



NEWS RELEASE

DECLOUT ACQUIRES ISP ASSETS AND BUSINESS OF PACNET IN SINGAPORE AND THAILAND FROM TELSTRA

- To expand DeClout's regional reach throughout Southeast Asia, and boost its infrastructure and internet network connectivity services to better provide a full suite of end-to-end ICT¹ solutions
- To cross-sell the Group's different information technology and telecommunications products to a wider customer base, hence driving top-and-bottom line growth of the Group

Singapore, 7 November 2015 – SGX-Catalist listed DeClout Limited ("DeClout" or the "Company", and together with its subsidiaries, the "Group") has signed a deal with Pacnet Internet (S) Pte Ltd ("Pacnet Internet Singapore"), a subsidiary of Telstra Corporation Limited ("Telstra"), Australia's leading telecommunications company, to acquire certain Internet Service Provider ("ISP") assets and business in Singapore and Thailand from Pacnet Internet Singapore (the "Proposed Acquisition").

Under the terms of the Proposed Acquisition, DeClout's subsidiary, Acclivis Technologies and Solutions Pte. Ltd ("Acclivis") will, through its subsidiary, OSINet Communications Pte Ltd ("OSINet"), acquire certain assets (including "Pacific Internet" trade marks in Singapore) of the ISP business carried on by Pacnet Internet Singapore for US\$2.3 million (the "Singapore Transaction"). At the same time, DeClout's indirect subsidiary, Acclivis Technologies (Thailand) Limited, will acquire the entire share capital of Pacnet Internet Thailand Limited ("Pacnet Internet Thailand") for US\$2.1 million. Both the Singapore and Thailand businesses are focused on providing ISP services to small and medium sized businesses.

Completion of the Singapore Transaction is subject to regulatory approval from the Infocomm Development Authority of Singapore.

Upon the completion of the Proposed Acquisition, the acquired assets will be merged with Acclivis' existing ISP business, OSINet, and together, be rebranded

¹ ICT stands for Information and Communications Technology



as Pacific Internet, allowing Acclivis to broaden its offerings and achieve further economies of scale in the ISP segment.

The Proposed Acquisition is also expected to be earnings accretive and to bring in more than 3,000 customers. Pacnet Internet Singapore and Pacnet Internet Thailand posted approximately S\$20 million in combined revenue (based on unaudited management accounts) for the financial year ended 31 December 2014.

Mr. Marcus Cheng, CEO of Acclivis said: "The Proposed Acquisition enables Acclivis to offer a one-stop regional ICT service to our enterprise customers and give them more choices in deploying the best latency and network through our enhanced internet connectivity services in the region."

Mr. Cheng adds: "The ISP segment of our business has been a strong growth area, and this acquisition will further enhance our recurring revenue stream. Our enlarged presence and capabilities will also help Acclivis expand into new markets, further driving our top-line growth and profitability."

The Proposed Acquisition will also allow Acclivis to become a licensed operator in Thailand with the relevant ISP and telecommunications business licenses to expand its cloud business there.

The Group believes that these licences will enable Acclivis and other DeClout business units to offer new services in Thailand in the B2B (business-to-business) and B2C (business-to-consumer) space and beyond.

Mr. Vesmond Wong, Chairman and Group CEO of DeClout said: "This deal is another milestone for us as it will allow DeClout to extend its regional presence in Southeast Asia and create more opportunities to upsell and cross-sell our Cloud, Technology, Managed Services and other telecommunications products of the Group to a broader customer base. Given the customer reach of the two businesses, we are optimistic of their positive contributions to the Group's financial performance in the financial year ending 31 December 2016."



The demand for ICT services in the region remains robust. According to projections by Gartner Inc², enterprise Information Technology ("IT") spending in Southeast Asia will total US\$62 billion by 2018. The Southeast Asia region comprises 11 countries of which Singapore, Malaysia, Indonesia and Thailand spend the most on IT and account for roughly 80 percent of the IT spending in the region. These four countries are estimated to spend a combined US\$52 billion on IT in 2015, with annual growth of six percent.

About DeCloud

Led by a dynamic team of IT veterans, DeCloud www.decloud.com aims to be the leader in next generation technology driven services in Asia, delivering innovative and cost-effective solutions that will make us the partner of choice for leading companies across the region.

Listed on the Catalist Board of the Singapore Exchange in 2012, the Group operates two core business segments - IT Infrastructure Services and Vertical Domain Clouds (VDCs) - out of Singapore, Malaysia, Indonesia, Thailand, Myanmar, Cambodia, the Philippines, United States, United Kingdom and the PRC.

The IT Infrastructure Services segment comprises businesses in data centre hardware and maintenance, cloud computing and systems integration as well as telco and network solutions.

Drawing on the expertise and synergies gained from our array of complementary IT Infrastructure Services, the Group is capitalising on exciting opportunities through our VDCs - vibrant, self-contained and scalable ecosystems or communities - starting with the online games and e-commerce industries. Our vision is to create diverse VDCs that serve the needs and aspirations of different businesses and user communities.

With comprehensive strengths across a range of IT products and solutions that are deployed across Asia Pacific, US and Europe, the company is committed to creating long-term value and growth potential for its customers.

About Acclivis

Acclivis is a subsidiary of DeCloud Limited in Singapore.

Building on its strengths from the traditional IT systems integration business, Acclivis aims to be one of the leading ICT group in Asia Pacific, giving clients the agility, flexibility and control they need to drive business growth through our capabilities in cloud solutions and managed services. Acclivis' integrated suite of services help enterprises achieve even greater security, cost efficiency and scalability in their business operations.

² <http://www.gartner.com/newsroom/id/3012117>



By choosing Acclivis, enterprises have the convenience of dealing with a single point of contact to adopt the full spectrum of Cloud, Technology and Managed Services. For more information, visit www.acclivis.com.sg

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