

# Procurri IPO offers 68.88m shares at 56 cents apiece

This puts its market value at about \$157m; company aims to raise \$38.6m for expansion

Wong Wei Han

Procurri yesterday launched its initial public offering (IPO) as it moves towards a mainboard listing that it hopes will speed up its business expansion.

Registering its prospectus with the authorities yesterday, Procurri announced an offer of 68.88 million shares for public subscription - at 56 cents apiece. This puts its market value at about \$156.8 million.

The IPO aims to raise some \$38.6 million, or \$34.6 million in net proceeds. The offer will close at noon next Monday, with trading expected to start next Wednesday.

Procurri is a subsidiary of Catalyst-listed DeClout, which is an incubator of tech firms. It has three major business pillars in the secondary segments of the data centre industry - the resale of excess or used data centre equipment, independent IT hardware maintenance services and the disposition of IT assets.

As the emergence of cloud computing speeds up the evolution and growth of data centre services, these segments command a huge but still fragmented market - ripe for Procurri to take a leadership position, chief executive Sean Murphy told reporters yesterday.

"The global (data centre) hardware market will be US\$293 billion (S\$396 billion) by 2020, and the maintenance market will be US\$42 billion. Within this world, the hardware resale market will be at \$34.8 billion and independent maintenance services market at US\$4.4 billion by 2020," he said, citing forecasts by Frost & Sullivan.



Mr Murphy, chief executive of Procurri, with DeClout executive director Kow Ya. He said that Procurri's Singapore listing would give it a strong brand name in the IT world. PHOTO: BUSINESS TIMES

However, he said no company has more than a 1 per cent share of the secondary market. Procurri, with offices in the United States and Britain and headquarters in Singapore, is poised to be the first mover.

"We are so far the only global platform that can connect corporate clients everywhere for their equipment needs while providing the independent maintenance services without the bias of the big manufacturers," Mr Murphy added. "Our Singapore listing gives us a strong brand name in the IT world."

The company's revenue shot up from \$28.4 million in 2013 to \$122.8

million last year, while net profit jumped from \$2 million to \$8.8 million in the same period.

Its services' gross profit contribution is about 34 per cent of total, but this is the "dream business" that Procurri wants to grow further to make use of its high profit margins of above 50 per cent, he said.

He added that a good part of the IPO proceeds will be used to acquire companies and capabilities on this front. Procurri has invested around \$42 million in mergers and acquisitions since 2013.

The company does not have a dividend policy, but intends to recom-

mend and distribute 25 per cent of its net profit for the financial years of this year and next year.

The listing will be the third mainboard IPO so far this year, following Manulife US Real Estate Investment Trust (REIT) and Frasers Logistics and Industrial Trust.

It also marks the first successful spin-off for DeClout, which will continue to own 46.5 per cent of Procurri after the IPO.

DeClout shares added half a cent or 2.27 per cent to 22.5 cents ahead of the IPO announcement.

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## Company Briefs

### Vard Holdings

Mainboard-listed shipbuilder Vard Holdings, which has its headquarters in Norway, announced yesterday that its unit Vard Electro has signed a contract to deliver an engineering and electrical installation package.

The contract, valued at about 100 million kroner (S\$16 million), is for Britain's new polar research vessel which is under construction.

The unit is a system integrator that develops, produces and supports advanced marine electronics and turnkey electrical systems for the global maritime and offshore industries.

Vard Electro has installed equipment on more than 300 vessels, including complete systems for power management, propulsion, automation and navigation.

### Singapore Technologies Engineering

Singapore Technologies Engineering said its aerospace arm won new contracts worth \$770 million in the second quarter of this year.

The new projects range from airframe maintenance and cabin interiors to engine wash and component repair and overhaul.

Multiple contracts have been confirmed with customers in the Asia-Pacific, Europe and the United States.

### OKP Holdings

OKP Holdings, a mainboard-listed infrastructure and civil engineering company, said its unit Eng Lam Contractors has won a \$19.3 million contract for infrastructure works in Punggol.

Eng Lam will build roads, drains and cycling paths, among other things, under the 15-month contract. The contract started on July 5 and works are expected to be completed by Oct 4 next year.

Eng Lam won two contracts worth \$54.7 million last month from the Land Transport Authority for road resurfacing works along seven major expressways, and an \$18 million contract from PUB, Singapore's national water agency, to improve the drainage system around Geylang.

The firm said the total value of contracts won this year was about \$101.8 million, boosting its net construction order book to \$414.1 million, with contracts extending to 2019.

## FTSE ST Indexes

	Points	Change	Points	Change
Mid Cap	689.49	▲ +7.05	Healthcare	1,546.77 ▲ +3.65
Small Cap	391.96	▲ +2.02	Industrials	687.94 ▲ +5.41
Fledgling	690.52	▲ +2.79	Oil and gas	331.79 ▲ +2.22
Catalist	462.78	▲ +7.69	Real estate	706.40 ▲ +5.55
China	190.61	▲ +1.15	Real estate hldg & dev	658.19 ▲ +3.76
China Top	161.48	▲ +1.32	Reits	761.53 ▲ +7.21
Maritime	194.15	▲ +1.04	Technology	246.50 ▲ +6.99
Basic materials	100.83	▲ +0.79	Telco	1,109.52 ▲ +19.75
Consumer goods	509.79	▲ +2.60	Utilities	400.79 ▼ -0.85
Consumer serv	758.92	▲ +5.90		
Financials	762.58	▲ +5.58		

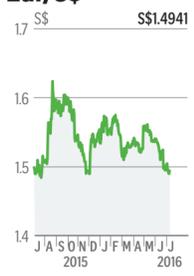
## Brent



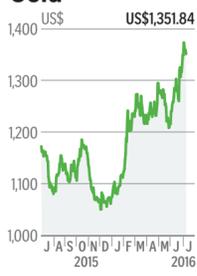
## Catalist



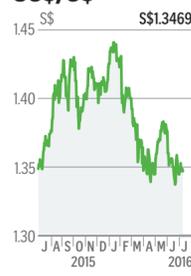
## Eur/\$



## Gold



## US\$/S\$



## S\$/RM



## Interbank currency rates

Currencies	Against S\$		Against US\$	
	Bid	Offer	Bid	Offer
<b>S\$/US\$ to one unit of foreign currency:</b>				
Australian dollar	10280	10287	0.7628	0.7630
Canadian dollar	10319	10325	0.7658	0.7656
Euro	14978	14989	1.1114	1.1118
NZ dollar	0.9842	0.9849	0.7303	0.7305
Sterling pound	1.7694	1.7706	1.3129	1.3133
US dollar	1.3477	1.3482	-	-
<b>S\$/US\$ to 100 units of foreign currency:</b>				
Chinese renminbi	20.150	20.1603	14.9522	14.9535
Danish krone	20.1402	20.1507	14.9441	14.9463
Hong Kong dollar	17.37	17.38	12.8884	12.8893
Indian Rupee	2.01	2.01	14.890	14.893
Indonesian rupiah	0.0103	0.0103	0.0076	0.0076
Japanese yen	1.3079	1.3091	0.9705	0.9710
Korean won	0.1175	0.1176	0.0872	0.0872
Malaysian ringgit	33.79	33.85	25.0752	25.1067
New Taiwan dollar	4.1866	4.1933	3.1065	3.1063
Norwegian krone	15.9553	15.9669	11.8389	11.8431
Philippine peso	28.444	28.478	2.1106	2.1123
Saudi riyal	35.9339	35.9520	26.6631	26.6667
Swedish krona	15.8114	15.8226	11.7321	11.7361
Swiss franc	137.4222	137.5293	101.9680	102.0096
Thai Baht	3.8341	3.8377	2.8450	2.8466

## Interbank rates

	Offer	Bid
<b>S\$</b>		
Overnight	0.03	Par
1-month	0.6875	0.5625
3-months	0.8125	0.6875
6-months	0.875	0.75
Overnight mode:	0.03	
<b>US\$</b>		
7 days	0.52	0.42
1 month	0.55	0.45
2 months	0.65	0.45
3 months	0.75	0.55
6 months	1.05	0.85
9 months	1.25	0.95
12 months	1.45	1.25
<b>A\$</b>		
1 month	1.95	1.75
3 months	2.10	1.90
6 months	2.30	2.10
12 months	2.60	2.40
<b>Euro</b>		
Offer	Offer	Bid
1 month	-0.30	-0.50
3 months	-0.20	-0.40
6 months	-0.05	-0.25
12 months	0.05	-0.10
<b>NZ\$</b>		
Offer	Offer	Bid
1 month	2.50	2.30
3 months	2.60	2.40
6 months	2.80	2.60
12 months	3.10	2.90
<b>Yen</b>		
Offer	Offer	Bid
1 month	-0.10	-0.30
3 months	-0.10	-0.30
6 months	-0.05	-0.25
12 months	0.00	-0.20
<b>£</b>		
Offer	Offer	Bid
1 month	0.50	0.40
3 months	0.55	0.40
6 months	0.70	0.50
12 months	0.95	0.75

## Government securities

Period	Issue code	Coupon rate (%)	Maturity	Close Bid	High	Day's Low
2-Year	N513100T	0.500	01-Apr-18	99.25	99.28	99.26
5-Year	NX11100X	2.250	01-Jun-21	104.03	104.15	103.95
10-Year	NX16100F	2.125	01-Jun-26	103.17	103.75	103.10
15-Year	NZ10100F	2.875	01-Sep-30	110.11	110.80	110.20
20-Year	NZ13100V	3.375	01-Sep-33	117.86	119.10	118.00
30-Year	NA16100H	2.750	01-Mar-46	111.02	112.60	111.80

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InvestorRelationsHighlights

**Best World awarded direct selling licence in China, poised to tap world's 2<sup>nd</sup> largest direct selling market**

Best World has been awarded its direct selling licence from China's Ministry of Commerce on 7<sup>th</sup> June. The licence shall be effective upon verification by Hangzhou's Trade Department of the service centres, which are to be set up in each of the 9 districts of the city. Management is confident that the above could be achieved before the end of the FY2016. Currently selling its products via the export channel to a local agent, the Group will soon start its direct selling business in Hangzhou. The transition from export to full direct selling is expected to take about 8 to 10 months starting next year. With the licence, Best World can now access directly the world's second largest direct selling market. The sales potential in China will lay the foundation for the Group's growth for the next 5 to 8 years.

**Sarine delivered record number of Galaxy™ Family Inclusion Mapping Systems in Q2 2016**

On the backdrop of improved diamond-polishing industry sentiments, Sarine has delivered a record 20 inclusion mapping Galaxy™-family systems in Q2 2016 (38 for 1H 2016; 48 for best full year to date - 2014), of which 10 were of the new Meteor™ model for small stones, 8 were Solaris™ systems and 2 were the Galaxy™ Ultra model.

Furthermore, driven by positive industry developments, though numbers for the quarter are not yet final, we expect revenues for the second quarter to top U.S. \$20 million, constituting a significant improvement both on year-over-year and sequential bases. Based on these preliminary estimated revenues, notwithstanding our increased operating expenses, primarily for sales and marketing as we continue to intensify our polished diamond services roll-out efforts, we also expect to report continued improvement in our profitability.

**Yanlord to develop Nanjing land parcel through collaboration**

Yanlord Land Group Limited, a high-end property developer in China, announced its collaboration with Chinese state owned China Merchants Property Development and Poly Real Estate Group to develop a 170,000 sqm site in Nanjing's Gulou district. Acquired for RMB4.82 billion, the site rests within Nanjing's city centre and enjoys excellent connectivity via the city's metro network and thoroughfares.

Mr. Zhong Sheng Jian, Yanlord's Chairman and CEO, said, "Prices for quality residential developments continue to rise on the back of a steady recovery in the Nanjing property market. With continued population growth and tighter land supply, demand for housing has outstripped supply since 2015 leading to falling inventory levels across the city. Through this collaboration, we hope to generate accretive benefits that will complement our initiatives within Nanjing."

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