CIRCULAR DATED 30 OCTOBER 2018

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 about its contents or the action you should take, you should consult your bank manager, stockbroker, 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 (the "**CDP**"), you need not forward this Circular with the Notice of EGM (as defined herein) and the attached Proxy Form 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 Capital 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) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



DECLOUT LIMITED

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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED DISPOSAL, IN WHOLE OR IN PART, OF THE COMPANY'S SHARES IN PROCURRI CORPORATION LIMITED

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	11 November 2018 at 4 p.m.
Date and time of Extraordinary General Meeting	:	14 November 2018 at 4 p.m.
Place of Extraordinary General Meeting	:	29 Tai Seng Avenue, #01-01A Natural Cool Lifestyle Hub, Singapore 534119

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless otherwise stated or the context otherwise requires:

"**1H2018**"	:	The six-month period ended 30 June 2018
"**Board**"	:	The board of Directors of the Company
"**Catalist**"	:	The Catalist Board of the SGX-ST
"**Catalist Rules**"	:	Listing Manual Section B: Rules of Catalist of SGX-ST, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This circular to Shareholders dated 30 October 2018
"**Companies Act**"	:	The Companies Act (Chapter 50 of Singapore), as amended, modified or supplemented from time to time
"**Company**"	:	DeClout Limited
"**Director(s)**"	:	The director(s) of the Company as at the date of this Circular
"**Disposal Mandate**"	:	The mandate to authorise the Company to dispose of, in whole or in part, the Disposal Shares, the terms of which are set out in Sections 6 and 7 of this Circular
"**Disposal Price**"	:	Not less than S$0.32 per Procurri Share
"**Disposal Proceeds**"	:	The proceeds from the Company's disposal of the Disposal Shares under the Disposal Mandate
"**Disposal Share(s)**"	:	132,319,978 Procurri Shares, being the Company's entire interest in Procurri as at the Latest Practicable Date
"**EGM**"	:	The extraordinary general meeting of the Company in relation to the Proposed Disposal, the notice of which is set out on page N-1 of this Circular
"**EPS**"	:	Earnings per Share
"**FY**"	:	Financial year ending or ended 31 December, as the case may be
"**Group**"	:	The Company and its subsidiaries
"**Latest Practicable Date**"	:	25 October 2018, being the latest practicable date prior to the printing of this Circular

"**Market Day**"	:	A day on which the Catalist is open for trading in securities
"**Notice of EGM**"	:	The notice of the EGM which is set out on page N-1 of this Circular
"**NTA**"	:	Net tangible assets
"**Procurri**"	:	Procurri Corporation Limited
"**Procurri Group**"	:	Procurri and its subsidiaries
"**Procurri Share(s)**"	:	Ordinary shares in the issued and paid-up share capital of Procurri
"**Proposed Disposal**"	:	The proposed disposal, in whole or in part, by the Company of the Disposal Shares
"**Relevant Period**"	:	The 12 months ended 30 September 2018 and up to the Latest Practicable Date
"**Securities Account**"	:	A securities account maintained by a depositor with CDP but does not include a securities sub-account maintained with a depository agent
"**SFA**"	:	The Securities and Futures Act (Chapter 289 of Singapore), as amended, modified or supplemented from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share(s)**"	:	Ordinary share(s) in the issued and paid-up share capital of the Company
"**Shareholders**"	:	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term "**Shareholders**" shall, where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
"**Substantial Shareholder**"	:	Shall have the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the SFA, being a person who: (a) has an interest or interests in one (1) or more Shares (excluding treasury shares) in the Company; and

		(b) the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the Shares (excluding treasury shares) in the Company
"**%**"	:	Per centum or percentage
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, being the currency of Singapore

The terms "**depositor**", "**depository agent**" and "**Depository Register**" shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The term "**treasury shares**" shall have the meaning ascribed to it in Section 4 of the Companies Act.

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

Any reference in this Circular to any enactment is a reference to that statute or enactment for the time being amended or re-enacted up to the Latest Practicable Date. Any term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Catalist Rules) contained in this Circular are of such laws and regulations (including the Catalist Rules) as at the Latest Practicable Date.

Any discrepancies in the tables included herein between the amounts in the columns of the tables and the totals thereof and relevant percentages (if any) are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

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

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

All statements other than statements of historical facts included in this Circular are or may be forward looking statements. Forward-looking statements include but are not limited to those using words such as "**seek**", "**expect**", "**anticipate**", "**estimate**", "**believe**", "**intend**", "**project**", "**plan**", "**strategy**", "**forecast**" and similar expressions or future or conditional verbs such as "**will**", "**would**", "**should**", "**could**", "**may**" and "**might**". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.

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. Poh Boon Kher Melvin (*Non-Executive Director*)
Mr. Ho Chew Thim (*Lead Independent Director*)
Mr. Hew Koon Chan (*Independent Director*)

Registered Office:

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

30 October 2018

To: The Shareholders of the Company

Dear Shareholders

THE PROPOSED DISPOSAL, IN WHOLE OR IN PART, OF THE COMPANY'S SHARES IN PROCURRI CORPORATION LIMITED

1. INTRODUCTION

1.1 The Directors propose to convene an EGM to seek Shareholders' approval for the proposed disposal, in whole or in part, of 132,319,978 Procurri Shares, being the Company's entire interest in Procurri as at the Latest Practicable Date (the "**Disposal Shares**") (the "**Proposed Disposal**"). The Disposal Shares represent approximately 46.83% of the existing issued and paid-up share capital of Procurri, based on publicly available information as at the Latest Practicable Date.

1.2 The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Disposal to be tabled at the EGM to be held at 29 Tai Seng Avenue, #01-01A Natural Cool Lifestyle Hub, Singapore 534119 on 14 November 2018 at 4 p.m.

2. THE DISPOSAL MANDATE

The Company proposes to seek approval from the Shareholders for a mandate to authorise the Company to dispose of, in whole or in part, the Disposal Shares, the terms of which are set out in Sections 6 and 7 of this Circular (the "**Disposal Mandate**").

3. REQUIREMENT FOR SHAREHOLDER APPROVAL

3.1 Chapter 10 of the Catalist Rules governs the continuing listing obligations of a listed company in respect of acquisitions and realisations. Under Rule 1014 of the Catalist Rules, Shareholders' approval must be obtained for "major transactions" within the meaning of Chapter 10 of the Catalist Rules. Rule 1006 of the Catalist Rules sets out the computation for relative figures for acquisitions and disposals of assets by a listed issuer. Shareholders' approval is required if any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds, for a disposal, 50% and such a transaction is classified as a "major transaction". In determining whether a disposal transaction or a series of disposal transactions is considered a major transaction, the Sponsor may aggregate separate transactions completed within a 12-month period and treat these transactions as one transaction under Rule 1005 of the Catalist Rules. The SGX-ST retains the discretion to determine whether the aggregation was correctly applied, and/or direct the Sponsor to aggregate other transactions.

3.2 In the event the Company disposes of all or any part of the Disposal Shares, the applicable relative figures computed on the bases set out in Rule 1006 of the Catalist Rules may exceed 50%. While it may be that a single disposal transaction under the Disposal Mandate may, in itself, trigger the requirement of Shareholders' approval in accordance with Rule 1014 of the Catalist Rules, the Directors believe that it is also possible that Shareholders' approval will be required if the Proposed Disposal is undertaken by way of separate, smaller transactions within a 12-month period and which the Sponsor or the SGX-ST may aggregate and consider as a single transaction. As such, the Company is seeking the prior approval of Shareholders for the Disposal Mandate.

4. INFORMATION ON PROCURRI

4.1 General Information

Based on publicly available information as at the Latest Practicable Date, Procurri was incorporated in Singapore on 15 March 2013 and subsequently listed on the Main Board of the SGX-ST on 20 July 2016. Procurri is one of the leading global independent providers of Lifecycle Services and Data Centre Equipment. By offering a converged network that combines the technology, finance and logistics domains, Procurri aims to be a global aggregator of enterprise hardware and services to its channels. Procurri has grown rapidly through the years and now has offices across three regional hubs – Asia Pacific, Americas and EMEA – with its global headquarters located in Singapore. Through its direct presence and global network of partners, Procurri's business covers over 100 countries worldwide, providing a single touchpoint for its customers' Lifecycle Services and Data Centre Equipment needs.

Shareholders can refer to Procurri's website (*https://www.procurri.com/*) for more information on Procurri.

4.2 **Financial Information**

Based on publicly available information as at the Latest Practicable Date, a summary of the audited consolidated financial statements of the Procurri Group for FY2016 and FY2017 and the unaudited consolidated financial statements of the Procurri Group for 1H2018 is replicated below:

Consolidated Statements of Comprehensive Income

	Audited FY2016 (S$'000)	**Audited FY2017 (S$'000)**	**Non-Audited 1H2018 (S$'000)**
Revenue	135,750	181,822	112,780
Profit/(loss) before tax	7,614	(2,276)	5,190
Profit/(loss) after tax	5,139	(2,749)	2,245

Consolidated Statements of Financial Position

	Audited 31 December 2016 (S$'000)	**Audited 31 December 2017 (S$'000)**	**Non-Audited 30 June 2018 (S$'000)**
Non-Current Assets	27,857	44,430	40,883
Current Assets	89,224	96,141	108,989
Current Liabilities	42,762	66,310	73,759
Net Current Assets	46,462	29,831	35,230
Non-Current Liabilities	7,237	10,419	9,728
Share Capital	70,068	70,938	71,087
Total Equity	67,082	63,842	66,385

4.3 Prices of Procurri Shares

The following table sets out the historical trading prices of the Procurri Shares on the SGX-ST for the 12 months ended 30 September 2018 and up to the Latest Practicable Date (the "**Relevant Period**") and the premia of the minimum Disposal Price of S$0.32 per Disposal Share:

	Price per Procurri Share[1]					
Period	**Highest Price (S$)**	**Premium of Minimum Disposal Price over Highest Price**	**Lowest Price (S$)**	**Premium of Minimum Disposal Price over Lowest Price**	**Volume Weighted Average Price ("VWAP")[2] (S$)**	**Premium of Minimum Disposal Price over VWAP**
1 October 2017 to 31 October 2017	0.250	28%	0.191	68%	0.207	55%
1 November 2017 to 30 November 2017	0.260	23%	0.215	49%	0.231	38%
1 December 2017 to 31 December 2017	0.240	33%	0.197	62%	0.214	49%
1 January 2018 to 31 January 2018	0.245	31%	0.190	68%	0.216	48%
1 February 2018 to 28 February 2018	0.210	52%	0.181	77%	0.200	60%
1 March 2018 to 31 March 2018	0.225	42%	0.180	78%	0.213	50%
1 April 2018 to 30 April 2018	0.265	21%	0.180	78%	0.237	35%
1 May 2018 to 31 May 2018	0.285	12%	0.235	36%	0.254	26%
1 June 2018 to 30 June 2018	0.270	19%	0.205	56%	0.257	24%
1 July 2018 to 31 July 2018	0.270	19%	0.215	49%	0.251	28%
1 August 2018 to 31 August 2018	0.280	14%	0.235	36%	0.267	20%
1 September 2018 to 30 September 2018	0.320	0%	0.260	23%	0.298	7%
1 October 2018 to Latest Practicable Date	0.320	0%	0.285	12%	0.304	5%
Relevant Period	0.320	0%	0.180	78%	0.243	32%

Notes:

(1) Source: Bloomberg L.P..

(2) Off market transactions have been excluded from the calculation. There were off market transactions on 17 January 2018 (at VWAP of S$0.220), 18 January 2018 (at VWAP of S$0.220) and 5 July 2018 (at VWAP of S$0.250) respectively, based on Bloomberg L.P..

The minimum Disposal Price of S$0.32 per Disposal Share also represents the highest traded price of a Procurri Share on the SGX-ST over the Relevant Period.

5. RATIONALE FOR THE PROPOSED DISPOSAL AND DISPOSAL MANDATE

5.1 The Company had spun off Procurri via a listing on the SGX-ST on 20 July 2016. With a view to enhancing Shareholder value, the Company considers it an opportune time to realise its investment in Procurri. The Disposal Mandate will facilitate the Company and grant the flexibility in accomplishing the aforementioned.

5.2 As at the Latest Practicable Date, the Company holds 132,319,978 Procurri Shares, representing approximately 46.83% of the existing issued and paid-up share capital of Procurri.

5.3 As at the Latest Practicable Date, the Company has not formalised or entered into any definitive agreement with any party with respect to the Disposal Shares. In the event the Company disposes of all or any part of the Disposal Shares, in one (1) or more transactions through various arrangements, the applicable relative figures computed on the bases set out in Rule 1006 of the Catalist Rules may exceed 50%, thereby requiring specific Shareholders' approval under the Catalist Rules. Please refer to Section 9 of this Circular for the illustrative relative figures computed on the bases set out in Rule 1006 of the Catalist Rules in relation to the Proposed Disposal under the Disposal Mandate. The Directors are of the view that the time required for, and uncertainty posed by any specific requirement for, Shareholders' approval may deter potential purchasers for the Disposal Shares. The lead-time required for the preparation of the Shareholders' circular and for the convening of an extraordinary general meeting may also put the Company at risk of missing a window of opportunity for any sale of the Disposal Shares.

5.4 For the reasons specified above, the Board believes that it is important that the Company obtains prior Shareholders' approval for the Disposal Mandate in order for the Company to dispose of the Disposal Shares at opportune times. The Disposal Mandate will allow the Company to act flexibly and decisively on opportunities that will maximise the disposal value of the Disposal Shares but at the same time without compromising value realisation to Shareholders. Subject to the approval of Shareholders for the Disposal Mandate, the Directors will and shall exercise the authority conferred by the Disposal Mandate in the best interests of the Company.

5.5 The Company expects to receive net proceeds of approximately S$42.1 million, after deducting estimated expenses of approximately S$0.2 million, assuming that all the Disposal Shares are disposed at the minimum Disposal Price of S$0.32 per Disposal Share (the "**Disposal Proceeds**"). The Company intends to use the Disposal Proceeds as follows:

Use of Disposal Proceeds	**Allocation**
Repay the Group's external borrowings	Up to S$22.8 million
Fund investments and transactions involving mergers and acquisitions	Up to S$19.3 million

In the event the amount of Disposal Proceeds is materially less than or materially exceeds S$42.1 million, the Company will update Shareholders on the intended use of such shortfall or excess via an announcement.

Pending the deployment of the Disposal Proceeds for such purposes, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purposes on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

6. TERMS OF THE DISPOSAL MANDATE

6.1 The terms of the Disposal Mandate are as follows:

(a) all or part of the Disposal Shares may be disposed, in one (1) or more transactions through various arrangements, such as tendering into a general offer, sale in the open market, divestment to financial or strategic investors or placement through brokerage houses, at the sole discretion of the Directors without seeking the specific approval of Shareholders for such disposals;

(b) all or part of the Disposal Shares shall be disposed at a price which the Directors deem fair and reasonable after taking into account the relevant factors and the consideration in respect of such disposal shall be satisfied in such manner as the Board deems fit in the best interest of the Company, including, whether in whole or in part, by way of cash, cash equivalents or marketable securities, provided that each disposal carried out under the Disposal Mandate will be at or above the minimum Disposal Price of S$0.32 per Disposal Share. In determining the fair and reasonable basis for any disposal, the Directors will act in accordance with their fiduciary duties, after considering, amongst others, the then prevailing market condition (including the trading price of Procurri Shares), the need for deal certainty, as well as the requirements of any potential purchaser(s);

(c) if approved by Shareholders at the EGM, the authority conferred by the Disposal Mandate will continue in force for a period commencing from and including the day following the day of the EGM until the next Annual General Meeting of the Company (whereupon at the end of the period it will lapse, unless renewed) or until it is varied or revoked by the Company in a general meeting, whichever is the earlier. During the period when the Disposal Mandate is in force, the Company may tender the Disposal Shares in acceptance of a general offer in respect of the Procurri Shares and/or enter into a sale and purchase agreement with any prospective purchaser of the Disposal Shares, and such acceptance of general offer and/or sale and purchase agreement shall not be subject to the specific approval of Shareholders, notwithstanding that the completion date of the transaction may fall on a date after the Disposal Mandate has lapsed;

(d) an intending purchaser for all or part of the Disposal Shares shall not be an interested person of the Company, unless the specific approval of Shareholders for such transaction is obtained in accordance with Chapter 9 of the Catalist Rules; and

(e) any negotiation, if applicable, with an intending purchaser of all or part of the Disposal Shares shall be conducted on an arm's length and commercial basis, taking into consideration such factors as the Directors may deem fit in the interests of the Group.

For the purposes of sub-paragraph (d) above:

(i) an "**interested person**" means a director, chief executive officer or controlling shareholder of the Company, or an associate of such director, chief executive officer or controlling shareholder;

(ii) a "**controlling shareholder**" means a person who holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company (unless otherwise determined by the SGX-ST), or in fact exercises control over the Company; and

(iii) an "**associate**", in relation to any director, chief executive officer or controlling shareholder (being an individual), means his immediate family (i.e. spouse, children, adopted children, step-children, siblings and parents), the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he or his immediate family together (directly or indirectly) have an interest of 30% or more; in relation to a controlling shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.

6.2 If the Directors are not able to dispose of the Disposal Shares in accordance with the terms set forth above, the Company will revert to the Shareholders for a fresh mandate, for specific approval for the transaction pursuant to Rule 1014 of the Catalist Rules, as applicable.

7. PROTECTION FOR SHAREHOLDERS

7.1 Minimum Disposal Price

In order to protect Shareholders' interests in respect of any disposal carried out under the Disposal Mandate, the Board will ensure that each transaction carried out under the Disposal Mandate will be at or above the minimum Disposal Price of S$0.32 per Disposal Share. The minimum Disposal Price was determined after taking into account the historical financial and share price performance of Procurri, as well as prevailing market conditions. Shareholders would also note that the minimum Disposal Price of S$0.32 per Disposal Share represents the highest traded price of a Procurri Share on the SGX-ST over the Relevant Period, and the premia of the minimum Disposal Price over the respective periods have been set out in Section 4.3 of this Circular.

7.2 Announcement of Disposals

The Company will also keep Shareholders informed of transactions conducted under the Disposal Mandate by doing the following:

(a) if any single transaction conducted under the Disposal Mandate, or any further transaction (when aggregated with all previous transactions conducted under the Disposal Mandate) exceeds 5% of any of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules, the Company will make an announcement setting out the information required under Rule 1010 of the Catalist Rules. Such transactions are "discloseable transactions" as defined under Rule 1010 of the Catalist Rules;

(b) if the transaction(s) conducted under the Disposal Mandate results in the Company having to make a notification of change in its shareholding to Procurri under the SFA, the Company will make an announcement of the same;

(c) the Company will make an immediate announcement of the transaction(s) conducted under the Disposal Mandate in accordance with Rule 704(17)(a), Rule 704(17)(b), Rule 704(17)(c) and Rule 704(17)(d) of the Catalist Rules, as may be applicable; and

(d) upon the earlier disposal of all the Disposal Shares or upon the expiry of the Disposal Mandate, the Company will make an announcement of such a fact.

8. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

8.1 The pro forma financial effects of the Proposed Disposal are purely for illustrative purposes and are neither indicative of the actual financial effects of the Proposed Disposal on the EPS and NTA of the Group, nor are they indicative of the actual financial performance or the financial position of the Group for FY2017, or the future financial performance or the financial position of the Group after the completion of the Proposed Disposal.

8.2 The pro forma financial effects have been prepared on the audited consolidated financial statements of the Group for FY2017, being the most recently completed financial year, and on the following key bases and assumptions:

(a) the Disposal Shares are disposed in whole at the minimum Disposal Price of S$0.32 per Disposal Share;

(b) for the purposes of illustrating the financial effects of the Proposed Disposal on the EPS of the Group, it is assumed that the Proposed Disposal had been completed on 1 January 2017;

(c) for the purposes of illustrating the financial effects on the NTA per Share of the Group, it is assumed that the Proposed Disposal had been completed on 31 December 2017;

(d) the NTA per Share is computed based on the 658,684,486 Shares in issue (excluding 12,584,488 treasury shares) as at 31 December 2017, and the EPS of the Group is computed based on the weighted average number of 650,898,311 Shares in issue for FY2017; and

(e) the transaction costs for the Proposed Disposal are assumed to be S$200,000.

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; and (ii) any issuance of new Shares, on or after 1 January 2018.

NTA

	Before the Proposed Disposal	After the Proposed Disposal
NTA attributable to the Shareholders (S$'000)	65,392	84,071
NTA per Share (cents)	9.93	12.76

EPS

	Before the Proposed Disposal	After the Proposed Disposal
Loss attributable to Shareholders (S$'000)	(16,448)	(5,840)
Loss per Share (cents)	(2.53)	(0.90)

Gain on Disposal

Based on the minimum Disposal Price of S$0.32 per Disposal Share, the Proposed Disposal is expected to result in an accounting gain of approximately S$11.5 million at the Group level and S$21.5 million at the Company level assuming that the Company's entire shareholding in the issued capital of Procurri is disposed of on 30 June 2018.

9. RELATIVE FIGURES COMPUTED PURSUANT TO RULE 1006 OF THE CATALIST RULES

Based on the unaudited consolidated financial statements of the Group for 1H2018 and the unaudited consolidated financial statements of the Procurri Group for 1H2018, the relative figures computed pursuant to Rule 1006 of the Catalist Rules are set out below.

Bases in Rule 1006		**Size of Relative Figure**
(a)	Net asset value of Disposal Shares (S$31,088,100), compared with the Group's net asset value as at 30 June 2018 (S$128,644,000)	24%
(b)	Net profit[(1)] of S$2,430,500[(2)] attributable to the Disposal Shares, compared with the Group's net profit[(1)] of S$5,037,000[(3)]	48%
(c)	Aggregate value of the consideration received from the Proposed Disposal compared with the Group's market capitalisation of S$54,387,000[(2)]	78%[(3)]
(d)	Number of equity securities issued by the Company as consideration for the Proposed Disposal, compared with the number of equity securities previously in the issue	N.A.[(4)]
(e)	Aggregate volume of proved and probable reserves to be disposed of compared with the Group's proved and probable reserves	N.A.[(5)]

Notes:

(1) "Net profit" means profit or loss before income tax, minority interests and extraordinary items.

(2) The Company's market capitalisation is determined by multiplying the number of Shares in issue (being 663,252,486 Shares (excluding 8,016,488 treasury shares)) by the volume-weighted average price of the Shares (being S$0.082) transacted on 24 October 2018 (being the last Market Day on which Shares were traded preceding the Latest Practicable Date).

(3) Based on the assumption that the Disposal Shares are entirely disposed of under the Disposal Mandate at the minimum Disposal Price of S$0.32 per Disposal Share.

(4) This is not applicable as the Proposed Disposal does not involve any issuance of consideration shares.

(5) This is not applicable as the Company is not a mineral, oil and gas company.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, based on the registers of Directors' interests in Shares and register of Substantial Shareholders' interests in Shares, respectively, are as follows:

	Direct Interest		Deemed Interest	
Directors	**Number of Shares**	**%(1)**	**Number of Shares**	**%(1)**
Wong Kok Khun(2)	29,077,000	4.38	53,044,570	8.00
Kow Ya	17,462,900	2.63	–	–
Cheryl Tan Choo Huang	2,037,500	0.31	–	–
Poh Boon Kher Melvin	81,825,400	12.34	–	–
Ho Chew Thim	723,000	0.11	–	–
Hew Koon Chan	37,000	0.01	–	–
Substantial Shareholders (other than Directors)				
3rd Space Pte. Ltd.(2)	53,044,570	8.00	–	–

Notes:

(1) Based on the issued share capital of the Company of 663,252,486 Shares (excluding treasury shares) as at the Latest Practicable Date.

(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.

It is noted that Mr. Ho Chew Thim, the Lead Independent Director of the Company, is also the lead independent director of Procurri. Save for the foregoing, none of the Directors or Substantial Shareholder, or their respective associates, has any interests, direct or indirect, in the Proposed Disposal, other than through their respective shareholding interests in the Company.

11. DIRECTORS' RECOMMENDATIONS

Having considered, amongst others, the rationale for the Proposed Disposal and the Disposal Mandate set out in Section 5 of this Circular, and the terms of the Disposal Mandate set out in Sections 6 and 7 of this Circular, the Directors are of the opinion that the Proposed Disposal (including the Disposal Mandate) is in the best interests of the Company and not prejudicial to the interests of the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution set out in the Notice of EGM.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set on page N-1 of this Circular, will be held at 29 Tai Seng Avenue, #01-01A Natural Cool Lifestyle Hub, Singapore 534119 on 14 November 2018 at 4 p.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the ordinary resolution as set out in the Notice of EGM.

13. ACTION TO BE TAKEN BY THE SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf, should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time fixed 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 he is shown to have Shares entered against his name in the Depository Register at least 72 hours before the time fixed for the EGM, as certified by CDP to the Company.

14. 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 Proposed Disposal, the Disposal Mandate, 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 this 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 this Circular in its proper form and context.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection 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 FY2017.

Yours faithfully

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

Wong Kok Khun
Chairman and Group Chief Executive Officer

NOTICE OF EXTRAORDINARY GENERAL MEETING

DECLOUT LIMITED

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

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 29 Tai Seng Avenue, #01-01A Natural Cool Lifestyle Hub, Singapore 534119 on 14 November 2018 at 4 p.m. for the purposes of considering and, if thought fit, passing (with or without modifications) the following resolution:

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 30 October 2018 issued by the Company (the "**Circular**").*

ORDINARY RESOLUTION – THE PROPOSED DISPOSAL, IN WHOLE OR IN PART, OF THE COMPANY'S SHARES IN PROCURRI CORPORATION LIMITED

THAT:

(a) approval be and is hereby given, for the purposes of Chapter 10 of the Catalist Rules, for the Company to dispose, in whole or in part, of its 132,319,978 Procurri Shares, to the extent mandated and according to the terms under the Disposal Mandate as described in the Circular (the "**Proposed Disposal**"); and

(b) the Directors and any of them be and are hereby authorised to do all acts and things (including without limitation, executing all such documents and approving any amendments, alterations, or modifications to any such documents as may be required in connection with the Proposed Disposal) as they or each of them deem desirable, necessary or expedient to give effect to the matters referred to in the above paragraph of this Ordinary 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

Lin Moi Heyang
Company Secretary
30 October 2018

Notes:

(1) A member of the Company who is not a relevant intermediary (which has the meaning ascribed to it in Section 181(6) of the Companies Act) (the "**Relevant Intermediary**") is entitled to appoint not more than two proxies to attend, speak and vote in his stead. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

(2) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(3) A proxy need not be a member of the Company.

(4) A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or under the hand of its duly authorised officer or attorney.

(5) The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company at 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time appointed for EGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) 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 or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member 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 or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

PROXY FORM

DECLOUT LIMITED

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

EXTRAORDINARY GENERAL MEETING

IMPORTANT:

Relevant intermediaries as defined in Section 181(6) of the Companies Act, Cap. 50 may appoint more than two 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 30 October 2018.

I/We _____ (Name) _____ (NRIC/Passport Number)

of _____ (Address)
being a *member/members of **DECLOUT LIMITED** (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholding (%)

or failing which, the chairman of the Extraordinary General Meeting of the Company, as *my/our *proxy/proxies, to attend and to vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be held at 29 Tai Seng Avenue, #01-01A Natural Cool Lifestyle Hub, Singapore 534119 on 14 November 2018 at 4 p.m.

Voting will be conducted by poll. If you wish to exercise all your votes "For" or "Against" the Ordinary Resolution as indicated hereunder, please tick (√) within the box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the resolution, please indicate the number of shares in the box provided. In the absence of specific directions, the *proxy/proxies may vote or abstain as *he/they may think fit.

(Please indicate your vote "For" or "Against" with a tick or number of shares within the box provided.)

Ordinary Resolution	For	Against
To approve the Proposed Disposal		

Dated this _____ day of _____ 2018

Shares held in:	Number of Shares
CDP Register	
Register of Members	

_____
Signature(s) of Member(s)/Common Seal

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instruction appointing a proxy or proxies shall be deemed to relate to all Shares held by you.

2. A member who is not a Relevant Intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the meeting of the Company. A member appointing more than one proxy shall specify the percentage of Shares to be represented by each proxy and if no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

3. A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, 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 two proxies, the number of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing the proxies. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50 of Singapore.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company at 80 Robinson Road, #11-02, Singapore 068898, not less than 72 hours before the time appointed for the meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointer by an attorney, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which, the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with its Constitution and Section 179 of the Companies Act, Cap. 50 of Singapore.

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 appointer are not ascertainable from the instructions of the appointer specified in the instruments appointing a proxy or proxies. In addition, in the case of members 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 as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

9. Please refer to the notes set out in the Notice of Extraordinary General Meeting dated 30 October 2018.