



## **DeClout Posts 2Q2018 Pre-Tax Profit Of S\$3.2 Million, Reversing Loss Of S\$4.2 Million In 2Q2017**

**Singapore, 8 August 2018** – SGX Catalist-listed **DeClout Limited** ("DeClout" or the "Company", and together with its subsidiaries and associated companies, the "Group"), announced today a profit before tax ("PBT") of S\$3.2 million for the quarter ended 30 June ("2Q") 2018 (2Q2017: S\$4.2 million loss).

### **2Q2018 Key Financial Highlights**

- Revenue rose 25.5% to S\$84.5 million in 2Q2018 (2Q2017: S\$67.3 million), lifted by higher contributions from:
  - Beaqon – revenue increased by S\$1.1 million due to contributions from core services in telecommunications, security, wired and wireless network infrastructure, as well as neutral hosting services in Indonesia.
  - vCargo Cloud ("VCC") – revenue increased by S\$0.6 million, including contributions from newly acquired Indonesian subsidiary PT. Gatotkaca Trans Systemindo ("GTS").
  - Procurri – revenue increased by S\$19.7 million, mainly due to better performance in the Asia Pacific and the Americas.
- Gross profit rose 61.5% to S\$26.3 million in 2Q2018 (2Q2017: S\$16.3 million), mainly due to stronger performance from IT Infrastructure Sales and Services, for which gross profit grew 57.8% to S\$25.8 million (2Q2017: S\$16.3 million).
- Profit before tax was S\$3.2 million in 2Q2018 (2Q2017: loss of S\$4.2 million).
- PATMI rose to S\$0.3 million in 2Q2018 (2Q2017: S\$3.0 million loss), representing a positive swing of S\$3.3 million.
- Other income included S\$0.9 million gain on bargain purchase arising from the acquisition of GTS.

The results reflect the Group's progress with the corporate recovery initiatives outlined in its Corporate and Business Update ("CBU")<sup>1</sup> dated 5 March 2018. The four-pronged strategy includes sharpening focus of competencies, capitalising on existing data opportunities to expand revenue streams, accelerating DeClout Investments and improving corporate cost efficiencies.

---

<sup>1</sup><http://infopub.sgx.com/FileOpen/DeClout%20-%20Corporate%20and%20Business%20Update.aspx?App=Announcement&FileID=491581>



**Mr. Vesmond Wong, Chairman and Group Chief Executive Officer of DeClout**, said, "Our strategy for corporate recovery continues to yield encouraging results and we remain on track to being profitable for the financial year ending 31 December 2018 ("FY2018"). We will continue to explore new opportunities to unlock shareholder value, as we pursue our goals of identifying disruptive trends, incubating, scaling and harvesting high-growth technology companies."

### **Key Developments**

#### **Beaqon**

- Revenue contribution from telecommunications, security, wired and wireless network infrastructure business continues to gain momentum.
- Revenue contribution from the 24 neutral hosting sites (as at 30 June 2018), which offer higher EBITDA margins than the traditional business, commenced progressively in 1Q2018 and will continue to grow in the second half ("2H") of 2018.
- The amalgamation exercise announced on 5 July 2018 has streamlined Beaqon's entities as well as DeClout's overall structure, which will result in better management control and efficiency for the Group.
- Expects its 2H2018 performance to improve upon that of first half ("1H") of 2018.

#### **VCC**

- Revenue for 2Q2018 grew 68.7% to S\$1.5 million from S\$0.9 million in 2Q2017, including maiden contributions from GTS since May 2018.
- In May 2018, VCC launched the world's first blockchain-based platform for electronic certificates of origin.
- To date, VCC has expanded its CamelONE platform to 14 countries and aims to extend its footprint to 16 countries in FY2018.

#### **Procurri**

- Having achieved a financial turnaround, Procurri has been accelerating its four-pronged roadmap set out in its CBU<sup>2</sup> to sharpen its value proposition.
- Procurri's management is building on the momentum of these strategies to return to profitability in FY2018.
- Barring unforeseen circumstances, Procurri is on track to being profitable for FY2018.

---

<sup>2</sup><http://infopub.sgx.com/FileOpen/Procurri%20Corporate%20Update%2030%20Jan%202018.ashx?App=Announcement&FileID=486944>



## **Outlook**

The Group has achieved improved corporate cost efficiencies in 1H2018 compared to 1H2017. This initiative and the cost rationalisation from Corous360's restructuring should also contribute to improved performance in FY2018.

**Mr. Wong** added, "With new service offerings, higher margins and sharper value propositions, we believe our portfolio companies are well-positioned to capture fresh opportunities, especially in new markets. For VCC in particular, the Group intends to strengthen its existing footprint and capability, including further investments, to build up business momentum in the near to medium term. We believe that VCC will be able to access new opportunities in areas such as trade finance, as well as alliances or potential revenue streams in services related to logistics and freight forwarding."

*(This press release should be read in conjunction with DeClout's unaudited financial statement announcement for the period ended 30 June 2018 available at [www.sgx.com](http://www.sgx.com))*

– End –

## **About DeClout Limited**

Headquartered in Singapore and listed on the Catalist Board of the SGX-ST since 2012, DeClout has a vast network across Asia-Pacific, the Americas, Europe and Africa.

DeClout is a global builder of next-generation Information and Communications Technologies companies and invests in, incubates and scales companies to become global or regional market leaders. The Group has built an exceptional track record in building companies for harvests and has generated good investment returns.

The Group's portfolio companies are grouped into two core business segments – IT Infrastructure Sales and Services ("IT Infra") and Vertical Domain Clouds ("VDC"). The IT Infra segment comprises two portfolio companies – Beaqon and Procurri, while the VDC segment consists of two portfolio companies – Corous360 and vCargo Cloud.



For more information, please visit [www.declout.com](http://www.declout.com)

---

**For media and analyst enquiries, please contact:**

**Roshan Singh/May Barza**

WeR1 Consultants Pte Ltd

Tel : +65 6737 4844

[declout@wer1.net](mailto:declout@wer1.net)

*This news release 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 news release.*

*This news release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this news release including the correctness of any of the statements or opinions made or reports contained in this news release.*

*The contact person for the Sponsor is Ms Lee Khai Yinn (Tel: (65) 6532 3829) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.*