

**CIRCULAR DATED 22 NOVEMBER 2016**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**This Circular is issued by DeClout Limited (the “Company”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.**

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Circular with the Notice of EGM (as defined herein) and the attached Proxy Form (as defined herein) to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of EGM and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should at once hand this Circular with the Notice of EGM and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

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

The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542. SAC Advisors Private Limited is a wholly-owned subsidiary of SAC Capital Private Limited.



**DECLOUT LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201017764W)

## **CIRCULAR TO SHAREHOLDERS**

### **IN RELATION TO**

### **THE PROPOSED SHARE BUYBACK UNDER OFF-MARKET EQUAL ACCESS OFFER**

#### **Important Dates and Times:**

Last date and time for lodgement of Proxy Form	:	5 December 2016 at 2:30 p.m.
Date and time of Extraordinary General Meeting	:	7 December 2016 at 2:30 p.m.
Place of Extraordinary General Meeting	:	Suntec Singapore Convention & Exhibition Centre Level 3 Nicoll 2 1 Raffles Boulevard, Suntec City Singapore 039593

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## DEFINITIONS

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The following definitions apply throughout in this Circular except where the context otherwise requires:

<i>“Acclivis”</i>	:	Acclivis Technologies and Solutions Pte. Ltd.
<i>“Acclivis Disposal”</i>	:	The disposal by the Company of all its shares in Acclivis to CITIC Consultancy 1616 Limited pursuant to the sale and purchase agreement dated 12 October 2016
<i>“Acclivis Disposal Announcement”</i>	:	The announcement dated 12 October 2016 in relation to the Acclivis Disposal
<i>“Board”</i>	:	The board of Directors of the Company as at the Latest Practicable Date
<i>“Business Day”</i>	:	A day other than Saturday or Sunday, on which banks are open in Singapore to the general public for business
<i>“Catalist”</i>	:	The Catalist Board of the SGX-ST
<i>“Catalist Rules”</i>	:	Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited, as amended, modified or supplemented from time to time
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“Circular”</i>	:	This circular to Shareholders dated 22 November 2016
<i>“Closing Date”</i>	:	The date on which the Equal Access Offer closes
<i>“Code”</i>	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
<i>“Companies Act”</i>	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
<i>“Company”</i>	:	DeClout Limited
<i>“Conditions”</i>	:	Has the meaning given in Section 2.1 of this Circular
<i>“Constitution”</i>	:	The constitution of the Company, as amended, modified or supplemented from time to time
<i>“Director(s)”</i>	:	The director(s) of the Company as at the Latest Practicable Date
<i>“Distribution”</i>	:	The proposed distribution of surplus cash in excess of the Group’s requirements to Shareholders following the completion of the Acclivis Disposal

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## DEFINITIONS

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<i>“EGM”</i>	:	The extraordinary general meeting of the Company to be convened and held at 2:30 p.m. on 7 December 2016 at Suntec Singapore Convention & Exhibition Centre Level 3, Nicoll 2, 1 Raffles Boulevard, Suntec City, Singapore 039593, the notice of which is set out on page N-1 of this Circular
<i>“Entitled Shares”</i>	:	In respect of each Shareholder, the Relevant Percentage of that Shareholder’s Shares as at 5.00 p.m. on the Closing Date, fractional entitlements to be disregarded
<i>“EPS”</i>	:	Earnings per Share
<i>“Equal Access Offer”</i>	:	The off-market equal access offer to be made by the Company for 23,000,000 Shares representing approximately 3.4% of total number of Shares in issue, on the terms and subject to the conditions set out in the formal Offer Letter to be despatched to Shareholders, details of which are set out in Section 2 of this Circular
<i>“Equal Access Offer Announcement”</i>	:	The announcement dated 21 November 2016 relating to the Equal Access Offer
<i>“Excess Shares”</i>	:	Has the meaning given in Section 2.2(b) of this Circular
<i>“FY”</i>	:	A financial year ended or ending 31 December
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“Latest Practicable Date”</i>	:	14 November 2016, being the latest practicable date prior to the printing of this Circular
<i>“Market Day”</i>	:	A day on which Catalist is open for trading in securities
<i>“Maximum Buyback Amount”</i>	:	The maximum number of Shares the Company may buy back under the Equal Access Offer, being 23,000,000 Shares representing approximately 3.4% of the total number of Shares in issue as at the Latest Practicable Date
<i>“Maximum Price”</i>	:	The maximum price payable by the Company under the Share Buyback Mandate for off-market acquisitions of its Shares, being 120% of the average closing market prices of the Shares over the last five (5) market days on which transactions for the Shares were recorded prior to the announcement of the equal access scheme
<i>“Net Proceeds”</i>	:	The net proceeds received by the Company from the Acclivis Disposal

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## DEFINITIONS

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<i>“Notice of EGM”</i>	:	The notice of the EGM which is set out on page N-1 of this Circular
<i>“NTA”</i>	:	Net tangible assets
<i>“Offer Letter”</i>	:	The formal offer letter setting out the terms and conditions of the Equal Access Offer to be despatched to Shareholders together with the accompanying forms of acceptance and transfer
<i>“Offer Price”</i>	:	S\$0.315 for each Share
<i>“Ordinary Resolution”</i>	:	The ordinary resolution set out in this Circular and in the Notice of EGM
<i>“Overseas Persons”</i>	:	Has the meaning given in Section 11.1 of this Circular
<i>“Proxy Form”</i>	:	The proxy form in respect of the EGM as set out in this Circular
<i>“Register of Members”</i>	:	The register of members of the Company
<i>“Relevant Percentage”</i>	:	The percentage of the total number of Shares proposed to be repurchased by the Company under the Equal Access Offer, being approximately 3.4% of the Company’s issued share capital
<i>“Securities Account”</i>	:	A securities account with the CDP
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share Buyback Mandate”</i>	:	The share buyback mandate approved by the Shareholders at the annual general meeting of the Company held on 28 April 2016
<i>“Shareholders”</i>	:	Persons (not being Depositors) who are registered as holders of the Shares in the Register of Members of the Company and Depositors, who have Shares entered against their names in the Depository Register, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Shares”</i>	:	Ordinary shares in the capital of the Company
<i>“Substantial Shareholders”</i>	:	A person who has an interest or interests in one or more voting Shares in the Company, and the votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares in the Company

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## DEFINITIONS

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<i>“Treasury Shares”</i>	:	Shares which were (or treated as if having been) purchased and held by the Company and have been held continuously by the Company since they were so acquired and have not been cancelled in accordance with Section 76H of the Companies Act
<i>“S\$” and “cents”</i>	:	Dollars and cents respectively of the currency of Singapore
<i>“%” or “per cent.”</i>	:	Per centum or percentage

The terms “*Depositor*”, “*Depository Agent*” and “*Depository Register*” shall have the meanings ascribed to them, respectively, in section 81SF of the Securities and Futures Act (the “**SFA**”).

The term “*subsidiary*” shall have the meaning ascribed to it in section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA or the Catalist Rules or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day shall be a reference to Singapore time unless otherwise stated.

Any discrepancy in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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### DECLOUT LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201017764W)

**Directors:**

Mr. Wong Kok Khun (Chairman and Group Chief Executive Officer)  
Ms. Kow Ya (Executive Director)  
Ms. Cheryl Tan Choo Huang (Executive Director)  
Mr. Ho Chew Thim (Lead Independent Director)  
Mr. Hew Koon Chan (Independent Director)  
Ms. Ch'ng Li-Ling (Independent Director)

**Registered Office:**

29 Tai Seng Avenue  
#05-01  
Natural Cool Lifestyle Hub  
Singapore 534119

Date: 22 November 2016

To: The Shareholders of the Company

### THE PROPOSED SHARE BUYBACK UNDER OFF-MARKET EQUAL ACCESS OFFER

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#### 1. INTRODUCTION

The Board of Directors of the Company refers to the Acclivis Disposal Announcement and Equal Access Offer Announcement.

As disclosed in paragraph 6 of the Acclivis Disposal Announcement, it is the intention of the Board to utilise a portion of the Net Proceeds from the Acclivis Disposal to distribute surplus cash in excess of the Group's requirements to the Shareholders.

Having carefully considered various options for undertaking the Distribution to Shareholders, the Company has decided to undertake a share buyback under the Equal Access Offer, subject to (i) Shareholders' approval for the Equal Access Offer being obtained; and (ii) completion of the Acclivis Disposal.

As the Offer Price under the Equal Access Offer exceeds the Maximum Price under the Share Buyback Mandate, the Directors are convening the EGM to be held at 2:30 p.m. on 7 December 2016 at Suntec Singapore Convention & Exhibition Centre Level 3, Nicoll 2, 1 Raffles Boulevard, Suntec City, Singapore 039593 to seek specific Shareholders' approval for the Equal Access Offer. The Notice of EGM is set out on page N-1 of this Circular.

This Circular has been prepared to provide Shareholders with information relating to and the rationale for the Equal Access Offer, to ensure that Shareholders will be in a position to make an informed decision in respect of the Equal Access Offer at the EGM.



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## LETTER TO SHAREHOLDERS

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### 2. KEY TERMS OF THE EQUAL ACCESS OFFER

2.1 Having carefully considered various options for undertaking the Distribution to Shareholders, the Company has decided to undertake a share buyback under an off-market equal access scheme, subject to the following conditions:

- (a) Shareholders' approval for the Equal Access Offer being obtained; and
  - (b) completion of the Acclivis Disposal,
- (collectively, the "**Conditions**").

2.2 Following the satisfaction of the Conditions, the Equal Access Offer will be made on the terms and subject to the conditions set out in the formal Offer Letter to be despatched to Shareholders in due course, on the following basis:

(a) **Offer Price**

The Offer Price for each Share will be **S\$0.315** in cash.

(b) **Maximum Buyback Amount**

The Company will offer to buy back up to 23,000,000 Shares representing approximately 3.4% of the total number of 671,268,974 Shares in issue, as at the Latest Practicable Date.

Under the Equal Access Offer, Shareholders may nominate to sell all, part or none of their Shares. Each Shareholder will be entitled to accept the Equal Access Offer in respect of the Entitled Shares. In addition to the entitlement to sell the Entitled Shares, a Shareholder may tender Shares in excess of the number of his or her Entitled Shares (the "**Excess Shares**") for acceptance under the Equal Access Offer if other Shareholders do not accept their full entitlement under the Equal Access Offer.

If the total number of acceptances exceeds the Maximum Buyback Amount, the number of Excess Shares tendered by each accepting Shareholder will be reduced accordingly to ensure the Company buys back no more than the Maximum Buyback Amount.

(c) **Eligibility**

The Equal Access Offer will be made open to all Shareholders as reflected in the Register of Members, or standing to the credit of the "Free Balance" of such Shareholder's Securities Account with CDP, as the case may be, at 5.00 p.m. on the Closing Date.

Participation in the Equal Access Offer is voluntary. An eligible Shareholder may elect not to participate in the Equal Access Offer.

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## LETTER TO SHAREHOLDERS

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(d) **Rights Attaching to Shares Acquired Pursuant to the Equal Access Offer**

The Shares which are acquired pursuant to the Equal Access Offer will be acquired fully paid and free from all charges, liens, pledges, trusts and other encumbrances, and together with all rights, benefits and entitlements attached thereto as at the date of the Equal Access Offer Announcement, including the right to receive all dividends, rights and other distributions (if any) which may be declared, paid or made thereon, on or after the date of the Equal Access Offer Announcement.

(e) **Offer Period**

The period during which the Equal Access Offer will be open for acceptance by eligible Shareholders shall be determined by the Board and set out in the Offer Letter.

**3. STATUS OF PURCHASED SHARES UNDER THE EQUAL ACCESS OFFER**

All Shares purchased or acquired by the Company pursuant to the Equal Access Offer shall be held by the Company as Treasury Shares and dealt with as the Board shall determine in the best interests of the Company.

**4. AUTHORITY FOR THE EQUAL ACCESS OFFER**

Under the terms of the Share Buyback Mandate, the Maximum Price payable by the Company in an off-market equal access scheme is 120% of the average closing market prices of the Shares over the last five (5) market days on which transactions for the Shares were recorded prior to the announcement of the equal access scheme.

The Offer Price under the Equal Access Offer exceeds the Maximum Price under the Share Buyback Mandate. Accordingly, the Company is convening the EGM to seek Shareholders' specific approval to undertake the Equal Access Offer.

The approval of Shareholders for the Equal Access Offer is not intended to vary, revoke or amend the terms of the existing Share Buyback Mandate. The authority granted by Shareholders to the Company and Directors to undertake the Equal Access Offer shall commence from the date the Ordinary Resolution is approved and expire on 31 January 2017.

**5. RATIONALE FOR AND BENEFITS OF THE EQUAL ACCESS OFFER**

The Board intends to distribute part of the Net Proceeds from the Acclivis Disposal to reward Shareholders for their loyalty and support over the years by offering Shareholders an equitable opportunity to liquidate part of their holdings of Shares at a premium to the current trading prices of the Shares without paying brokerage. In line with this intention to reward Shareholders, the Board would like to offer Shareholders an Offer Price that exceeds the Maximum Price allowed under the Share Buyback Mandate.

In addition to returning excess cash to Shareholders, the Board believes that the Equal Access Offer will enhance shareholder value by reducing the total number of Shares in circulation and increase the earnings per Share of the Company.

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## LETTER TO SHAREHOLDERS

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The purchase of Shares pursuant to the Equal Access Offer will also allow the Company to hold them in treasury for the purpose of fulfilling its obligations under its employee share schemes or plans, for use as currency for mergers and acquisitions, and for raising funds through placements to investors or any other lawful purpose.

### 6. SOURCE OF FUNDS

Assuming the Maximum Buyback Amount, the Company will commit S\$7,245,000 towards buying back Shares under the Equal Access Offer. The Equal Access Offer will be funded from the Net Proceeds received by the Company from the Acclivis Disposal. As disclosed in the Acclivis Disposal Announcement, the balance of the Net Proceeds will be used for paying down borrowings and indebtedness, proposed joint ventures and mergers and acquisitions, and general working capital.

### 7. FINANCIAL EFFECTS OF THE EQUAL ACCESS OFFER

#### 7.1 Bases and assumptions

The financial effects of the Equal Access Offer on (a) the NTA per Share of the Group; (b) the EPS of the Group; (c) the gearing of the Group; and (d) the share capital of the Company, have been prepared based on the audited consolidated financial statements of the Group for FY2015. The *pro forma* financial effects of the Equal Access Offer are for illustration only and do not reflect the actual financial effects or the future financial performance and condition of the Group after the Equal Access Offer.

The financial effects below were prepared based on the following assumptions:

- (a) the Company receives acceptances for the Maximum Buyback Amount under the Equal Access Offer;
- (b) the financial effects of the Equal Access Offer on the NTA per Share and the gearing of the Group, as well as the share capital of the Company are computed assuming that the Equal Access Offer had taken place on 31 December 2015; and
- (c) the financial effects of the Equal Access Offer on the EPS of the Group are computed assuming that the Equal Access Offer had been completed on 1 January 2015.

For the avoidance of doubt, these *pro forma* financial effects do not take into account (i) any corporate actions announced and undertaken by the Group; (ii) any issuance of new Shares, on or after 1 January 2016; and (iii) the expenses in connection with the Equal Access Offer as they are immaterial.

## LETTER TO SHAREHOLDERS

### 7.2 NTA per Share

The illustrative financial effects of the Equal Access Offer on the NTA per Share of the Group as at 31 December 2015 are as follows:

	Before the Equal Access Offer	After the Equal Access Offer
NTA <sup>(1)</sup> attributable to the owners of the Company (S\$'000)	29,050	21,805
Number of Shares (excluding Treasury Shares)	538,617,530	515,617,530
NTA per Share (cents)	5.39	4.23

**Note:**

- (1) NTA means total assets less the sum of total liabilities, non-controlling interests and intangible assets (net of non-controlling interests).

### 7.3 EPS

The illustrative financial effects of the Equal Access Offer on the EPS of the Group for FY2015 are as follows:

	Before the Equal Access Offer	After the Equal Access Offer
Net profits attributable to owners of the Company for FY2015 (S\$'000)	4,978	4,978
Weighted average number of Shares (excluding Treasury Shares)	460,706,294	437,706,294
EPS (cents)	1.08	1.14

### 7.4 Gearing

The illustrative financial effects of the Equal Access Offer on the gearing of the Group as at 31 December 2015 are as follows:

	Before the Equal Access Offer	After the Equal Access Offer
Net borrowings <sup>(1)</sup> as at 31 December 2015 (S\$'000)	34,631	41,876
Shareholder's equity (S\$'000)	103,537	96,292
Gearing (times)	0.33	0.43

**Note:**

- (1) Net borrowing means total borrowings less cash and bank balances.

## LETTER TO SHAREHOLDERS

### 7.5 Share Capital

The illustrative financial effects of the Equal Access Offer on the share capital of the Company as at 31 December 2015 are as follows:

	Before the Equal Access Offer	After the Equal Access Offer
Share capital (including Treasury Shares)	538,617,530	538,617,530
Treasury Shares	–	23,000,000
Total equity (S\$'000)	85,559	78,314

### 8. SHARE BUYBACKS BY THE COMPANY

The Company has not made any share buybacks in the 12 months preceding the Latest Practicable Date.

### 9. DESPATCH OF THE OFFER LETTER

Further terms of the Equal Access Offer, including the procedures for acceptance, will be provided in the Offer Letter. The Offer Letter, together with the form of acceptance and form of transfer, will be despatched to Shareholders in due course if the Conditions are satisfied.

### 10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at 31 October 2016, the interests of the Directors and Substantial Shareholders in the Shares, based on the registers of Directors' interests in Shares and Substantial Shareholders' interests in Shares, respectively, are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
<b>Directors</b>				
Wong Kok Khun <sup>(2)</sup>	27,877,500	4.15	55,019,570	8.20
Kow Ya	16,800,000	2.50	–	–
Cheryl Tan Choo Huang	1,630,000	0.24	–	–
Ho Chew Thim	550,000	0.08	–	–
Hew Koon Chan	50,000	0.01	–	–
Ch'ng Li-Ling	250,000	0.04	–	–
<b>Substantial Shareholders (other than Directors)</b>				
3rd Space Pte Ltd <sup>(2)</sup>	55,019,570	8.20	–	–
Wong Poh Leng	81,060,000	12.08	–	–
Briarwood Management Limited <sup>(3)</sup>	50,550,000	7.53	–	–
Lee Hoo Leng <sup>(3)</sup>	–	–	50,550,000	7.53

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## LETTER TO SHAREHOLDERS

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### Notes:

- (1) Based on the Company's total issued share capital of 671,268,974 Shares as at 31 October 2016.
- (2) 3rd Space Pte Ltd is wholly-owned by Wong Kok Khun. Wong Kok Khun is deemed to have an interest in the Shares held by 3rd Space Pte Ltd by virtue of Section 7 of the Companies Act.
- (3) Briarwood Management Limited is wholly-owned by Lee Hoo Leng. Lee Hoo Leng is deemed to have an interest in the Shares held by Briarwood Management Limited by virtue of Section 7 of the Companies Act.

None of the Directors or Substantial Shareholders, or their respective associates, has any interests, direct or indirect, in the Equal Access Offer, other than through their respective shareholding interests in the Company.

## 11. OVERSEAS PERSONS

### 11.1 Overseas Persons

The availability of the Equal Access Offer to Shareholders whose addresses are outside Singapore as shown in the Register of Members or, as the case may be, in the records of CDP (the "**Overseas Persons**") may be affected by the laws of the relevant foreign jurisdictions.

The Equal Access Offer will be made solely by the Offer Letter and the relevant form(s) of acceptance accompanying the Offer Letter, which will contain the full terms and conditions of the Equal Access Offer, including details of how the Equal Access Offer may be accepted.

For the avoidance of doubt, the Equal Access Offer will be open to all Shareholders, including those to whom the Offer Letter and relevant form(s) of acceptance may not be sent. Accordingly, Overseas Persons should inform themselves about, and observe, any applicable legal requirements in their own jurisdictions. Further details in relation to Overseas Persons will be contained in the Offer Letter.

If you are in doubt about your position, you should consult your professional adviser in the relevant jurisdiction.

### 11.2 Offer Letter

Where there are potential restrictions on sending the Offer Letter to any overseas jurisdictions, the Company reserves the right not to send the Offer Letter to such overseas jurisdictions. Any affected Overseas Person may nonetheless obtain copies of the Offer Letter during normal business hours from the office of the Company's share registrar, Tricor Barbinder Share Registration Services ("**Share Registrar**") at 80 Robinson Road, #11-02, Singapore 068898. Alternatively, an affected Overseas Person may write to the Company's share registrar to request the Offer Letter to be sent to an address in Singapore by ordinary post at his or her own risk.

### 11.3 Notice

The Company reserves the right to notify any matter, including the fact that the Equal Access Offer has been made, to any or all Shareholders (including Overseas Persons) by announcement on the SGXNET, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement.

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## LETTER TO SHAREHOLDERS

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### 12. APPLICATION OF THE CODE

Based on the interests of the Directors and Substantial Shareholders as at 31 October 2016, the Equal Access Offer will not result in any of the Directors or Substantial Shareholders becoming obliged to make a mandatory general offer under the Code.

As at the Latest Practicable Date, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Code would ensue as a result of the Equal Access Offer.

### 13. LISTING STATUS OF THE SHARES

The relevant Catalist Rules requires a listed company to ensure that at least 10% of its Shares is at all times held by public Shareholders. The “public” are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the company and its subsidiaries, as well as associates of such persons.

The Company does not have any individual or foreign shareholding limits. Based on the information available to the Company as at 31 October 2016, approximately 57.6% of the issued share capital of the Company are held in the hands of the public. Assuming that the Company repurchased the Maximum Buyback Amount as at 31 October 2016 under the Equal Access Offer, the percentage of Shares held by the public would be approximately 56.1%.

The Directors are of the view that there is presently a sufficient number of Shares in public hands for the Company to undertake the Equal Access Offer.

### 14. DIRECTORS' RECOMMENDATIONS

Having reviewed, among other things, the rationale for and benefits of the Equal Access Offer, the Directors are unanimously of the view that the Equal Access Offer is in the best interests of and will not adversely affect the financial condition of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Equal Access Offer at the EGM.

The Directors, in rendering their recommendations, have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders may have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio consult his stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

### 15. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page N-1 of this Circular, will be held at 2:30 p.m. on 7 December 2016 at Suntec Singapore Convention & Exhibition Centre Level 3, Nicoll 2, 1 Raffles Boulevard, Suntec City, Singapore 039593 for the purpose of considering and, if thought fit, passing with or without modification the Ordinary Resolution set out in the Notice of EGM.

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## LETTER TO SHAREHOLDERS

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### 16. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf, should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the Company's Share Registrar's office at 80 Robinson Road, #11-02, Singapore 068898 not later than 48 hours before the time set for the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM, if he wishes to do so, in place of his proxy.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless Shares are entered against his name on the Depository Register at least 72 hours before the time fixed for the EGM.

**Shareholders and other investors are reminded to exercise caution when dealing in the Shares. In the event that Shareholders and other investors are in doubt about the actions they should take, they should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.**

### 17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Equal Access Offer, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

### 18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected by Shareholders at the registered office of the Company at 29 Tai Seng Avenue, #05-01 Natural Cool Lifestyle Hub, Singapore 534119 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for FY2015.

Yours faithfully

For and on behalf of the Board of Directors of  
**DECLOUT LIMITED**

Wong Kok Khun  
Chairman and Group Chief Executive Officer



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### DECLOUT LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201017764W)

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 22 November 2016 issued by the Company (the “Circular”).*

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of the shareholders (the “**Shareholders**”) of DeClout Limited (the “**Company**”) will be held at 2:30 p.m. on 7 December 2016 at Suntec Singapore Convention & Exhibition Centre Level 3, Nicoll 2, 1 Raffles Boulevard, Suntec City, Singapore 039593 for the purposes of considering and, if thought fit, passing (with or without modifications) the following ordinary resolution:

#### **ORDINARY RESOLUTION: THE EQUAL ACCESS OFFER**

That:

- (a) subject to the Companies Act and Catalyst Rules, approval be and is hereby given for the Company to carry out and implement the Equal Access Offer;
- (b) the authority granted on the Directors and Company to undertake the Equal Access Offer shall commence from the date this Ordinary Resolution is approved and expire on 31 January 2017; and
- (c) the Directors and each of them be and are hereby authorised to do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the matters referred to in this resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

BY ORDER OF THE BOARD  
**DECLOUT LIMITED**

Teo Meng Keong  
Company Secretary  
22 November 2016

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than 2 proxies to attend, speak and vote at the EGM. A proxy need not be a member of the Company. Where a member appoints more than 1 proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form (expressed as a percentage of the whole).
2. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than 2 proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than 2 proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or duly authorised officer.
4. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with the Company's Constitution and Section 179 of the Companies Act.
5. The instrument appointing proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the Company's Share Registrar's office at 80 Robinson Road, #11-02, Singapore 068898 not later than 48 hours before the time set for the EGM.
6. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the EGM.
7. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register as defined under the Securities and Futures Act, Chapter 289 of Singapore, he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.

### PERSONAL DATA PRIVACY

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

## PROXY FORM

### DECLOUT LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 201017764W)

### EXTRAORDINARY GENERAL MEETING PROXY FORM

**IMPORTANT:**

Pursuant to Section 181(1C) of the Companies Act, Relevant Intermediaries may appoint more than 2 proxies to attend, speak and vote at the extraordinary general meeting.

**Personal Data Privacy**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of extraordinary general meeting dated 22 November 2016.

\*I/We, \_\_\_\_\_ NRIC/Passport No. \_\_\_\_\_

of (Address) \_\_\_\_\_

being \*a member/members of **DECLOUT LIMITED** (the “**Company**”) hereby appoint:

Name	Address	NRIC/ Passport No.	Proportion of shareholding to be represented by proxy (%)

or failing which, the chairman of the extraordinary general meeting of the Company (the “**EGM**”), as \*my/our proxy/proxies to attend and vote for \*me/us on \*my/our behalf at the EGM to be convened at 2:30 p.m. on 7 December 2016 at Suntec Singapore Convention & Exhibition Centre Level 3, Nicoll 2, 1 Raffles Boulevard, Suntec City, Singapore 039593 and at any adjournment thereof. \*I/We direct \*my/our \*proxy/proxies to vote for or against the ordinary resolution to be proposed at the EGM as indicated hereunder. If no specific directions as to voting are given, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion, as \*he/she/they will on any other matter arising at the EGM.

**\*Delete accordingly**

	No. of votes for <sup>(1)</sup>	No. of votes against <sup>(1)</sup>
<b>Ordinary Resolution</b>		
To approve the Equal Access Offer		

**Note:**

(1) If you wish to exercise all your votes “For” or “Against”, please indicate with a tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Total No. of Shares	No. of Shares
CDP Register	
Register of Members	

\_\_\_\_\_  
Signature(s) of Member(s)/Common Seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

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## PROXY FORM

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### Notes:

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