

DECLOUT LIMITED
(Incorporated in the Republic of Singapore on 21 August 2010)
(Company Registration No. 201017764W)

SUPPLEMENTAL AGREEMENT IN RESPECT OF THE ACQUISITION OF 51% INTEREST IN PROCURRI ASIA PACIFIC PTE. LTD. – EXERCISE OF THE AMENDED PCPL CALL OPTION

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the Announcements (as defined herein).

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of DeClout Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 21 January 2015, 2 February 2015, 5 February 2015 and 21 December 2015 (the “**Announcements**”) in relation to the proposed acquisition of 51% interest in PAPPL.

Further to the Announcements, the Board wishes to announce that the KPIs have been satisfied by PAPPL and the Company had, on 23 December 2015, served notice on AKPL to exercise the Amended PCPL Call Option.

In consideration of the transfer of the PCPL Call Option Shares to PCPL, PCPL shall procure the Company to allot and issue 34,113,060 Consideration Shares, at an issue price of S\$0.2052 per Consideration Share to AKPL or its nominees, for an aggregate consideration of S\$7,000,000.

Upon completion of the acquisition of the PCPL Call Option Shares pursuant to the exercise of the Amended PCPL Call Option (the “**Option Completion**”), PAPPL shall become a wholly-owned subsidiary of PCPL.

2. ALLOTMENT AND ISSUANCE OF THE CONSIDERATION SHARES

The Consideration Shares represent approximately (i) 6.3% of the existing issued and paid-up share capital of the Company as at the date of this announcement; and (ii) 6.0% of the enlarged issued and paid-up share capital of the Company upon the Option Completion (assuming no further new Shares are issued prior to the Option Completion).

The Consideration Shares will be allotted and issued pursuant to the general share issue mandate (“**2015 Share Issue Mandate**”) granted by shareholders of the Company (“**Shareholders**”) at the annual general meeting of the Company held on 28 April 2015 (the “**2015 AGM**”) for the issue of new Shares and/or convertible securities not exceeding 100% of the total number of issued Shares (excluding treasury Shares), of which the aggregate number of new Shares and convertible securities of the Company to be issued other than on a pro-rata basis to all existing Shareholders shall not exceed 50% of the total number of issued Shares (excluding treasury Shares).

As at the date of the 2015 AGM, the total number of issued Shares (excluding treasury Shares) was 455,100,030. Accordingly, the Company could issue up to 455,100,030 new Shares on a pro-rata basis and up to 227,550,015 new Shares on a non pro-rata basis under the 2015 Share Issue Mandate. As at the date of this announcement, the Company has issued 83,000,000 new Shares on a non pro-rata basis pursuant to the 2015 Share Issue Mandate. Currently, the Company does not have existing warrants or other convertibles. Accordingly, the proposed allotment and issuance of the Consideration Shares falls within the limit of the 2015 Share Issue Mandate.

The Consideration Shares, when allotted and issued, shall be credited as fully paid for, free and clear of all encumbrances and shall rank *pari passu* in all respects with the existing issued Shares, save for any dividends, rights, allotments or any distribution, the record date of which falls before the date of issue of the Consideration Shares.

The Company will be making an application to the SGX-ST via the sponsor of the Company, Canaccord Genuity Singapore Pte. Ltd. (“**Sponsor**”), on Catalist of the SGX-ST (“**Catalist**”) for the listing of and quotation for the Consideration Shares on Catalist in due course. The Company will make the relevant announcement upon receipt of the listing and quotation notice from the SGX-ST.

3. RATIONALE FOR THE EXERCISE OF THE AMENDED PCPL CALL OPTION

The Board believes that the exercise of the Amended PCPL Call Option is in the best interests of the Group as it will enable the Group to increase its shareholding interests in PAPPL from 51% (prior to the exercise of the Amended PCPL Call Option) to 100% on the Option Completion, and thereby enable the Group to:

- (a) harness operational and business synergies between PAPPL and the rest of the PCPL group of companies; and
- (b) reap 100% of the economic benefits from PAPPL.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and their respective associates has any interest, direct or indirect, in the exercise of the Amended PCPL Call Option (other than through their respective shareholding interests in the Company, if any).

The Directors have not received any notification of interest in the exercise of the Amended PCPL Call Option from any controlling shareholders of the Company, and are not aware of any controlling shareholders of the Company who has any interest, direct or indirect, in the exercise of the Amended PCPL Call Option (other than through their respective shareholding interests in the Company).

5. ANNOUNCEMENTS

Further announcements with respect to the allotment and issuance of the Consideration Shares and the Option Completion will be made in due course as and when appropriate.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the exercise of the Amended PCPL Call Option, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 this announcement in its proper form and context.

BY ORDER OF THE BOARD
DECLOUT LIMITED

Wong Kok Khun
Chairman and Group Chief Executive Officer
23 December 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. ("**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 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.

The contact person for the Sponsor is Ms. Alice Ng, Director and Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.