsidiaries without a change in control	(6,811)	6,117	-	-	6,117	-	(12,928)
At 30 September 2016	**158,553**	**110,563**	**114,053**	**-**	**(11,225)**	**7,735**	**47,990**

1(d)(i) A statement (for the Issuer and Group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company	Total Equity $'000	Share Capital $'000	Treasury Shares $'000	Other Reserves $'000	Retained Earnings $'000
For the third quarter ended 30 September					
At 1 July 2017	119,144	114,456	(5,948)	2,361	8,275
Total comprehensive income for the period	(1,001)	-	-	-	(1,001)
Contributions by and distributions to owners					
Transfer of treasury shares pursuant to PSP	-	-	74	(74)	-
Share-based payments	337	-	-	337	-
At 30 September 2017	**118,480**	**114,456**	**(5,874)**	**2,624**	**7,274**
At 1 July 2016	100,695	107,618	-	3,499	(10,422)
Total comprehensive income for the period	2,293	-	-	-	2,293
Contributions by and distributions to owners					
Issuance of ordinary shares for acquisitions of subsidiaries	6,288	6,288	-	-	-
Issuance of ordinary shares pursuant to PSP	-	155	-	(155)	-
Share issuance expense	(8)	(8)	-	-	-
Share-based payments	838	-	-	838	-
At 30 September 2016	**110,106**	**114,053**	**-**	**4,182**	**(8,129)**
For the nine months ended 30 September					
At 1 January 2017	129,681	114,456	-	4,961	10,264
Total comprehensive income for the period	(2,990)	-	-	-	(2,990)
Contributions by and distributions to owners					
Purchase of treasury shares	(8,977)	-	(8,977)	-	-
Transfer of treasury shares pursuant to PSP	-	-	3,221	(3,221)	-
Share issuance expense	(118)	-	(118)	-	-
Share-based payments	884	-	-	884	-
At 30 September 2017	**118,480**	**114,456**	**(5,874)**	**2,624**	**7,274**
At 1 January 2016	85,559	86,953	-	3,769	(5,163)
Total comprehensive income for the period	(2,966)	-	-	-	(2,966)
Contributions by and distributions to owners					
Issuance of ordinary shares for acquisitions of subsidiaries	17,838	17,838	-	-	-
Issuance of ordinary shares pursuant to PSP	-	2,294	-	(2,294)	-
Share issuance expense	(32)	(32)	-	-	-
Share-based payments	1,492	-	-	1,492	-
Changes in ownership interests in subsidiaries					
Acquisition of subsidiaries	1,215	-	-	1,215	-
Acquisition of non-controlling interests of a subsidiary without a change in control	7,000	7,000	-	-	-
At 30 September 2016	**110,106**	**114,053**	**-**	**4,182**	**(8,129)**

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

A) Changes in share capital during the financial period

	Number of Ordinary Shares	Issued and Paid-up Share Capital $'000
Balance as at 31 December 2016, 31 March 2017, 30 June 2017 and 30 September 2017	671,268,974	114,456

There were no changes to the issued and paid-up capital of the Company during 9M2017.

B) Shares options - employee share option scheme

Between 1 January 2017 and 30 September 2017, the Company did not issue any shares under the employee share option scheme ("ESOS"). The number of options issued under the ESOS which lapsed during 3Q2017 amounted to 223,255.

Under ESOS, options to subscribe for 7,023,254 shares remained outstanding as at 30 September 2017 (30 September 2016: 7,581,393). Details of the outstanding options as at 30 September 2017 are as follows:

Outstanding Options as at 30-Sep-17	Exercise Price $	Exercisable Period From	To
1,506,976	0.1881	10-May-15	9-May-23
1,506,976	0.1881	10-May-16	9-May-23
2,009,302	0.1881	10-May-17	9-May-23
600,000	0.1290	2-Jan-15	1-Jan-24
600,000	0.1290	2-Jan-16	1-Jan-24
800,000	0.1290	2-Jan-17	1-Jan-24
7,023,254			

C) Performance share plan

As at 30 September 2017, the number of outstanding awards granted under the performance share plan ("PSP") was 10,898,400 (30 September 2016: 16,515,000). Between 1 January 2017 and 30 September 2017, the Company granted a total of 4,664,400 share awards and issued 10,281,000 shares under this PSP.

The shares to be issued pursuant to the awards are subject to certain performance conditions to be satisfied by the respective participants. Once the performance conditions are satisfied, the shares shall be released to the respective participants after the respective performance periods.

D) Treasury shares

	As at 30 Sep 2017	As at 30 Sep 2016
Total number of treasury shares	22,709,488	-
Total number of ordinary shares	671,268,974	670,934,090
% of treasury shares over total number of ordinary shares	3.4%	-

Save as disclosed above, the Company has no other outstanding convertibles and subsidiary holdings as at 30 September 2017 and 30 September 2016.

1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 30 September 2017 was 648,559,486 (31 December 2016: 671,268,974). The Company has no treasury shares as at 31 December 2016.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

	Number of Treasury Shares	$'000
As at 1 January 2017	-	-
Purchase of treasury shares	32,990,488	8,977
Transfer of treasury shares pursuant to PSP	(10,281,000)	(3,221)
Share issuance expense	-	118
As at 30 September 2017	**22,709,488**	**5,874**

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company does not have subsidiary holdings.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has consistently applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements for the financial year ended 31 December 2016, except for the adoption of the Singapore Financial Reporting Standards ("SFRS"), including improvements to SFRS and Interpretations of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2017, during the third quarter ended 30 September 2017, where applicable.

The adoption of these new / revised standards and interpretations applicable for the financial year beginning 1 January 2017 did not result in significant change to the Group's accounting policies and did not have a material impact on the Group's results.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6 Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	3Q2017		9M2017	
	30-Sep-17	30-Sep-16	30-Sep-17	30-Sep-16
Basic earnings per share (cents)	(0.46)	(0.56)	(1.33)	(0.49)
Weighted average number of shares ('000)	651,316	617,793	651,316	617,793
Fully diluted earnings per share (cents)	(0.46)	(0.56)	(1.33)	(0.49)
Weighted average number of shares ('000)	651,316	617,793	651,316	617,793

7 Net asset value (for the Issuer and Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

a) current financial period reported on; and
b) immediately preceding financial year.

	Group		Company	
	30-Sep-17	31-Dec-16	30-Sep-17	31-Dec-16
Net asset value per share (cents)	14.90	18.37	18.27	19.32
Number of shares in issue excluding treasury shares ('000)	648,559	671,269	648,559	671,269

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:-

a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

With the several corporate activities undertaken by the Group over the recent years, the Group's financial results fluctuated significantly, impacted by many one-off accounting effects, including the financial effects arising from acquisitions, re-measurements and divestment of the Group's portfolio companies (the "Corporate Activities"). These Corporate Activities form part of the operating performance of the Group which do not recur in consistent pattern and hence measurement of the Group's performance based on quarter-to-quarter earnings does not reflect the true value of the Group.

Following the divestment of ATS in 4Q2016, the Group ceased consolidation of ATS' results, a strong contributor to prior year's IT Infrastructure Sales and Services ("IT Infra") segment performance. Notwithstanding the divestment of ATS and the weak performance of Procurri Group which are explained in section below, IT Infra segment remains profitable. The Vertical Domain Cloud ("VDC") segment continues to make losses. For the VDC segment, the Group has taken action to cut losses in the e-commerce business unit and will continue to invest in the e-logistic and e-trade business unit which is gaining good traction. The Group has also taken cost rationalisation actions in 3Q2017 to reduce administrative expenses.

Review of performance for third quarter ended 30 September 2017 ("3Q2017")

Revenue ($'000)	**3Q2017**	**3Q2016**	**Change (%)**
IT Infra	68,986	64,211	7.4
VDC	4,413	16,951	(74.0)
Total	73,399	81,162	(9.6)
Gross Profit ($'000)			
IT Infra	19,008	18,766	1.3
VDC	(190)	1,438	N.M.
Total	18,818	20,204	(6.9)
Gross Profit Margin (%)			
IT Infra	27.6%	29.2%	
VDC	-4.3%	8.5%	
Total	25.6%	24.9%	

The Group's revenue decreased 9.6% or $7.8m from $81.2m in 3Q2016 to $73.4m in 3Q2017. The revenue from the IT Infra segment increased 7.4% or $4.8m arising mainly from an increase of $19.4m from Procurri Group due to higher contribution from Americas and the inclusion of Rockland and a new subsidiary, EAF Supply Chain Holdings Limited ("EAF") which was acquired in November 2016, partially offset by the absence of revenue contribution from ATS which was divested in November 2016. Excluding the revenue from ATS which amounted to $13.1m in the corresponding period of prior year, the revenue for IT Infra segment and total revenue for the Group would have grown by 35.1% and 7.9% respectively. For the VDC segment, the decline in revenue of $12.5m arose mainly from the e-commerce business unit resulting mainly from delay in launch of blockbuster game titles and intense competition from the increasingly crowded e-commerce space in which the big international players have also entered the games and collectibles markets aggressively. In line with the Group's longer-term strategy to rationalize this business segment and to cut losses from this business unit, the Group had executed the Corous360 Restructuring, allowing the new majority shareholder to chart the growth path, whilst the Group continues to participate in the growth of this business unit. The decline in VDC segment revenue in 3Q2017 was uplifted by an increase in revenue from the e-logistic and e-trade business unit which revenue is $0.8m, doubling the revenue in corresponding period of prior year.

Gross profit for the Group decreased 6.9% or $1.4m from $20.2m in 3Q2016 to $18.8m in 3Q2017. Gross profit for the IT Infra segment increased by $0.2m or 1.3% primarily due to higher contribution from Procurri Group partially offset by the absence of contribution from ATS. Excluding the gross profit of $4.2m from ATS, the gross profits for IT Infra segment and the Group would have grown by 30.3% and 27.4% respectively. The VDC segment had a negative gross profit margin mainly due to discounts granted to partners in the form of sales rebates. On Group basis, gross profit margin ("GPM") increased by 0.7 percentage point primarily due to a favourable sales mix comprising a larger proportion of IT Infra with a GPM of 27.6%.

Other income and Other charges comprised of:
i) the net gain of $1.4m relating to the Corous360 Restructuring;
ii) a write-back of provisions pertaining to the divestment of ATS in November 2016 amounting to $0.3m; and
iii) an increase of $0.3m in foreign exchange losses arising from the revaluation of receivables denominated in USD which weakened against $ by 1.9% in 3Q2017, $0.3m in the allowance for impairment on trade receivables, $0.3m in the provision for stock obsolescence as well as a $0.2m gain on disposal of plant and equipment in 3Q2016 which did not recur in 3Q2017, partially offset by a reduction of $0.6m in amortisation expense.

Selling expenses decreased by 13.9% or $0.4m from $2.8m in 3Q2016 to $3.2m in 3Q2017, mainly due to absence of costs of $0.4m from ATS.

Review of performance for 3Q2017 (cont'd)

Administrative expenses decreased by 6.0% or $1.2m from $18.6m in 3Q2016 to $17.4m in 3Q2017. The decrease comprised of:

	$'m
Absence of costs from ATS	(2.3)
Reduction in staff-related costs	(1.4)
Downsizing of non-performing business unit in the VDC segment and absence of approximately one month's costs arising from Corous360 Restructuring which was completed in early September 2017	(1.1)
Procurri Group - absence of the one-time listing expenses incurred in 3Q2016	(2.2)
Procurri Group - inclusion of Rockland and a new subsidiary, EAF Supply Chain Holdings Limited which was acquired in November 2016	4.9
Procurri Group - increase in headcount to support its expansion plans	0.9
Total	**(1.2)**

Finance costs decreased by 47.6% or $0.5m from $1.0m in 3Q2016 to $0.5m in 3Q2017 mainly due to a decrease in loans and borrowings.

The Group recorded a loss before tax of $1.4m in 3Q2017 as compared to $3.1m in 3Q2016.

Loss before tax ($'000)	**3Q2017**	**3Q2016**
Net gain from Corous360 Restructuring	1,386	-
Procurri Group's IPO expenses	-	(2,181)
Profit contribution from ATS	-	1,600
Normalised loss before tax	(2,805)	(2,504)
Total	**(1,419)**	**(3,085)**

The higher normalised losses in 3Q2017 were mainly attributed to the continued losses from VDC segment and weak operational performance of IT Infra segment from the Procurri Group, partially offset by lower administrative expenses. Despite the weak performance from Procurri Group, IT Infra segment remains profitable. The weak operational performance of Procurri Group was partly attributed to the change in its business model in the Americas which has shifted away from being primarily based on outsourcing to one which is integrated with in-house maintenance servicing capabilities. This change requires a straight-line recognition of the maintenance service revenue over the contract durations, which resulted in deferred revenue recognition for the maintenance service orderbook in the Americas and accordingly, lower revenue. The revenue impact from this change is approximately $1.7m with a corresponding impact to profit before tax of approximately $0.6m.

The tax expense increased by $2.2m from $0.2m in 3Q2016, which is mainly due to the tax expense from Procurri Group of $0.5m and $1.8m from the derecognition of deferred tax assets ("DTA") relating to tax losses following the restructuring of the non-performing unit in VDC segment.

The Group recorded a loss after tax attributable to owners of the Company ("PATMI") of $3.0m as compared to $3.5m for 3Q2016.

PATMI ($'000)	**3Q2017**	**3Q2016**
Net gain from Corous360 Restructuring	1,386	-
Procurri Group's IPO expenses	-	(1,330)
Corous360 Restructuring - reversal of DTA	(1,799)	-
Profit contribution from ATS	-	1,540
Normalised loss before tax	(2,585)	(3,673)
Total	**(2,998)**	**(3,463)**

The lower normalised losses for 3Q2017 were mainly due to continued losses from VDC segment, partially offset by lower administrative and finance expenses.

Review of performance for nine months ended 30 September 2017 ("9M2017")

Revenue ($'000)	9M2017	9M2016	Change (%)
IT Infra	183,848	178,181	3.2
VDC	20,015	34,654	(42.2)
Total	203,863	212,835	(4.2)
Gross Profit ($'000)			
IT Infra	51,187	52,427	(2.4)
VDC	553	3,417	(83.8)
Total	51,740	55,844	(7.3)
Gross Profit Margin (%)			
IT Infra	27.8%	29.4%	
VDC	2.8%	9.9%	
Total	25.4%	26.2%	

The Group's revenue decreased 4.2% or $8.9m from $212.8m in 9M2016 to $203.9m in 9M2017. The revenue from the IT Infrastructure Sales and Services ("IT Infra") segment increased 3.2% or $5.7m arising mainly from an increase of $39.3m from Procurri Group due to the inclusion of Rockland and a new subsidiary, EAF Supply Chain Holdings Limited which was acquired in November 2016, partially offset by the absence of revenue contribution from ATS which was divested in November 2016. Excluding the revenue from ATS which amounted to $35.8m in the corresponding period of prior year, the revenue for IT Infra segment and total revenue for the Group would have grown by 29.1% and 15.2% respectively. For the Vertical Domain Cloud ("VDC") segment, the decline in revenue of $14.6m arose mainly from the e-commerce business unit. The Group had rationalized this business segment, cut losses in the e-commerce business unit through Corous360 Restructuring, allowing the new majority shareholder of Play-E Holdco to chart the growth path of this business unit, whilst the Group continues to participate in its growth. The e-logistic and e-trade business unit under vCargo Cloud Pte Ltd ("VCC") in the VDC segment began to gain traction. Revenue from its trade declarant segment contributed $2.4m, an increase of 200.0% as compared to the corresponding period of prior year.

Gross profit for the Group decreased 7.3% or $4.1m from $55.8m in 9M2016 to $51.7m in 9M2017. Gross profit for the IT Infra segment decreased by $1.2m or 2.4% primarily due to the absence of contribution from ATS. Excluding the gross profit of $11.0m from ATS, the gross profits for IT Infra segment and the Group would have grown by 27.9% and 19.3% respectively. VDC segment decreased by 83.8% primarily due to lack of launch of blockbuster titles in the market. On Group basis, gross profit margin ("GPM") decreased by 0.8 percentage point primarily due to IT Infra's lower GPM arising from the exclusion of ATS which had a GPM of 30.7% in 9M2016.

The increase in other income of $0.4m comprised the gain on disposal of $1.4m from Corous360 Restructuring and $1.9m write-back of provisions pertaining to the divestment of ATS in November 2016, partially offset by the absence of a gain of $2.9m in 9M2016 arising from the step-up acquisition of VCC.

Other charges increased by $7.7m from $2.3m in 9M2016 to $10.0m in 9M2017, mainly due to the one-off downward adjustment of $4.9m to the total consideration pertaining to the divestment of ATS in late 2016, an increase in foreign exchange losses of $1.0m from the revaluation of receivables denominated in USD which weakened against $ by 2.8% in 9M2017, an increase of $0.8m in the allowance for impairment on trade receivables, an increase of $0.6m in the provision for stock obsolescence as well as a $1.1m gain on disposal of plant and equipment in 9M2016 which did not recur in 9M2017, partially offset by a reduction of $0.8m in amortisation expense.

Selling expenses decreased by 14.4% or $1.3m from $9.2m in 9M2016 to $7.9m in 9M2017, mainly due to absence of costs of $0.7m from ATS and cost savings from certain marketing events in 9M2016 which did not recur in 9M2017.

Administrative expenses increased by 3.2% or $1.4m from $45.2m in 9M2016 to $46.6m in 9M2017. The increase comprised of:

	$'m
Procurri Group - inclusion of Rockland and a new subsidiary, EAF Supply Chain Holdings Limited which was acquired in November 2016	12.9
Procurri Group - increase in headcount to support its expansion plans as well as higher rental and maiden post-listing compliance costs	3.3
Procurri Group - absence of the one-time listing expenses incurred in 9M2016	(2.2)
Costs of VCC which was acquired in June 2016 via a step-up acquisition	1.0
Absence of costs from ATS	(7.3)
Reduction of staff-related costs, including cancellation of planned staff incentives and development programs which provisions were made in previous year	(5.0)
Downsizing of non-performing business unit in the VDC segment and absence of approximately one month's costs arising from Corous360 Restructuring which was completed in early September 2017	(1.3)
Total	**1.4**

Finance costs decreased by 61.4% or $2.5m from $4.0m in 9M2016 to $1.5m in 9M2017 mainly due to the non-recurrence of an imputed notional non-cash interest cost of $1.5m recorded in 9M2016 in respect of the redeemable exchangeable bonds which were redeemed in July 2016. The remainder of $1.0m arose from a decrease in loans and borrowings.

Review of performance for 9M2017 (cont'd)

The Group recorded a loss before tax of $9.0m in 9M2017 as compared to $0.2m in 9M2016.

Loss before tax ($'000)	**9M2017**	**9M2016**
Downward adjustment for ATS divestment	(4,900)	-
Write-back of provisions arising from ATS divestment	1,800	-
Net gain from Corous360 Restructuring	1,386	-
ICH notional interest	-	(914)
Remeasurement gain from step-up acquisition of VCC	-	2,898
Procurri Group's IPO expenses	-	(2,181)
Profit contribution from ATS	-	3,557
Normalised loss before tax	(7,315)	(3,550)
Total	**(9,029)**	**(190)**

The normalised losses increased by $3.7m in 9M2017 mainly due to higher losses of the VDC segment and the weak operational performance of IT Infra segment from Procurri Group, which was partially offset by lower administrative expenses due to cancellation of planned staff-related incentives and development programs and cost reductions. Despite the weak performance from Procurri Group, IT Infra segment remains profitable. The weak operational performance of Procurri Group was partly attributed to the shift in its business model in the Americas from being primarily based on outsourcing to one which is integrated with in-house maintenance servicing capabilities, which resulted in a deferred revenue impact of $5.4m and a corresponding impact of $1.9m to profit before tax for 9M2017.

The tax expense increased by $0.9m which comprised $1.8m from the derecognition of deferred tax assets relating to tax losses following the restructuring of non-performing unit in VDC segment, partially offset by lower tax expense for Procurri Group.

The Group recorded a loss after tax attributable to owners of the Company ("PATMI") of $8.6m in 9M2017 as compared to $3.1m in 9M2017.

PATMI ($'000)	**9M2017**	**9M2016**
Downward adjustment for ATS divestment	(4,900)	-
Write-back of provisions arising from ATS divestment	1,800	-
Net gain from Corous360 Restructuring	1,386	-
ICH notional interest	-	(914)
Remeasurement gain from step-up acquisition of VCC	-	2,898
Procurri Group's IPO expenses	-	(1,330)
Corous360 Restructuring - reversal of DTA	(1,799)	-
Profit contribution from ATS	-	3,369
Normalised loss before tax	(5,134)	(7,075)
Total	**(8,647)**	**(3,052)**

The decrease in normalised losses of $2.0m is mainly attributed to lower administrative and finance expenses of $6.7m, partially offset by $4.7m from the weak operational performance of IT Infra segment from the Procurri Group and higher losses of the VDC segment.

Review of financial position

In conjunction with Corous360 Restructuring which was announced by the Company on 5 September 2017, EPA and PlayE have ceased to be subsidiaries of the Group and therefore were not consolidated in the statement of financial position as at 30 September 2017. This has resulted in certain movements as compared to the balances as at 31 December 2016.

Non-current assets

a) Property, plant and equipment increased by $15.2m mainly due to maintenance parts acquired by the Procurri Group to support its third-party maintenance business, partially offset by depreciation charge for the period.

b) The increase in investment in associates of $17.8m comprised $19.8m for the investment in Play-E Holdco, partially offset by $2.0m from the disposal of AWS Distribution Phils Corp. in 2Q2017.

c) The decrease in intangible assets of $20.3m arose mainly from Corous360 Restructuring.

d) The decrease in deferred tax assets of $2.0m arose mainly from the restructuring of the non-performing unit in VDC segment.

Current assets

e) Inventories dropped by $1.3m mainly due to a decrease of $5.2m arising from Corous360 Restructuring, partially offset by an increase of $3.9m in inventory level to cater for the anticipated increase in sales demand in the next quarter.

f) The decrease in trade and other receivables of $12.5m arose mainly from Corous360 Restructuring.

g) The increase in the net amount due from customers for contract work-in-progress of $2.7m represents the excess of progress billings over costs incurred and profits recognised for projects, during the period.

h) Other assets increased by $4.6m mainly due to higher advance payments made by Procurri Group to its suppliers.

i) The movement in cash and bank balances is illustrated in the statement of cash flows and review of cash flows.

Equity

j) Share capital remained unchanged as compared to the amount as at 31 December 2016.

k) Treasury shares of $5.9m comprised $7.2m purchased by the Company under the off-market Equal Access Offer and $1.7m purchased from the open market in 9M2017, of which $3.2m was subsequently transferred out as share issuance pursuant to the PSP, plus the share issuance expense of $0.1m.

l) The increase in negative other reserves of $12.1m is made up of (i) $10.5m relating to the acquisition of remaining non-controlling interests of Corous360 Pte Ltd as part of Corous360 Restructuring, (ii) foreign currency translation loss under other comprehensive income of $0.1m, (iii) issuance of shares pursuant to the PSP of $3.2m, and partially offset by (iv) provision for share-based payments of $1.7m.

Liabilities

m) The decrease in loans and borrowings (both current and non-current) of $7.6m comprised $15.4m from Corous360 Restructuring, partially offset by higher borrowings from Procurri Group.

n) Trade and other payables (current) decreased by $14.9m, of which $3.5m arose from Corous360 Restructuring. The remaining $11.4m was mainly due to $5.0m of reversal of certain provisions including bonuses, cancellation of planned staff-related incentives and development programs, as well as $6.4m payments made to suppliers.

o) Other liabilities (current) increased by $15.7m mainly due to higher maintenance services billed in advance to customers, which included an amount of $10.1m billed by Rockland.

Review of cash flows

During 9M2017, the Group's cash and cash equivalents decreased by $39.1m (after adjusting for the effect of exchange rate changes) from $61.4m as at 31 December 2016 to $22.3m as at 30 September 2017. The significant cash movements during 9M2017 were as follows:

i) Net cash used in operating activities in 9M2017 amounted to $4.8m. This was mainly due to increases in inventories, contract work-in-progress and other assets of $11.6m, decrease in trade and other payables of $12.4m and taxes paid of $2.1m, partially offset by an operating cash inflow (before changes in working capital) of $1.8m, decreases in trade and other receivables and finance lease receivables of $3.7m, and increase in other liabilities of $15.8m mainly due to advance billings to customers in respect of maintenance services.

ii) Net cash used in investing activities in 9M2017 was $13.7m. This was mainly due to purchases of plant and equipment amounting to $14.3m by Procurri Group which comprised mainly maintenance parts acquired in line with the setting up of a GPC in Singapore, an outflow of $2.6m from disposal of subsidiaries under Corous360 Restructuring, partially offset by an inflow of $2.0m from the disposal of an associate, interest received of $0.2m and proceeds of $1.0m from disposal of plant and equipment.

iii) Net cash used in financing activities in 9M2017 was $21.0m. This was mainly due to net repayment of loans and borrowings of $11.4m, purchase of treasury shares of $9.0m, dividends of $0.7m paid to non-controlling interests of Procurri Group, share issuance expenses of $0.1m and interest paid of $1.7m, partially offset by an inflow of $1.9m from the release of fixed deposits pledged for bank facilities.

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders for the third quarter and nine months ended 30 September 2017.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

With the numerous corporate actions undertaken by the Group in recent years, the Group's financial results have fluctuated significantly due to the many one-off accounting effects that accompanied the corporate activities. As a result, measurement of the Group's performance based on quarter-to-quarter earnings does not reflect the true value of the Group.

Given the strong headwinds faced by the IT Infra segment this year, coupled with the continued losses from the VDC segment, the Group expects its financial performance for FY2017 to be impacted. Nonetheless, the Group expects its financial performance to gradually pick up in 2018 as the financial effects from the Group's strategic review executed in the second half of 2017 are expected to be fully realised in 2018. Some of the strategic review initiatives executed include the restructuring of Corous360, which allows EPA and PLAYe management to take control of the business and reduce the Group's exposure to losses and the implementation of cost rationalisation actions to reduce operating expenses.

The Group's strategy remains unchanged, focusing on the IT Infra segment as a source of stable and strong income generator. Barring any unforeseen circumstances, the Group expects the IT Infra segment to show improvements in 2018 as it expects the growth of Procurri and Beaqon to fill up the contributions gap left by the sale of Acclivis.

The financial impact from Procurri's change in business model, from an outsourcing model to building its own in-house capabilities for its maintenance business, is expected to normalise in 2018 as the order book built up from the deferred revenue provides stronger income resilience.

Simultaneously, Beaqon is also stepping up to complete the Group's Information Communications Technologies ("ICT") platform, a void in the Group's eco-system resulting from the sale of Acclivis. Currently, Beaqon is creating and owning its own intellectual property to complement its business. An example of which is the neutral hosting business in Indonesia, which allows Beaqon to tap on its existing telecommunications know-how as well as wireless and security products to generate a steady stream of recurring services revenue.

Similarly, the Group is staying focused on building and growing the VDC segment. Post Corous360 restructuring, the Group can now re-deploy its resources to fuel the growth of VCC which has displayed good growth momentum.

On the local front, VCC will focus on increasing its local market share and is on track to be the market leader in the trade declaration business. To further enhance VCC's leadership position, VCC has recently entered into a collaboration with the Infocomm Media Development Authority ("IMDA") to help SME freight forwarders and shippers by using VCC's CamelONE Marketplace platform. This initiative is expected to be launched by the end of 2017. In overseas, the proof-of-concept project awarded by the Asian Development Bank is on track to be deployed in three Central Asian countries and is expected to be launched by end of 2017. VCC is also one of the two finalists shortlisted to provide the trade facilitation platform for Cambodia's custom agency.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

Not applicable.

(d) Book closure date

Not applicable.

12 If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended for the third quarter ended 30 September 2017.

13 If the Group has obtained a general mandate from shareholders for Interested Person Transactions (IPTs), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders for IPTs. There was no IPT for the third quarter and nine months ended 30 September 2017.

14 Confirmation pursuant to Rule 705 (5) of the Listing Manual

To the best of our knowledge, nothing has come to the attention of the Board of Directors of DeClout Limited, which may render the unaudited interim financial statements of the Group and the Company for the third quarter and nine months ended 30 September 2017 to be false or misleading in any material aspect.

15 Confirmation pursuant to Rule 720 (1) of the Listing Manual

The Company confirms that it has procured the Undertakings from all its Directors and Executive Officers in the format set out in Appendix 7H pursuant to Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Teo Meng Keong
Company Secretary
13 November 2017