

LITIGATION

1. INTRODUCTION

The board of directors (the “**Directors**” or the “**Board**”) of DeClout Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that H.R.A. Corporation (SG) Pte. Ltd. (“**HRA**”) has filed a writ of summons and statement of claim against, amongst others, the Company, Mr. Wong Kok Khun (“**Mr. Wong**”), the Chairman and Group Chief Executive Officer of the Company and Mr. Cheng Mun Yip Marcus (“**Mr. Cheng**”).

2. DETAILS OF THE PROCEEDINGS

The claim made by HRA is in relation to the previous issuance of new shares in the capital of Acclivis Technologies and Solutions Pte. Ltd. (a former subsidiary of the Company) (“**Acclivis**”) to Mr. Cheng (as announced by the Company on 24 October 2015), and the Company’s subsequent disposal of its shares in Acclivis (as announced by the Company on 12 October 2016) (the “**Disposal**”).

HRA is claiming that, amongst others, Mr. Cheng’s subscription of shares in Acclivis was for and on behalf of HRA, and that Mr. Cheng was not entitled to deal with the Acclivis shares in his name. HRA is also claiming that the Company and Mr. Wong had or ought to have had knowledge about HRA’s beneficial interest in the Acclivis shares held by Mr. Cheng, and that consequently, they had assisted in causing loss to HRA.

Each of the Company and Mr. Wong is currently seeking legal advice and will, in consultation with their respective lawyers, take all necessary steps and measures to vigorously defend against HRA’s claims.

3. FURTHER ANNOUNCEMENTS

The Company will update shareholders when there are material developments relating to the proceedings.

4. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD
DECLOUT LIMITED

Ho Chew Thim
Lead Independent Director
11 July 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), SAC Advisors Private Limited, 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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