

## **LOAN AGREEMENT**

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### **1. INTRODUCTION**

- 1.1. The board of directors (the “**Board**”) of DeClout Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, on 11 April 2018, entered into a loan agreement (the “**Loan Agreement**”) with six (6) private investors / businessmen (collectively the “**Lenders**”, and each a “**Lender**” and collectively with the Company, the “**Parties**”, and each a “**Party**”) pursuant to which the Lenders have agreed to extend to the Company loans of an aggregate amount of S\$10,000,000 (the “**Loan**”), on the terms and subject to the conditions of the Loan Agreement.
- 1.2. The Lenders were introduced to the Company by Xandar Capital Pte. Ltd. (“**Xandar Capital**”). A fee equivalent to 1% of the aggregate Loan amount will be paid to Xandar Capital by the Company upon drawdown of the Loan.

### **2. SALIENT TERMS OF THE LOAN AGREEMENT**

- 2.1. The salient terms of the Loan Agreement are summarised as follows:

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| (a) | Principal Amount | : | An aggregate principal amount of S\$10,000,000 shall be granted by the Lenders.   |
| (b) | Term of the Loan | : | The term of the Loan shall be for a period of two (2) years from the date of drawdown of the Loan (the “ <b>Maturity Date</b> ”). As at the date of this announcement, the Loan has not been drawn down.                                      |
| (c) | Interest         | : | The Loan shall bear simple interest at a rate of eight per cent. (8.0%) per annum (to be calculated on the basis of actual days elapsed on a year of 365 days) or at such rate as may be agreed between Parties in writing from time to time. |

The Company shall pay accrued interest on the Loan on the last day of each Interest Period in cash. For the purpose of this clause, “**Interest Period**” is defined as every six (6) month period or any other date mutually agreed by the Parties, from the date of drawdown of the Loan.

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| (d) | Details of Security | : | The payment obligations under the Loan Agreement are secured by: |
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- (i) first fixed charges over an aggregate of 132,319,978 shares ("**Procurri Shares**"), which represents the entire share interests owned by the Company in the capital of Procurri Corporation Limited ("**Procurri**") as at the date of the Loan Agreement, in favour of the Lenders (collectively, the "**Share Charge**"); and
  - (ii) corporate guarantees (the "**Guarantees**") to be provided by each of vCargo Cloud Pte. Ltd. and Beagon Pte. Ltd. (both subsidiaries of the Company) in favour of the Lenders.
- (e) Relevant Event : Following the occurrence of a Relevant Event (as defined below), the Company shall be required to repay each Lender's portion of the Loan along with all interest accrued therein within twenty-five (25) business days of the Relevant Event Repayment Date (as defined below), unless otherwise waived by such Lender in writing.

So long as any amount under the Loan Agreement is due and payable by the Company to the Lenders, a "**Relevant Event**" occurs, unless waived by the Lenders in writing:

- (i) when the shares of the Company ("**Shares**") cease to be listed or admitted to trading or are suspended for a period equal to or exceeding twenty (20) market days on the Catalist board (the "**Catalist**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**");
- (ii) if the Company fails to publish any of its consolidated financial results (the "**Published Consolidated Results**") in accordance with and within the time limit, prescribed under the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**");
- (iii) if the Company fails to provide to the Lenders confirmation as to whether a Relevant Event under paragraphs 2.1(e)(vi), (vii) or (viii) has occurred within the earlier of (a) five (5) business days of publication of any of the Published Consolidated Results; or (b) sixty (60) calendar days after the end of each quarterly financial period of the Company;
- (iv) when the ordinary shares in the capital of Procurri cease to be listed or admitted to trading or are suspended for a period equal to or exceeding twenty (20) market days on the Mainboard of the SGX-ST;
- (v) when the Company's shareholding interest in Procurri falls below forty-four percent (44.0%) of the total issued and paid-up share capital of Procurri;

- (vi) when the pledge value of the Procurri Shares (calculated based on the Company's shareholding percentage in Procurri multiplied by the net tangible assets attributable to the owners of Procurri, based on Procurri's announced financial results) falls below S\$19,000,000;
- (vii) when net tangible assets attributable to owners of the Company based on any of the Published Consolidated Results fall below S\$50,000,000;
- (viii) when gearing of the Company based on any of the Published Consolidated Results exceeds 100%;
- (ix) when Wong Kok Khun ceased to be either: (a) an executive director on the Board of the Company; (b) the chief executive officer of the Group; or (c) the holder of eleven percent (11.0%) of the Shares;
- (x) when Kow Ya ceased to be an executive director on the Board of the Company; or
- (xi) when the Company completes a transaction which requires approval of its shareholders under Chapter 10 of the Catalist Rules without the prior written approval of the Lenders,

provided that no Relevant Event under paragraphs 2.1(e)(ii), (iii), (v), (ix), (x) or (xi) will be deemed to have occurred if its occurrence is capable of remedy and is remedied by the Company within twenty-five (25) days of its occurrence (the **"Remedy Period"**).

The **"Relevant Event Repayment Date"** shall be:

- (1) where a Relevant Event is deemed to have occurred (other than a Relevant Event under paragraphs 2.1(e)(vi), (vii) or (viii)), the day on which the Relevant Event occurred; or
- (2) where a Relevant Event under paragraphs 2.1(e)(vi), (vii) or (viii) is deemed to have occurred, the day on which any of the Published Consolidated Results is published by the Company or the day immediately following the last day on which any of the Published Consolidated Results was required to be published in order to comply with the requirements under the Catalist Rules, whichever is earlier.

(f) Governing Law : The laws of the Republic of Singapore shall be the governing law of the Loan Agreement.

Pursuant to Rule 704(33) of the Catalist Rules and as described in paragraph 2.1(e)(ix)(c) above, the Company wishes to disclose that under the Loan Agreement, the Company will be required to repay each Lender's portion of the Loan along with all interest accrued therein in the event that Wong Kok Khun ceases to be the holder of eleven percent (11.0%) of the Shares, unless otherwise remedied within the Remedy Period or waived by the Lenders. The aggregate amount of facilities which may be affected by such event will be S\$10,000,000, being the aggregate amount which will be outstanding under the Loan upon drawdown.

### 3. RATIONALE FOR THE LOAN AND USE OF PROCEEDS

- 3.1. The Company is of the view that the Loan is beneficial to the Company, and the Group, as this arrangement will enable the Group to finance its business expansion.
- 3.2. The estimated net proceeds to be raised from the Loan, after deducting estimated fees and expenses of approximately S\$0.2 million, is approximately S\$9.8 million.
- 3.3. The Company intends to utilize the net proceeds from the Loan in the following manner:

Intended Use of Proceeds	Net Proceeds	
	Amount (S\$)	Percentage of Proceeds (%)
Business expansion of Beaqon Pte. Ltd.	5,000,000	51%
Business expansion of vCargo Cloud Pte. Ltd.	4,800,000	49%

### 4. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES IN RESPECT OF THE SHARE CHARGE

In the unlikely event of a foreclosure under the Share Charge, the relative figures computed based on the bases set out in Rule 1006 of the Catalist Rules are set out below. The relative figures are based on the following assumptions:

- (a) the relative figures are based on audited consolidated financial results of the Group for the financial year ended 31 December 2017 ("FY2017") ("**Audited 2017 Results**"); and
- (b) all of the Procurri Shares are the subject of the foreclosure.

Rule	Bases	Relative Figures (%)
1006(a)	The net asset value (" <b>NAV</b> ") of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets. <sup>1</sup>	23.87
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits. <sup>2</sup>	5.95

1006(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares. <sup>3</sup>	48.97
1006(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	N/A
1006(e)	Aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	N/A

**Notes:**

1. The NAV of the assets to be disposed as at 31 December 2017 of is approximately S\$29.9 million. The Group's NAV based on the Audited 2017 Results is S\$125.3 million.
2. The net loss before income tax, minority interests and extraordinary items attributable to assets to be disposed of for FY2017 is approximately S\$2.3 million and the Group's net loss based on the Audited 2017 Results is S\$17.9 million.
3. The market value of the Procurri Shares, based on the volume weighted average price of the shares of Procurri of S\$0.2137 for trades done on the SGX-ST on 9 April 2018 (being the last full market day on which trades were done on the shares of Procurri before the Loan Agreement was entered into) was approximately S\$28.3 million. The Company's market capitalisation, based on the volume weighted average price of the Shares of S\$0.0871 for trades done on the SGX-ST 10 April 2018 (being the last full market day on which trades were done on the Shares before the Loan Agreement was entered into) was approximately 57.7 million.

In the event of any foreclosure under the Share Charge, the Company will provide the necessary update in relation to Rule 1010 of the Catalist Rules.

## **5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Loan Agreement, the Share Charge and the Guarantees are available for inspection during normal business hours at the Company's registered office at 29 Tai Seng Avenue, #05-01 Natural Cool Lifestyle Hub, Singapore 534119 for three (3) months from the date of this announcement.

## **6. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors and their respective associates has any interest, direct or indirect, in the Loan Agreement (other than through their respective shareholding interests in the Company, if any).

The Directors have not received any notification of interest in the Loan Agreement from any controlling shareholders of the Company and their respective associates, and are not

aware of any controlling shareholders of the Company and their respective associates which has any interest, direct or indirect, in the Loan Agreement (other than through their respective shareholding interests in the Company).

BY ORDER OF THE BOARD  
**DECLOUT LIMITED**

Wong Kok Khun  
Chairman and Group Chief Executive Officer  
11 April 2018

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