

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

ISSUE OF SHARES BY PROCURRI CORPORATION PTE. LTD.

1. ISSUE OF SHARES

The board of directors (the “**Directors**”) of DeClout Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its subsidiary, Procurri Corporation Pte. Ltd. (“**Procurri Corp**”), had on 5 May 2014 issued and allotted:

- (a) 690 new ordinary shares in the capital of Procurri Corp (the “**Procurri Shares**”) to Golden Summit International Ltd. (the “**First Subscriber**”) at the issue price of S\$2,539 per Procurri Share pursuant to a subscription agreement dated 5 May 2014;
- (b) 590 new Procurri Shares to Mr Oan Chim Seng (the “**Second Subscriber**”) at the issue price of S\$2,539 per Procurri Share pursuant to a subscription agreement dated 5 May 2014; and
- (c) 1,970 new Procurri Shares to the Company at the issue price of S\$2,539 per Procurri Share, (collectively, the “**First Share Issuance**”).

In addition, Procurri Corp will issue and allot a further 690 new Procurri Shares on 30 May 2014 (or such other date as may be agreed between the First Subscriber and Procurri Corp) to the First Subscriber, at the issue price of S\$2,539 per Procurri Share (the “**Second Share Issuance**”).

As at the date of this announcement, Procurri Corp has an issued and paid-up share capital of S\$8,929,201 comprising 21,790 ordinary shares. Pursuant to the First Share Issuance and the Second Share Issuance, Procurri Corp will have an enlarged issued and paid-up share capital of S\$18,932,861 comprising 25,730 ordinary shares. The shareholders of Procurri Corp and their respective shareholdings in Procurri Corp immediately before and after the First Share Issuance and the Second Share Issuance are set out below:

	Before the First Share Issuance and the Second Share Issuance		After the First Share Issuance and the Second Share Issuance	
Name of shareholder	Number of Procurri Shares held	Percentage shareholding	Number of Procurri Shares held	Percentage shareholding
DeClout Limited	16,800	77.1%	18,770	72.9%
Irrucorp Pte. Ltd.	4,990	22.9%	4,990	19.4%
Golden Summit International Ltd.	-	-	1,380	5.4%
Mr Oan Chim Seng	-	-	590	2.3%
Total	21,790	100%	25,730	100%

The aggregate gross proceeds from the First Share Issuance and the Second Share Issuance will be S\$10,003,660 and the net proceeds (after deducting expenses¹ relating thereto) will be approximately S\$9,735,569. The Group intends to utilise the net proceeds from the First Share Issuance and the Second Share Issuance for the following purposes:

Use of net proceeds	Allocation
Mergers and acquisitions	Approximately 70% to 90%
General working capital	Approximately 10% to 30%

2. FINANCIAL EFFECTS

The proforma financial effects set out below are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Company after completion of the First Share Issuance and the Second Share Issuance.

Such proforma financial effects have been computed based on (i) the audited consolidated financial statements of the Group for the financial year ended 31 December 2013 (“FY2013”), (ii) the management accounts of Tinglobal Holdings Limited for the period from 1 January to 31 December 2013, and (iii) the adjustments arising from the restructuring of the Group pursuant to which the entire share capital of ASVIDA Asia Pte. Ltd. was transferred from the Company to Procurri Corp on 30 April 2014 (the “Restructuring”), as well as the following assumptions:

¹ Such expenses include legal expenses of S\$0.02 million and an introducer fee of S\$0.25 million payable to G8 Financial Incorporated, in consideration of G8 Financial Incorporated procuring the First Subscriber and the Second Subscriber to subscribe for the Procurri Shares. G8 Financial Incorporated is not related, directly or indirectly, to the Directors or the controlling shareholders of the Company or their respective associates.

- (a) the proposed investment of 51% interest in Tinglobal Holdings Limited (the "**Proposed Investment**") is assumed to have been completed. Please refer to the Company's circular dated 14 April 2014 for further details on the Proposed Investment; and
- (b) the proposed acquisition of Verity Solutions Sdn Bhd (the "**Proposed Acquisition**") has not been completed. Please refer to the Company's announcement dated 3 May 2014 for further details on the Proposed Acquisition.

Assuming that the First Share Issuance and the Second Share Issuance had been effected on 31 December 2013, the effect on the Group's consolidated net tangible asset ("**NTA**") as at 31 December 2013 would be as follows:

	NTA (S\$'000)
Before the First Share Issuance and the Second Share Issuance	19,423
After the First Share Issuance and the Second Share Issuance	21,903

3. PUT OPTION

In connection with the aforementioned share issuance by Procurri Corp, the Company has entered into a shareholders' agreement in respect of Procurri Corp with Irrucorp Pte. Ltd., the First Subscriber, the Second Subscriber and Procurri Corp, pursuant to which the Company has granted the First Subscriber and the Second Subscriber (collectively, the "**Subscribers**") an option (the "**Put Option**") to require the Company or such other party as may be procured by the Company to purchase all and not some only of the 1,970 Procurri Shares issued to them pursuant to the First Share Issuance and the Second Share Issuance (the "**Put Option Shares**"), for a consideration which shall be (a) equivalent to the market value of the Put Option Shares as determined by an independent valuer jointly appointed by the Company and the Subscribers (the "**Put Option Consideration**"); and (b) satisfied by cash payment or in such other manner as may be agreed between the Company and the Subscribers.

The Put Option is exercisable by the Subscribers in the event that a Liquidity Event (as defined herein) does not take place prior to 31 December 2016, and such exercise shall be conditional upon the prior approval of the Company's shareholders being obtained (if so required).

The Company will seek shareholders' approval for the exercise of the Put Option when the terms of such exercise (including the exact amount of the Put Option Consideration) are fixed, and if so required under the Listing Manual Section B: Rules of Catalist of the SGX-ST.

In this paragraph 3, a “**Liquidity Event**” includes the occurrence of any of the following events:

- (a) a listing and quotation of shares of Procurri Corp, or a reverse take-over or back door listing that has an analogous effect, on any internationally recognised stock exchange as may be agreed by the board of directors of Procurri Corp;
- (b) a merger and/or acquisition of the total issued and paid-up share capital of Procurri Corp by a third party;
- (c) any transaction or series of related transactions which results in the shareholders of Procurri Corp (the “**Procurri Shareholders**”) immediately prior to the transaction(s), owning shares or securities representing less than 50% of the voting power of Procurri Corp after the transaction(s);
- (d) a merger or a consolidation of Procurri Corp with or into any other corporation(s) in which:
 - (i) Procurri Corp is the surviving corporation of such merger or consolidation and Procurri Shareholders immediately before such merger or consolidation hold shares or securities representing less than 50% of the voting power of Procurri Corp after such merger or consolidation; or
 - (ii) Procurri Corp is not the surviving corporation of such merger or consolidation and Procurri Corp immediately before such merger, or consolidation retain shares or securities representing less than 50% of the voting power of the surviving corporation or holding company, as the case may be, of such merger or consolidation;
- (e) a sale of all or substantially all of the properties, assets, business or undertaking of Procurri Corp.

4. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company, or their respective associates, has any interest, direct or indirect, in the First Share Issuance or the Second Share Issuance or the Put Option (other than through their respective shareholding interests in the Company).

5. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the subscription agreements and the shareholders’ agreement is available for inspection during normal business hours from 9.00 am to 5.00 pm at the registered office of the Company at 29 Tai Seng Avenue, #05-01 Natural Cool Lifestyle Hub, Singapore 534119 for a period of three months (3) from the date of this announcement.

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 First Share Issuance, the Second Share Issuance, the Put 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
5 May 2014

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

The contact person for the Sponsor is Ms Karen Soh, Managing Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.