

DECLOUT LIMITED

(Incorporated in the Republic of Singapore on 21 August 2010)

(Company Registration Number: 201017764W)

**INCREASE IN SHAREHOLDING IN AN ASSOCIATED COMPANY TO A SUBSIDIARY
- NOTICE OF TRANSFER OF TREASURY SHARES**

The board of directors (the "**Board**" or "**Directors**") of DeClout Limited (the "**Company**", and together with its subsidiaries and associated companies, the "**Group**") refers to the Company's announcement on the increase in shareholding in an associated company to a subsidiary on 4 June 2016 ("**First Announcement**") and the subsequent announcements made by the Company on the same matter. Unless otherwise defined herein, all capitalised terms shall have the same meanings ascribed to them in the First Announcement.

Notice of transfer of treasury shares

Pursuant to Rule 704(31) of the Catalist Rules, the Board wishes to update shareholders on the transfer of the Company's treasury shares as follows:

(a)	Date of transfer	22 December 2017
(b)	Purpose of the transfer	As Additional Consideration Shares for the Proposed Acquisition, pursuant to the satisfaction of the First New Target and the Third New Target (the " Transfer of Treasury Shares ").
(c)	Number of treasury shares transferred	10,125,000
(d)	Number of treasury shares held before transfer	22,709,488
(e)	Number of treasury shares held after transfer	12,584,488
(f)	Percentage of the number of treasury shares transferred against the total number of issued shares (excluding treasury shares) before transfer	1.56% ⁽¹⁾
(g)	Percentage of the number of treasury shares transferred against the total number of issued shares (excluding treasury shares) after transfer	1.54% ⁽²⁾
(h)	Value of the treasury shares transferred	S\$2,025,000

Notes:

⁽¹⁾ The percentage is based on 648,559,486 issued and paid-up shares (excluding 22,709,488 treasury shares) in the capital of the Company immediately before the above-mentioned transfer of treasury shares as at 22 December 2017.

⁽²⁾ The percentage is based on 658,684,486 issued and paid-up shares (excluding 12,584,488 treasury shares) in the capital of the Company immediately after the above-mentioned transfer of treasury shares as at 22 December 2017.

Updates on the First Announcement

The Board also wishes to update shareholders that the Transfer of Treasury Shares is pursuant to the receipt of notification from the Target (being vCargo Cloud Pte. Ltd.) that it has satisfied the First New Target and the Third New Target of the New KPI Targets as set out in the Acquisition Agreement entered into between the Company and Visiflex Pte. Ltd. (the Vendor), Chan Allen and Tay Koong Phong (Chan Allen and Tay Koong Phong being collectively, the Warrantors). For avoidance of doubt, the Second New Target has not been satisfied and accordingly, no Additional Consideration Shares will be issued pursuant to the satisfaction of the Second New Target.

Subsequent to the Transfer of Treaura Shares the Company's effective shareholding in the Target (50.01%) remains the same as announced on 4 June 2016.

Updates on the Receipt of Listing and Quotation Notice

The Board refers to the the Company's announcement dated 23 June 2016 in relation to the receipt of the listing and quotation notice ("**LQN**") from the SGX-ST in respect of the listing and quotation of (i) 20,000,000 Consideration Shares, and (ii) up to 13,500,000 Additional Consideration Shares. In view of the availability of treasury shares held by the Company, the Company has adopted the Transfer of Treasury Shares to the Vendor in relation to the satisfaction of the First New Target and the Third New Target (instead of the allotment and issuance of new ordinary shares in the Company as disclosed in the First Announcement). Hence, the listing and quotation of the 13,500,000 Additional Consideration Shares as provided in the LQN will lapse.

BY ORDER OF THE BOARD
DECLOUT LIMITED

Wong Kok Khun
Chairman and Group Chief Executive Officer
22 December 2017

*This announcement 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 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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