



P R O C U R R I

## PROCURRI CORPORATION LIMITED

(Company Registration Number: 201306969W)  
(Incorporated in the Republic of Singapore on 15 March 2013)

**OFFERING  
PRICE OF S\$0.56  
PER NEW SHARE**

**OFFERING IN RESPECT OF  
68,880,000 NEW SHARES  
COMPRISING:**

- (i) 62,000,000 Placement Shares; and
- (ii) 6,880,000 Public Offer Shares,

**payable in full on  
application**

CHANGING THE WAY THE WORLD BUYS TECHNOLOGY

### PROSPECTUS DATED 12 JULY 2016

(Registered by the Monetary Authority of Singapore on 12 July 2016)

**THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER.**

This is an initial public offering of ordinary shares (the "**Shares**") in the capital of Procurri Corporation Limited (the "**Company**"). The Company is issuing an aggregate of 68,880,000 Shares (the "**New Shares**") for subscription at the Offering Price (as defined herein) (the "**Offering**") comprising (i) an international placement (the "**Placement**") of 62,000,000 New Shares (the "**Placement Shares**") to investors, including institutional and other investors in Singapore and outside the United States in compliance with Regulation S ("**Regulation S**") under the United States Securities Act 1933, as amended, modified or supplemented from time to time (the "**US Securities Act**"), and (ii) a public offer (the "**Public Offer**") of 6,880,000 New Shares (the "**Public Offer Shares**") in Singapore. The offering price for each New Share (the "**Offering Price**") is S\$0.56.

We have made an application to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for permission to deal in, and for quotation of, all our Shares (including the New Shares), the new Shares which may be issued upon the exercise of the options to be granted under the Procurri ESOS (as defined herein) (the "**Option Shares**") and the new Shares which may be issued upon the release of the share awards to be granted under the Procurri PSP (as defined herein) (the "**Award Shares**"). Such permission will be granted when we have been admitted to the Official List of the SGX-ST. The dealing in and quotation of our Shares will be in Singapore dollars.

Acceptance of applications will be conditional upon, amongst other things, permission being granted by the SGX-ST to deal in, and for quotation of, all our Shares (including the New Shares), the Option Shares and the Award Shares. If permission is not granted for any reason, monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, and you will not have any claim whatsoever against us and the Issue Manager, Bookrunner and Underwriter (as defined herein).

We have received a letter of eligibility-to-list from the SGX-ST for the listing and quotation of all our Shares (including the New Shares), the Option Shares and the Award Shares. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, our Company, our subsidiaries, our Shares (including the New Shares), the Option Shares and the Award Shares.

The New Shares have not been and will not be registered under the US Securities Act and, subject to certain exceptions, may not be offered or sold in the US. The New Shares are being offered and sold in offshore transactions solely outside the US in reliance on Regulation S.

A copy of this Prospectus has been lodged with and registered by the Monetary Authority of Singapore (the "**Authority**") on 28 June 2016 and 12 July 2016, respectively. The Authority assumes no responsibility for the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act (Chapter 289) of Singapore, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of our Shares (including the New Shares), the Option Shares and the Award Shares, as the case may be, being offered for investment. We have not lodged or registered this Prospectus in any other jurisdiction.

No Shares shall be allotted and/or allocated on the basis of this Prospectus later than six (6) months after the date of registration of this Prospectus by the Authority.

**Investing in our Shares involves risks which are described in the section entitled "Risk Factors" of this Prospectus.**



Issue Manager, Bookrunner and Underwriter

## WHO WE ARE

**W**e are a leading global independent provider of Data Centre Equipment and Lifecycle Services. We aim to be the global aggregator of enterprise hardware and services to our channels, offering a converged network and sharing platform that combines the technology, finance and logistics domains by changing the way the world buys technology.



## AWARDS & ACCREDITATIONS



Asset Disposal  
and Information  
Security Alliance



ISO 9001  
– Quality Management  
ISO 14001  
– Environmental  
Management

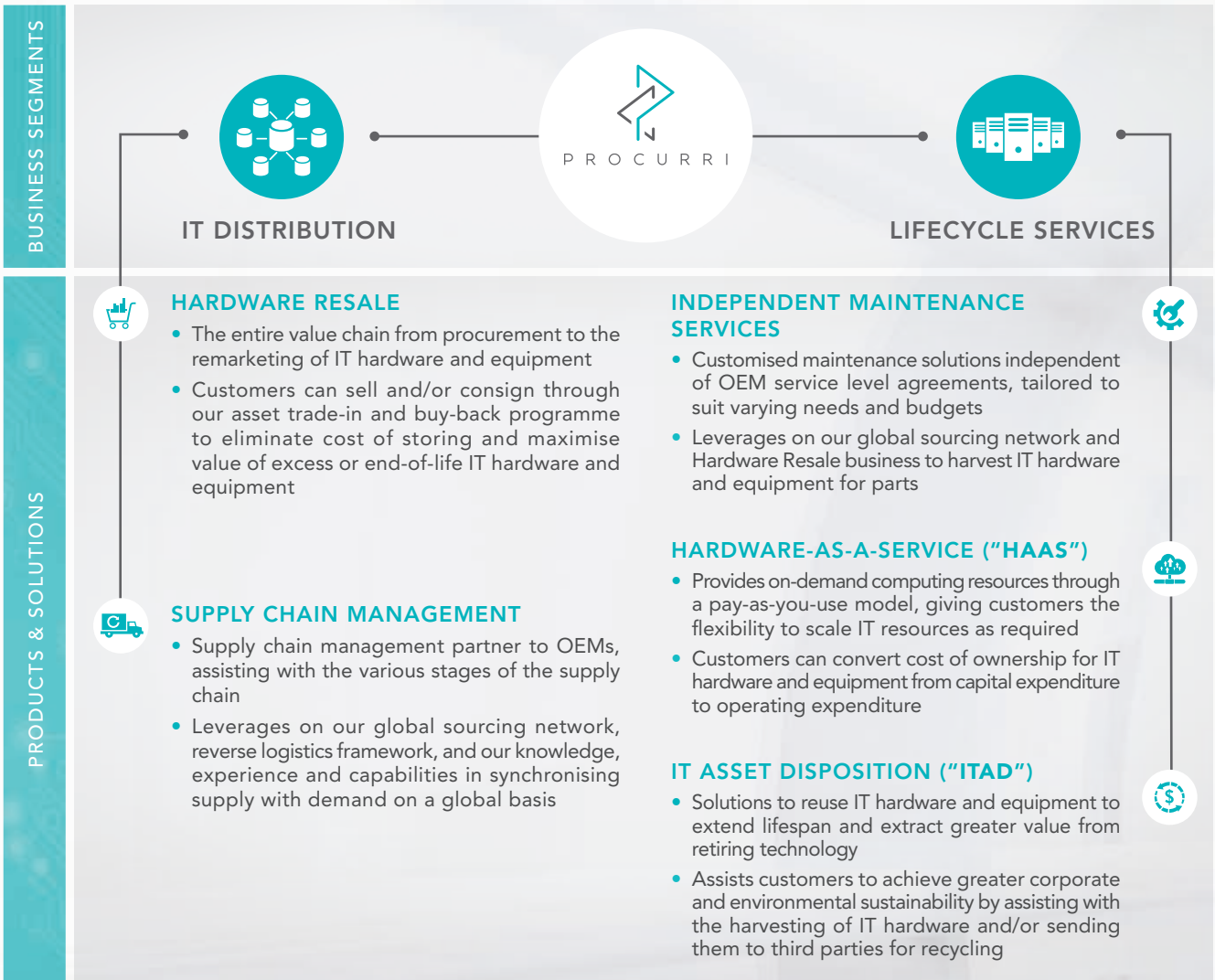


The Atlanta Journal  
– Top Work  
Places 2015



Cyber  
Essentials Certification  
Certificate Number:  
9974423399142914

## WHAT WE DO



## OUR GLOBAL NETWORK

GLOBAL COVERAGE OF MORE THAN 80 COUNTRIES AND 3 REGIONAL HUBS IN SINGAPORE, THE US AND UK



## INVESTMENT HIGHLIGHTS

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## OUR GROWTH STRATEGIES

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### EXPAND GEOGRAPHIC REACH AND GROW BUSINESS THROUGH M&AS, JVS AND PARTNERSHIPS

- Build on strong execution track record to grow IT Distribution business segment in Asia-Pacific and Lifecycle Services in the Americas and EMEA<sup>1</sup>
- Extend global presence via M&As in high growth markets

### ENHANCE INFRASTRUCTURE TO DRIVE BUSINESS GROWTH

- Acquire and/or lease larger premises in the US to streamline processes; such operation centres to be replicated in Singapore and the UK to drive growth in the Asia-Pacific and EMEA<sup>1</sup>
- Implement a single global IT system to raise productivity and efficiency and achieve cost rationalisation
- Develop a mobile application and internet portal to facilitate on-the-go purchasing decisions to enhance customer experience

### PURSUE NEW OPPORTUNITIES WITH KEY CUSTOMERS AND EXPAND CUSTOMER BASE

- Cross-sell and up-sell products and services to our key and new customers across geographies
- Widen brand coverage for IT Distribution and introduce new premium service level agreements for Lifecycle Services

### BUILD INCOME RESILIENCE AND INCREASE PROFITABILITY

- Drive recurring revenue stream and higher profit margins by growing Lifecycle Services business segment

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<sup>1</sup> The region consisting of the whole of Europe, the Middle East and Africa, including but not limited to the UK



## PROSPECTS & GROWTH DRIVERS<sup>2</sup>

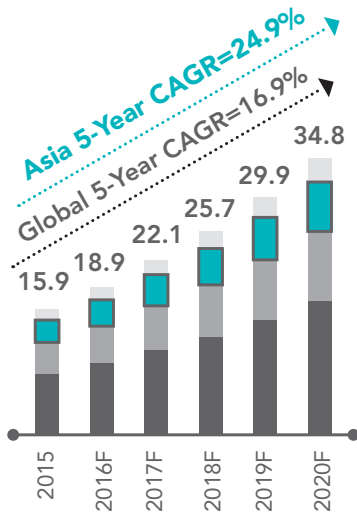
### Global Data Centre Hardware Market

5-YEAR CAGR =  
**11.7%** (US\$293 BILLION IN 2020)

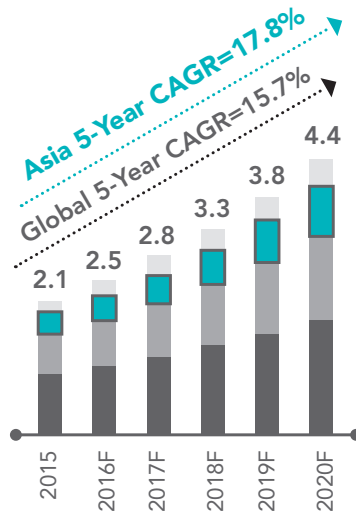
### Global IT Maintenance Market

5-YEAR CAGR =  
**9.6%** (US\$42 BILLION IN 2020)

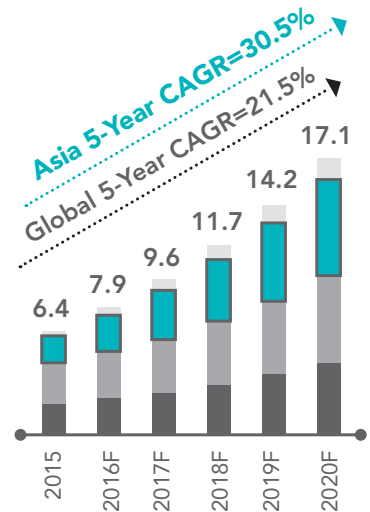
#### Hardware Resale Market Revenue Forecast (in US\$'b)



#### Independent Maintenance Market Revenue Forecast (in US\$'b)



#### IT Asset Disposition Market Revenue Forecast (in US\$'b)



■ Americas ■ Europe ■ Asia ■ Others

### KEY DRIVERS



GROWTH OF CLOUD,  
E-COMMERCE AND BIG DATA



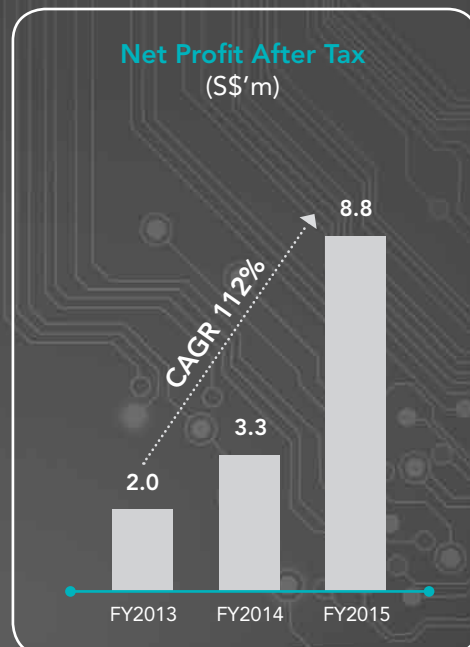
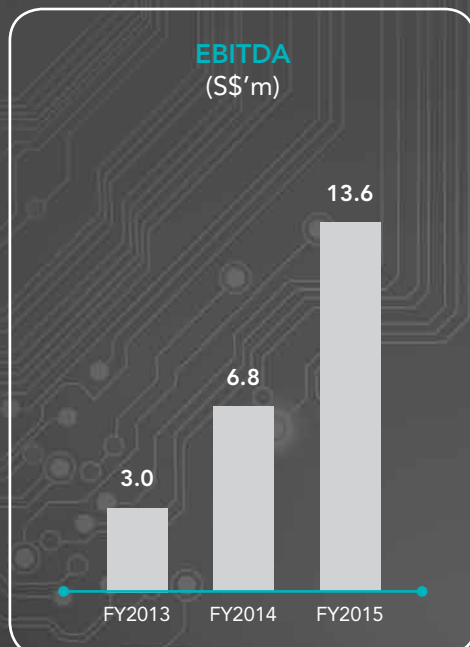
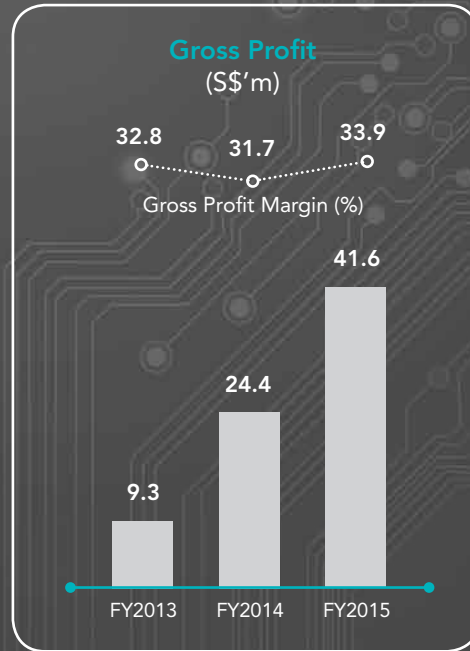
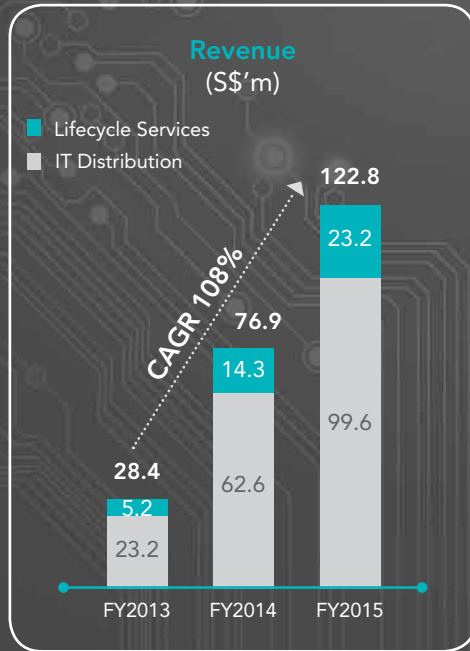
CAPEX TO  
OPEX



PAY AS YOU USE,  
BRAND AGNOSTIC

<sup>2</sup> Source: Frost & Sullivan

## FINANCIAL HIGHLIGHTS<sup>3</sup>



<sup>3</sup> Financial years ended 31 December 2013, 2014 and 2015; Any discrepancies in the charts between the listed amounts and the totals thereof are due to rounding

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## CORPORATE INFORMATION

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<b>BOARD OF DIRECTORS</b>	:	Wong Kok Khun Thomas Sean Murphy  Lim Swee Yong Ho Chew Thim  Ng Loh Ken Peter Wong Quee Quee, Jeffrey	Non-Executive Chairman Executive Director and Global Chief Executive Officer Non-Executive Director Lead Independent Director Independent Director Independent Director
<b>COMPANY SECRETARIES</b>	:	Teo Meng Keong (associate member of the Institute of Chartered Secretaries & Administrators)  Loh Mei Ling (associate member of the Institute of Chartered Secretaries & Administrators)	
<b>REGISTERED OFFICE AND PRINCIPAL OFFICE</b>	:	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	
<b>SHARE REGISTRAR</b>	:	<b>Tricor Barbinder Share Registration Services</b> (a division of Tricor Singapore Pte. Ltd.) 80 Robinson Road #02-00 Singapore 068898	
<b>ISSUE MANAGER, BOOKRUNNER AND UNDERWRITER</b>	:	<b>DBS Bank Ltd.</b> 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982	
<b>SOLICITORS TO THE OFFERING AND OUR COMPANY AS TO SINGAPORE LAW</b>	:	<b>Morgan Lewis Stamford LLC</b> 10 Collyer Quay #27-00 Ocean Financial Centre Singapore 049315	
<b>SOLICITORS TO THE ISSUE MANAGER, BOOKRUNNER AND UNDERWRITER AS TO SINGAPORE LAW</b>	:	<b>Rajah &amp; Tann Singapore LLP</b> 9 Battery Road #25-01 Straits Trading Building Singapore 049910	
<b>LEGAL ADVISERS TO OUR COMPANY ON US LAW</b>	:	<b>Morris, Manning &amp; Martin, LLP</b> 1600 Atlanta Financial Center 3343 Peachtree Road NE Atlanta GA 30326 United States of America	

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## CORPORATE INFORMATION

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<b>LEGAL ADVISERS TO OUR COMPANY ON UK LAW</b>	:	<b>Pinsent Masons LLP</b> 30 Crown Place Earl Street London EC2A 4ES United Kingdom
<b>LEGAL ADVISERS TO OUR COMPANY ON MEXICO LAW</b>	:	<b>Arizpe, Valdés &amp; Marcos, S.C.</b> Ave San Patricio Battalion #111 27 Floor Room 2010 Col. Valle Oriente San Pedro Garza Garcia Nuevo Leon Mexico CP 66269
<b>LEGAL ADVISERS TO OUR COMPANY ON MALAYSIA LAW</b>	:	<b>Zaid Ibrahim &amp; Co.</b> Level 19 Menara Milenium Pusat Bandar Damansara 50490 Kuala Lumpur Malaysia
<b>INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS</b>	:	<b>Ernst &amp; Young LLP</b> One Raffles Quay North Tower Level 18 Singapore 048583  Partner-in-charge: Gajendran Vyapuri (Chartered Accountant, a member of the Institute of Singapore Chartered Accountants)
<b>PRINCIPAL BANKER</b>	:	<b>DBS Bank Ltd.</b> 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
<b>RECEIVING BANK</b>	:	<b>DBS Bank Ltd.</b> 12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
<b>INDEPENDENT MARKET RESEARCH CONSULTANT</b>	:	<b>Frost &amp; Sullivan (S) Pte Ltd</b> 100 Beach Road #29-01/11 Shaw Tower Singapore 189702
<b>INDEPENDENT FINANCIAL ADVISER TO OUR AUDIT COMMITTEE</b>	:	<b>SAC Capital Private Limited</b> 1 Robinson Road #21-02 AIA Tower Singapore 048542

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## DEFINITIONS

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In this Prospectus, the accompanying Application Forms, and in relation to the Electronic Applications, the instructions appearing on the screens of the ATMs of Participating Banks, the IB websites of the relevant Participating Banks or the mobile banking interface of DBS Bank, unless the context otherwise requires, the following definitions apply throughout where the context so admits:

### Group Companies

<i>“ASVIDA UK”</i>	:	ASVIDA UK Limited
<i>“Company” or “Procurri”</i>	:	Procurri Corporation Limited (formerly known as ASVIDA Corporation Pte. Ltd.)
<i>“Group”</i>	:	Our Company and our subsidiaries, and a “Group Company” shall be construed accordingly
<i>“Procurri Asia Pacific”</i>	:	Procurri Asia Pacific Pte. Ltd.
<i>“Procurri Beijing”</i>	:	Procurri (Beijing) Co., Ltd. (北京奇益信息技术有限公司)
<i>“Procurri LLC”</i>	:	Procurri LLC (formerly known as ASVIDA LLC)
<i>“Procurri Malaysia”</i>	:	Procurri Malaysia Sdn. Bhd. (formerly known as Verity Solutions Sdn. Bhd.)
<i>“Procurri Mexico”</i>	:	Procurri, S. de R.L. de C.V.
<i>“Procurri Singapore”</i>	:	Procurri Singapore Pte. Ltd. (formerly known as ASVIDA Asia Pte. Ltd.)
<i>“Procurri UK”</i>	:	Procurri UK Limited (formerly known as Tindirect Limited)
<i>“Tinglobal”</i>	:	Tinglobal Holdings Limited (formerly known as Ingleby (1865) Limited)

### Other Companies, Organisations and Agencies

<i>“Allied Knights”</i>	:	Allied Knights Pte. Ltd.
<i>“Authority”</i>	:	The Monetary Authority of Singapore
<i>“CDP”</i>	:	The Central Depository (Pte) Limited
<i>“CPF”</i>	:	The Central Provident Fund
<i>“DBS Bank”</i>	:	DBS Bank Ltd.
<i>“DeClout”</i>	:	DeClout Limited, a Controlling Shareholder

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## DEFINITIONS

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<i>“DeClout Group”</i>	:	DeClout and its subsidiaries, and a “DeClout Group Company” shall be construed accordingly
<i>“Environment Agency”</i>	:	UK Environment Agency
<i>“Frost &amp; Sullivan” or “Independent Market Research Consultant”</i>	:	Frost & Sullivan (S) Pte Ltd
<i>“Golden Summit”</i>	:	Golden Summit International Ltd.
<i>“ICH Gemini”</i>	:	ICH Gemini Asia Growth Fund Pte. Ltd.
<i>“IRAS”</i>	:	Inland Revenue Authority of Singapore
<i>“Irrucorp”</i>	:	Irrucorp Pte. Ltd.
<i>“Issue Manager, Bookrunner and Underwriter”</i>	:	DBS Bank
<i>“Participating Banks”</i>	:	DBS Bank (including POSB), Oversea-Chinese Banking Corporation Limited (“OCBC Bank”) and United Overseas Bank Limited and its subsidiary, Far Eastern Bank Limited (“UOB Group”) and “Participating Bank” means any of the abovementioned
<i>“SAC Capital” or “Independent Financial Adviser”</i>	:	The independent financial adviser to our Audit Committee, SAC Capital Private Limited
<i>“SC”</i>	:	Securities Commission of Malaysia
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Verity Solutions”</i>	:	Verity Solutions Pte. Ltd.

### General

<i>“Americas”</i>	:	The region consisting of the whole of North America and South America, including but not limited to the US and Mexico
<i>“Application Forms”</i>	:	The printed application forms to be used for the purpose of the Offering and which form part of this Prospectus
<i>“Asia-Pacific”</i>	:	The region consisting of the whole of Asia, as well as the countries of the Pacific Rim, including but not limited to Singapore, Malaysia and the PRC

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## DEFINITIONS

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<i>“Associate”</i>	:	In the case of a company,  (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:  (i) his immediate family;  (ii) 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; or  (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; or  (b) in relation to a substantial shareholder or 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 (1) in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
<i>“ATM”</i>	:	Automated teller machine of a Participating Bank
<i>“Audit Committee”</i>	:	The audit committee of our Company as at the date of this Prospectus
<i>“Award Shares”</i>	:	The Shares which may be issued or transferred upon the release of the share awards granted pursuant to the Procurri PSP
<i>“Board” or “Board of Directors”</i>	:	The board of Directors of our Company
<i>“CAPEX”</i>	:	Capital expenditure
<i>“CFO”</i>	:	The chief financial officer of our Company as at the date of this Prospectus
<i>“CMSA”</i>	:	The Capital Markets and Services Act 2007 of Malaysia as amended, supplemented or modified from time to time
<i>“Code of Corporate Governance”</i>	:	The Code of Corporate Governance issued by the Authority on 2 May 2012
<i>“Companies Act” or the “Act”</i>	:	The Companies Act (Chapter 50) of Singapore, as amended, supplemented or modified from time to time

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## DEFINITIONS

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<i>“Constitution”</i>	:	The constitution of our Company as amended, supplemented or modified from time to time
<i>“Controlling Shareholder”</i>	:	A person who:  (a) holds directly or indirectly 15.0% or more of the total number of issued shares in the company (excluding treasury shares). The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or  (b) in fact exercises control over a company
<i>“DeClout Loans”</i>	:	The loans made by DeClout to our Group. Please refer to the section entitled <i>“Capitalisation and Indebtedness – The DeClout Loans”</i> of this Prospectus for more information
<i>“Directors”</i>	:	The directors of our Company as at the date of this Prospectus
<i>“Electronic Applications”</i>	:	Applications for the Public Offer Shares made through an ATM or the IB websites of the relevant Participating Banks or through the mobile banking platform of DBS Bank (including POSB), subject to and on the terms and conditions of this Prospectus
<i>“EMEA”</i>	:	The region consisting of the whole of Europe, the Middle East and Africa, including but not limited to the UK
<i>“EPS”</i>	:	Earnings per Share
<i>“Executive Directors”</i>	:	The executive Directors of our Company as at the date of this Prospectus
<i>“Executive Officers”</i>	:	The executive officers of our Group as at the date of this Prospectus, who are also key executives as defined under the SFR
<i>“Financial Advisers Act”</i>	:	The Financial Advisers Act (Chapter 110) of Singapore, as amended, supplemented or modified from time to time
<i>“FY”</i>	:	Financial year ended or, as the case may be, ending 31 December
<i>“Global CEO”</i>	:	The global chief executive officer of our Company as at the date of this Prospectus
<i>“GST”</i>	:	Singapore goods and services tax



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## DEFINITIONS

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<i>"IB"</i>	:	Internet banking
<i>"Independent Directors"</i>	:	The independent Directors of our Company as at the date of this Prospectus
<i>"Latest Practicable Date"</i>	:	15 June 2016, being the latest practicable date prior to the lodgement of this Prospectus with the Authority
<i>"Listing"</i>	:	Listing of our Company on the Main Board of the SGX-ST
<i>"Listing Date"</i>	:	The date of commencement of dealing in our Shares on the SGX-ST
<i>"Listing Manual"</i>	:	Listing manual of the SGX-ST, as amended, supplemented or modified from time to time
<i>"Management and Underwriting Agreement"</i>	:	The management and underwriting agreement dated 12 July 2016 entered into between our Company and DBS Bank
<i>"Market Day"</i>	:	A day on which the SGX-ST is open for trading in securities
<i>"Mexico"</i>	:	The United Mexican States
<i>"N.A."</i>	:	Not applicable
<i>"NAV"</i>	:	Net asset value
<i>"New Shares"</i>	:	The 68,880,000 Shares for which our Company invites applications to subscribe pursuant to the Offering
<i>"Nominating Committee"</i>	:	The nominating committee of our Company as at the date of this Prospectus
<i>"NTA"</i>	:	Net tangible assets
<i>"Offering"</i>	:	The Placement and the Public Offer
<i>"Offering Price"</i>	:	S\$0.56 for each New Share
<i>"Option Shares"</i>	:	The Shares which may be issued or transferred upon the exercise of options granted pursuant to the Procurri ESOS
<i>"OPEX"</i>	:	Operating expenditure
<i>"PER"</i>	:	Price earnings ratio
<i>"Period Under Review"</i>	:	The period which comprises FY2013, FY2014 and FY2015

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## DEFINITIONS

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<i>“Placement”</i>	:	The international placement of 62,000,000 New Shares to investors, including international and other investors in Singapore and outside the US in reliance on Regulation S
<i>“Placement Agreement”</i>	:	The placement agreement dated 12 July 2016 entered into between our Company and DBS Bank
<i>“Placement Shares”</i>	:	The 62,000,000 New Shares which are the subject of the Placement
<i>“PRC” or “China”</i>	:	The People’s Republic of China (which excludes Taiwan)
<i>“Procurri ESOS”</i>	:	The employee share option scheme adopted by our Company on 27 June 2016
<i>“Procurri PSP”</i>	:	The performance share plan adopted by our Company on 27 June 2016
<i>“Prospectus”</i>	:	This prospectus dated 12 July 2016 issued by our Company in respect of the Offering
<i>“Public Offer”</i>	:	The offer of 6,880,000 New Shares to the public in Singapore for subscription at the Offering Price, subject to and on the terms and conditions set out in this Prospectus
<i>“Public Offer Shares”</i>	:	The 6,880,000 New Shares which are the subject of the Public Offer
<i>“Regulation S”</i>	:	Regulation S under the US Securities Act
<i>“Remuneration Committee”</i>	:	The remuneration committee of our Company as at the date of this Prospectus
<i>“Restructuring Exercise”</i>	:	The restructuring exercise that we carried out, as described in the section entitled <i>“Restructuring Exercise”</i> of this Prospectus
<i>“Securities Account”</i>	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account
<i>“Securities and Futures Act” or “SFA”</i>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, supplemented or modified from time to time
<i>“Service Agreement”</i>	:	The service agreement entered into between our Company and our Executive Director and Global CEO, Mr. Sean Murphy, as described in the section entitled <i>“Directors, Management and Staff – Service Agreement”</i> of this Prospectus

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## DEFINITIONS

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<i>“SFR”</i>	:	The Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005, as amended, modified or supplemented from time to time
<i>“SGXNET”</i>	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<i>“Shareholders”</i>	:	Registered shareholders of our Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with Shares
<i>“Shares”</i>	:	Fully paid ordinary shares in the capital of our Company
<i>“Substantial Shareholder”</i>	:	A person who holds, directly or indirectly, 5.0% or more of the total issued share capital of our Company
<i>“Take-over Code”</i>	:	The Singapore Code on Take-overs and Mergers, which is administered by the Securities Industry Council in Singapore
<i>“Tinglobal Trust”</i>	:	The Employee Share Ownership Trust of Tinglobal established pursuant to a trust deed dated 12 May 2015 entered into between Mr. Mathew Jordan and Tinglobal, of which Mr. Mathew Jordan is the sole trustee, and the beneficiaries of which comprise the past and present management team of Tinglobal, Mr. Graham Lea, Mr. Patrick Boydell, Mr. David Cowle, Mr. Raff Silano and Mr. John Birt
<i>“UK”</i>	:	The United Kingdom of Great Britain and Northern Ireland
<i>“US” or “U.S.”</i>	:	The United States of America
<i>“US Securities Act”</i>	:	United States Securities Act of 1933, as amended, modified or supplemented from time to time

### Currencies, Units and Others

<i>“GBP”</i>	:	Pound sterling, being the lawful currency of the UK
<i>“MXN”</i>	:	Mexican Peso, being the lawful currency of Mexico
<i>“RM”</i>	:	Malaysian ringgit, being the lawful currency of Malaysia
<i>“S\$” or “SGD” and “cents”</i>	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore

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## DEFINITIONS

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*“US\$” or “USD”* : US dollars, being the lawful currency of the US

*“%”* : Per centum or percentage

*“sq ft”* : Square feet

### Names used in this Prospectus

*“Edward Flachbarth”* : Edward John Flachbarth

*“Mathew Jordan”* : Mathew George Jordan

*“Sean Murphy”* : Thomas Sean Murphy

*“Zachary Sexton”* : Zachary George Sexton

Any reference to “our”, “ourselves”, “us”, “we” or other grammatical variations thereof in this Prospectus is a reference to our Company, our Group or any member of our Group as the context requires.

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

The term “entity” shall have the same meaning ascribed to it in Section 2 of the Securities and Futures Act, while the terms “associated company”, “related corporation” and “subsidiary” shall have the same meanings ascribed to them respectively in paragraph 1 of the Fourth Schedule of the SFR.

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 include corporations.

Any reference in this Prospectus, the Application Forms or the Electronic Applications to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined in the Companies Act, the Securities and Futures Act or any statutory modification thereof or the Listing Manual and used in this Prospectus, the Application Forms and Electronic Applications shall, where applicable, have the meanings, assigned to them under the Companies Act, the Securities and Futures Act or such statutory modification, or the Listing Manual, as the case may be.

Any reference in this Prospectus, the Application Forms or the Electronic Applications to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Various names with Mexican or Chinese characters have been translated into English names. These translations are provided solely for your convenience. The English translations may not have been registered with the relevant Mexican or Chinese authorities, as the case may be, and should not be construed as representations that the English names actually represent the names in Mexican or Chinese characters, as the case may be.

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## DEFINITIONS

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Any reference to a time of day or dates in this Prospectus, the Application Forms or the Electronic Applications shall be a reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in the tables included in this Prospectus between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown in totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In addition, unless we indicate otherwise, all information in this Prospectus assumes that no New Shares have been re-allocated between the Placement and the Public Offer.

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## GLOSSARY OF TECHNICAL TERMS

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This glossary contains an explanation of certain terms used in this Prospectus in connection with our Group and our business. The terms and their assigned meanings may not correspond to standard industry or common meanings or usage of these terms.

<i>“channel”</i>	:	Any person or organisation that provides services on behalf of a software or hardware vendor or receives such services and includes, but is not limited to, end-users, VARs, OEMs and distributors
<i>“Data Centre Equipment”</i>	:	Servers, storage and other networking equipment
<i>“Hardware Resale”</i>	:	The procurement of New Resale Equipment and Pre-Owned Equipment, and repositioning/remarketing them for sale in the secondary markets
<i>“Hardware-as-a-Service”</i>	:	The provision of IT hardware and equipment on a transaction-based pricing model
<i>“Independent Maintenance Services”</i>	:	The provision of independent IT maintenance services for a variety of IT hardware and equipment
<i>“IT”</i>	:	Information technology
<i>“IT Distribution”</i>	:	The distribution of IT hardware and equipment, and one (1) of the two (2) business segments forming our core business, and which comprises Hardware Resale and Supply Chain Management
<i>“ITAD” or “IT Asset Disposition”</i>	:	IT hardware and equipment disposition, remarketing and other related supplementary services
<i>“Lifecycle Services”</i>	:	Various IT hardware, equipment and software services rendered during the lifecycle of IT hardware and equipment, and one (1) of the two (2) business segments forming our core business, and which comprises Independent Maintenance Services, Hardware-as-a-Service, and IT Asset Disposition
<i>“New Resale Equipment”</i>	:	IT hardware and equipment that while previously owned, had never been used, and which had been purchased by Procurri for resale with or without a warranty from the manufacturer
<i>“OEM”</i>	:	Original equipment manufacturer
<i>“Pre-Owned Equipment”</i>	:	IT hardware and equipment that had been previously owned and used, and which had been purchased by Procurri for resale

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## GLOSSARY OF TECHNICAL TERMS

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- “reverse logistics”* : The process by which sold products are moved from their typical end-point for the purpose of capturing value therefrom (as compared to forward logistics which refers to the usual process by which raw materials are transformed into products, which are then distributed to end-users)
- “Supply Chain Management”* : Management of, and assistance with, various stages of the supply chain
- “VAR”* : Value-added reseller, a company that adds features or services to an existing product, then resells it as an integrated or complete product or solution

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## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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All statements contained in this Prospectus, statements made in the press releases and oral statements that may be made by us or our Directors, Executive Officers or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. Some of these statements can be identified by forward-looking terms such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our Group’s expected financial position, business strategies, plans and prospects and the future prospects of our industry are forward-looking statements. These forward-looking statements, including but not limited to statements as to our Group’s revenue and profitability, prospects, future plans, other expected industry trends and other matters discussed in this Prospectus regarding matters that are not historic facts, are only predictions.

These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These factors include, amongst others:

- changes in the political, social and economic conditions and the regulatory environment in Singapore, the US, the UK, Mexico, Malaysia and other countries in which we conduct business;
- changes in currency exchange rates, our future capital needs and the availability of financing and capital to fund such needs;
- our anticipated growth strategies and expected internal growth; and
- other factors beyond our control.

Some of these factors are discussed in more detail in the section entitled “*Risk Factors*” of this Prospectus.

All forward-looking statements made by or attributable to us, or persons acting on our behalf, contained in this Prospectus are expressly qualified in their entirety by such factors. Given the risks and uncertainties that may cause our Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Prospectus, undue reliance must not be placed on these statements.

Neither our Company, the Issue Manager, Bookrunner and Underwriter, the respective advisers nor any other person represents or warrants that our Group’s actual future results, performance or achievements will be as discussed in those forward-looking statements. Our actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements.

Further, our Company, the Issue Manager, Bookrunner and Underwriter, the respective advisers and any other person disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances, even if new information becomes available or other events occur in the future. We are, however, subject to the provisions of the Securities and Futures Act and the Listing Manual regarding corporate disclosure. In particular, pursuant to Section 241 of the Securities and Futures Act, if after this Prospectus is registered but before the



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## **CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS**

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close of the Offering, we become aware of: (a) a false or misleading statement or matter in this Prospectus; (b) an omission from this Prospectus of any information that should have been included herein under Section 243 of the Securities and Futures Act; or (c) a new circumstance that has arisen since this Prospectus was lodged with the Authority and would have been required by Section 243 of the Securities and Futures Act to be included in this Prospectus, if it had arisen before this Prospectus was lodged and that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement prospectus with the Authority.

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## THE OFFERING

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### LISTING ON THE SGX-ST

We have made an application to the SGX-ST for permission to deal in, and for quotation of, all our Shares (including the New Shares), the Option Shares and the Award Shares. Such permission will be granted when our Company has been admitted to the Official List of the SGX-ST.

Our acceptance of applications will be conditional upon, amongst other things, permission being granted by the SGX-ST to deal in, and for quotation of, all our Shares (including the New Shares), the Option Shares and the Award Shares. If such permission is not granted for any reason, monies paid in respect of any application accepted will be returned to you at your own risk, without interest or any share of revenue or other benefit arising therefrom, and you will not have any claims whatsoever against us and the Issue Manager, Bookrunner and Underwriter.

We have received a letter of eligibility-to-list from the SGX-ST for the listing and quotation of all our Shares (including the New Shares), the Option Shares and the Award Shares. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Prospectus. Admission to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Offering, our Company, our subsidiaries, our Shares (including the New Shares), the Option Shares, and the Award Shares.

### NOTICE TO INVESTORS

This Prospectus has been reviewed and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Offering, our Company and its subsidiaries, and our Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading. Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

Neither our Company, the Issue Manager, Bookrunner and Underwriter nor any other parties involved in the Offering is making any representation to any person regarding the legality of an investment in our Shares by such person under any investment or other laws or regulations.

No information in this Prospectus should be considered to be business, legal, financial or tax advice regarding an investment in our Shares. You should consult your own legal, financial, tax or other professional adviser regarding an investment in our Shares.

No person has been or is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Offering and, if given or made, such information or representation must not be relied upon as having been authorised by us and the Issue Manager, Bookrunner and Underwriter. Neither the delivery of this Prospectus and the Application Forms nor the Offering shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of our Company or our Group or in any statement of fact or information contained in this Prospectus since the date of this Prospectus. Where such changes occur, we may make an announcement of the same to the SGX-ST and the public, and if required, lodge a supplementary or replacement prospectus pursuant to Section 241 of the Securities and Futures Act and take immediate steps to comply with Section 241 of the Securities and Futures Act. You should take

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## THE OFFERING

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note of any such announcement and/or documents issued by us in compliance with the Securities and Futures Act and, upon release of such announcement and/or documents, shall be deemed to have notice of such changes.

The distribution of this Prospectus and the Offering, purchase, sale or transfer of our Shares in certain jurisdictions may be restricted by law. We and the Issue Manager, Bookrunner and Underwriter require persons into whose possession this Prospectus comes to inform themselves about and to observe any such restrictions at their own expense and without liability to us and the Issue Manager, Bookrunner and Underwriter.

Save as expressly stated in this Prospectus, nothing herein is, or may be relied upon as, a promise or representation as to our future performance or policies. This Prospectus has been prepared solely for the purpose of the Offering and may not be relied upon by any persons other than yourself in connection with your application for the New Shares or for any other purpose. **This Prospectus does not constitute an offer or invitation or solicitation to purchase or subscribe for the New Shares in any jurisdiction in which such offer, invitation or solicitation is unauthorised or unlawful nor does it constitute an offer or invitation or solicitation to any person to whom it is unlawful to make such an offer or invitation or solicitation.**

The New Shares are only being offered and sold outside the US in “offshore transactions” as defined in, and in reliance on, Regulation S. The New Shares have not been, and will not be, registered under the US Securities Act and may not be re-offered, re-sold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S or pursuant to another exemption from the registration requirements of the US Securities Act.

A copy of this Prospectus has been lodged with and registered by the Authority. The Authority assumes no responsibility of the contents of this Prospectus. Registration of this Prospectus by the Authority does not imply that the Securities and Futures Act, or any other legal or regulatory requirements, have been complied with. The Authority has not, in any way, considered the merits of our Shares (including the New Shares), the Option Shares and the Award Shares, as the case may be, being offered for investment. We have not lodged or registered this Prospectus in any other jurisdiction.

No Shares shall be allotted and/or allocated on the basis of this Prospectus later than six (6) months after the date of registration of this Prospectus by the Authority.

We are subject to the provisions of the Securities and Futures Act and the Listing Manual regarding corporate disclosure. In particular, pursuant to Section 241 of the Securities and Futures Act if after this Prospectus is registered but before the close of the Offering, we become aware of:

- (a) a false or misleading statement in this Prospectus;
- (b) an omission from this Prospectus of any information that should have been included in it under Section 243 of the Securities and Futures Act; or
- (c) a new circumstance that has arisen since this Prospectus was lodged with the Authority which would have been required by Section 243 of the Securities and Futures Act to be included in this Prospectus, if it had arisen before this Prospectus was lodged,

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## THE OFFERING

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that is materially adverse from the point of view of an investor, we may lodge a supplementary or replacement prospectus with the Authority.

Where prior to the lodgement of the supplementary or replacement prospectus, applications have been made under this Prospectus to subscribe for the New Shares and:

- (a) where the New Shares have not been issued and/or sold to you, our Company shall either:
  - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement prospectus, give you notice of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus, as the case may be, and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement prospectus;
  - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, give you the supplementary or replacement prospectus, as the case may be, and provide you with an option to withdraw your application; or
  - (iii) treat the applications as withdrawn and cancelled, in which case your application shall be deemed to have been withdrawn and cancelled and our Company shall, within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, return all monies paid in respect of any application for the New Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk; or
- (b) where the New Shares have been issued and/or sold to you, our Company shall either:
  - (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of lodgement of the supplementary or replacement prospectus give you notice in writing of how to obtain, or arrange to receive, a copy of the supplementary or replacement prospectus, as the case may be, and provide you with an option to return to our Company the New Shares which you do not wish to retain title in, and take all reasonable steps to make available within a reasonable period the supplementary or replacement prospectus, as the case may be, to you if you have indicated you wish to obtain, or have arranged to receive, a copy of the supplementary or replacement prospectus;
  - (ii) within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, give you the supplementary or replacement prospectus, as the case may be, and provide you with an option to return to our Company the New Shares which you do not wish to retain title in; or
  - (iii) treat the issuance of New Shares as void, in which case the issuance shall be deemed void and our Company shall within seven (7) days from the date of lodgement of the supplementary or replacement prospectus, return all monies paid in respect of any application for the New Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk.

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## THE OFFERING

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If you wish to exercise your option under paragraph (a)(i) or (ii) above to withdraw your application in respect of the New Shares, you shall, within fourteen (14) days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of such intention, whereupon our Company shall, within seven (7) days from the receipt of such notification, if any, pay to you all monies paid by you on account of your application for such New Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk.

If you wish to exercise your option under paragraph (b)(i) or (ii) above to return the New Shares issued to you, you shall, within fourteen (14) days from the date of lodgement of the supplementary or replacement prospectus, notify our Company of such intention and return all documents, if any, purporting to be evidence of title to those Shares, to our Company, whereupon our Company shall, within seven (7) days from the receipt of such notification and documents, if any, pay to you all monies paid by you on account of your application for those New Shares, without interest or any share of revenue or other benefit arising therefrom and at your own risk and the issuance of those New Shares shall be deemed to be void.

Under the Securities and Futures Act, the Authority may, in certain circumstances issue a stop order pursuant to Section 242 of the Securities and Futures Act (the “**Stop Order**”) to our Company, directing that no New Share or no further Share to which this Prospectus relates, be allotted or issued. Such circumstances will include a situation where this Prospectus (i) contains a statement or matter, which in the opinion of the Authority, is false or misleading; (ii) omits any information that should be included in accordance with Section 243 of the Securities and Futures Act; (iii) does not, in the opinion of the Authority, comply with the requirements of the Securities and Futures Act; or (iv) the Authority is of the opinion that it is in the public interest to do so.

In the event that the Authority issues a Stop Order and applications to subscribe for the New Shares to which the Prospectus relates have been made prior to the Stop Order, then:

- (a) where the New Shares have not been issued to you, your application for the New Shares shall be deemed to have been withdrawn and cancelled, and our Company shall, within fourteen (14) days from the date of the Stop Order, pay to you all monies which you have paid on account of your application for the New Shares; or
- (b) where the New Shares have been issued to you, the issuance of New Shares shall be deemed to be void, and our Company shall, within fourteen (14) days from the date of the Stop Order, pay to you all monies which you have paid on account of your application for the New Shares.

In each of the above instances where monies are refunded to you, such monies shall be paid to you without interest or any share of revenue or other benefit arising therefrom and at your own risk, and you will not have any claims against our Company and/or the Issue Manager, Bookrunner and Underwriter.

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## THE OFFERING

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Copies of this Prospectus, the Application Forms and envelopes may be obtained on request, subject to availability, during office hours from:

**DBS Bank Ltd.**  
12 Marina Boulevard  
Marina Bay Financial Centre Tower 3  
Singapore 018982

and where applicable, members of the Association of Banks in Singapore, members of the SGX-ST and merchant banks in Singapore. A copy of this Prospectus is also available on the SGX-ST's website at <http://www.sgx.com> and the Authority's OPERA website at <http://opera.mas.gov.sg/ExtPortal>.

**The Public Offer will open at 9.00 a.m. on 13 July 2016 and will close at 12.00 noon on 18 July 2016 or such other period or periods as our Company and the Issue Manager, Bookrunner and Underwriter may agree, subject to any limitations under all applicable laws. In the event a supplementary document or replacement document is lodged with the Authority, the Offering will remain open for at least fourteen (14) days after the lodgement of the supplementary or replacement prospectus.**

Details of the procedures for application for the New Shares are set out in Appendix K of this Prospectus.

### INDICATIVE TIMETABLE FOR LISTING

The indicative timetable for the Offering and trading in our Shares is set out below for your reference:

Indicative date/time	Event
13 July 2016, 9.00 a.m.	Opening date and time of the Public Offer
18 July 2016, 12.00 noon	Closing date and time of the Public Offer
19 July 2016	Balloting of applications, if necessary (in the event of an over-subscription for the Public Offer Shares)  Commence returning or refunding of application monies to unsuccessful or partially successful applicants
20 July 2016, 9.00 a.m.	Commence trading on a "ready" basis
25 July 2016	Settlement date for all trades done on a "ready" basis

The above timetable is only indicative as it assumes that the date of closing for the Public Offer will be 18 July 2016, the date of admission of our Company to the Official List of the SGX-ST will be 20 July 2016, the SGX-ST's shareholding spread requirement will be complied with and the New Shares will be issued and fully paid-up prior to 20 July 2016. The actual date on which our Shares will commence trading on a "ready" basis will be announced when it is confirmed by the SGX-ST. All dates and times referred to above are Singapore dates and times.

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## THE OFFERING

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The above timetable and procedure may be subject to such modifications as the SGX-ST may, in its discretion, decide, including the decision to permit trading on a “ready” basis and the commencement date of such trading. **The commencement of trading on a “ready” basis will be entirely at the discretion of the SGX-ST. All persons trading in our Shares before their Securities Accounts with CDP are credited with the relevant number of Shares do so at the risk of selling Shares which neither they nor their nominees, as the case may be, have been allotted or are otherwise beneficially entitled to.**

We may, in our discretion, with the agreement of the Issue Manager, Bookrunner and Underwriter, subject to all applicable laws and regulations and the rules of the SGX-ST, agree to extend or shorten the period during which the Offering is open, provided that such period shall not be shorter than two (2) Market Days.

In the event of any changes in the closure of the Public Offer or the time period during which the Public Offer is open, we will publicly announce the same:

- (a) through a SGXNET announcement to be posted on the SGX-ST’s website at <http://www.sgx.com>; and
- (b) in one (1) or more major Singapore newspapers such as The Straits Times, The Business Times and Lianhe Zaobao.

Results of the Public Offer including the allotment of the New Shares and balloting (in the event of an over-subscription for the Public Offer Shares) will be provided through the channels in (a) and (b) above.

Investors should consult the SGX-ST announcement on the “ready” listing date on the Internet (at the SGX-ST’s website at <http://www.sgx.com>) or the newspapers, or check with their brokers on the date on which trading on a “ready” basis will commence.

We reserve the right to reject or accept, in whole or in part, or to scale down or ballot any application for the Public Offer Shares, without assigning any reason therefore, and no enquiry and/or correspondence on our decision will be entertained.

### DETAILS OF THE OFFERING

**The Issuer** : Procurri Corporation Limited

**The Offering** : 68,880,000 New Shares by way of the Placement and the Public Offer. The New Shares will, upon allotment and issue, rank *pari passu* in all respects with our existing issued Shares. The New Shares will in aggregate constitute approximately 24.6% of the total number of issued Shares as at the date of Listing.

The New Shares have not been and will not be registered under the US Securities Act and, subject to certain exceptions, may not be offered or sold within the US. The New Shares under the Placement are being offered and sold outside of the US in compliance with Regulation S under the US Securities Act and other applicable laws.

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## THE OFFERING

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<b>Offering Price</b>	:	S\$0.56 for each New Share.
<b>Purpose of the Offering</b>	:	<p>The purpose of the Offering is to secure the admission of our Company to the Official List of the SGX-ST. Our Directors believe that the listing of our Company and the quotation of our Shares on the Official List of the SGX-ST will enhance the corporate profile of our Group locally and internationally, and enable us to tap the capital markets to fund the expansion of our operations.</p> <p>The Offering will also provide members of the public, our employees, business associates and those who have contributed to the success of our Group with an opportunity to participate in the equity of our Company.</p> <p>Please refer to the section entitled “<i>Use of Proceeds and Offering Expenses</i>” of this Prospectus for more information.</p>
<b>The Placement</b>	:	62,000,000 Placement Shares by way of a placement to investors, including institutional and other investors in Singapore and outside the US in compliance with Regulation S under the US Securities Act and other applicable laws.
<b>The Public Offer</b>	:	6,880,000 Public Offer Shares offered to the public in Singapore to subscribe for at the Offering Price.
<b>Clawback and Reallocation</b>	:	The New Shares may be re-allocated between the Placement and the Public Offer by the Issue Manager, Bookrunner and Underwriter in the event of excess applications in one and a deficit of applications in the other.
<b>Application for Public Offer Shares under the Public Offer</b>	:	<p>Investors applying for New Shares under the Offering must follow the application procedures set out in Appendix K of this Prospectus.</p> <p>Applications must be paid for in Singapore dollars in integral multiples of 100 New Shares subject to a minimum application for 1,000 New Shares.</p>
<b>Listing Status</b>	:	Our Shares will be quoted in SGD on the Main Board of the SGX-ST, subject to the admission of our Company to the Official List of the SGX-ST and permission for dealing in and for quotation of our Shares being granted by the SGX-ST and the Authority not issuing a Stop Order.



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## THE OFFERING

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- Settlement** : Our Company expects to receive payment for all the New Shares in the Placement and the Public Offer on or about 20 July 2016. We will deliver the global share certificates representing the New Shares to CDP for deposit into the Securities Accounts of successful applicants on or about 20 July 2016. Please refer to the section entitled “*Clearance and Settlement*” of this Prospectus for more information.
- Risk Factors** : Investing in our Shares involves risks which are set out in the section entitled “*Risk Factors*” of this Prospectus.

## USE OF PROCEEDS AND OFFERING EXPENSES

Based on the Offering Price, we will raise gross proceeds of approximately S\$38.6 million from the issuance of the New Shares. The estimated net proceeds from the issuance of the New Shares (after deducting estimated expenses in relation to the Offering of approximately S\$4.0 million) will be approximately S\$34.6 million.

We intend to use the net proceeds from the issuance of the New Shares as follows:

Use of Proceeds	Estimated amount (S\$ million)	Estimated amount allocated for each dollar of the gross proceeds raised from the issuance of the New Shares (cents)	As a percentage of the gross proceeds from issuance of the New Shares (%)
Mergers and acquisitions, joint ventures and partnerships strategy <sup>(1)</sup>	17.0	44.0	44.0
Enhancement of infrastructure <sup>(1)</sup>	5.0	13.0	13.0
Repayment of the DeClout Loans <sup>(2)</sup>	6.1	15.8	15.8
Working capital purposes	6.5	16.8	16.8
<b>Net Proceeds</b>	<b>34.6</b>	<b>89.6</b>	<b>89.6</b>
<b>Estimated expenses incurred in connection with the Offering</b>			
Professional fees	2.2	5.7	5.7
Underwriting and placement commission	1.1	2.8	2.8
Miscellaneous expenses (including listing fees)	0.7	1.9	1.9
<b>Total</b>	<b>38.6</b>	<b>100.0</b>	<b>100.0</b>

**Notes:**

- (1) Please refer to the section entitled “*Prospects, Business Strategies and Plans – Business Strategies and Future Plans*” of this Prospectus for more information.
- (2) Please refer to the sections entitled “*Capitalisation and Indebtedness – The DeClout Loans*” of this Prospectus for more information.

Save as disclosed in this section, none of the proceeds from the issuance of the New Shares will be used to discharge, reduce or retire any indebtedness of our Group. Please refer to the sections entitled “*Capitalisation and Indebtedness – The DeClout Loans*” of this Prospectus for further information on the DeClout Loans.

Pending the deployment of net proceeds as aforesaid, the net proceeds will be placed in short term deposits with financial institutions or used to invest in bonds, unit trusts and/or short-term money market instruments with risk and return profiles that our Directors may deem appropriate.

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## USE OF PROCEEDS AND OFFERING EXPENSES

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We will make periodic announcements on the use of net proceeds from the issuance of the New Shares as and when the funds are materially disbursed, and provide a status report on the use of proceeds in our annual report.

In the event that any part of our proposed use of net proceeds from the issuance of the New Shares does not materialise or proceed as planned, our Directors will carefully evaluate the situation and may reallocate the proceeds to other purposes and/or hold such funds on short-term deposits with financial institutions or used to invest in bonds, unit trusts and/or short-term money market instruments with risk and return profiles that our Directors may deem appropriate, for so long as our Directors deem it to be in the interest of our Company. Any change in the use of the net proceeds will be subject to the listing rules of the SGX-ST and appropriate announcements will be made by our Company on SGXNET.

In the reasonable opinion of our Directors, no minimum amount must be raised from the Offering.

## DIVIDEND POLICY

In respect of the Period Under Review and from 1 January 2016 up to the Latest Practicable Date, our Company and each of our subsidiaries have declared and paid dividends as follows:

	FY2013		FY2014		FY2015		1 January 2016 up to the Latest Practicable Date	
	Total Dividends	Dividends per Share	Total Dividends	Dividends per Share	Total Dividends	Dividends per Share	Total Dividends	Dividends per Share
Powercore Holdings Limited <sup>(1)</sup>	-	-	-	-	-	-	GBP52,653.00	GBP9.91
Tinglobal Limited <sup>(2)</sup>	-	-	-	-	-	-	GBP12,722.00	GBP0.43 <sup>(3)</sup>
Procurri UK Limited	-	-	-	-	-	-	GBP3,283,540.00	GBP2.55

**Note:**

- (1) Powercore Holdings Limited was struck off from the companies register of the UK and dissolved on 7 June 2016.
- (2) Tinglobal Limited was struck off from the companies register of the UK and dissolved on 5 July 2016.
- (3) Includes "A" shares, "B" shares and ordinary shares in the capital of Tinglobal Limited, representing 100.0% of the issued share capital in Tinglobal Limited, all of which were held by our Group prior to Tinglobal Limited being struck off and dissolved.

We may declare dividends by ordinary resolution of our Shareholders at a general meeting, but we may not pay dividends in excess of the amount recommended by our Directors. The declaration and payment of dividends will be determined at the sole discretion of our Directors, subject to the approval of our Shareholders. Our Directors may also declare an interim dividend without the approval of our Shareholders. In making their recommendations, our Directors will consider, amongst other things, our retained earnings, expected future earnings, operations, cash flow, capital requirements, general business and financing conditions, as well as other factors which our Directors may determine appropriate.

We currently do not have a fixed dividend policy.

However, our Directors intend to recommend and distribute dividends of 25.0% of our net profit after tax (excluding exceptional items) for FY2016 and FY2017 (the "**Proposed Dividends**"), as we wish to reward Shareholders for participating in our Group's growth. However, investors should note that all the foregoing statements, including the statement on the Proposed Dividends, are merely statements of our present intention and shall not constitute legally binding statements in respect of our future dividends which may be subject to modification (including reduction or non-declaration thereof) in our Directors' sole and absolute discretion. Investors should not treat the Proposed Dividends or the dividends declared and paid by our Subsidiaries as an indication of our Group's future dividend policy. No inference should be or can be made from any of the foregoing statements as to our actual future profitability or ability to pay dividends. Please also refer to the section entitled "*Risk Factors – Risks Relating to Ownership of our Shares – We may not be able to pay dividends*" of this Prospectus for the risk factor relating to our ability to declare dividends.

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## EXCHANGE CONTROLS

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### **Singapore**

As at the date of this Prospectus, no foreign exchange control restrictions are enforced in Singapore.

### **US**

As at the date of this Prospectus, the US has not implemented foreign exchange controls that restrict the repatriation of capital and remittance of profits to our Company.

### **UK**

As at the date of this Prospectus, no foreign exchange control restrictions are enforced in the UK that may restrict the repatriation of capital and remittance of profits to our Company.

### **Mexico**

As at the date of this Prospectus, no foreign exchange control restrictions are enforced in Mexico that may restrict the repatriation of capital and remittance of profits to our Company.

### **Malaysia**

There are foreign exchange policies in Malaysia which support the monitoring of capital flows in and out of Malaysia in order to preserve its financial and economic stability. The foreign exchange policies monitor and regulate both residents and non-residents. Under the current Exchange Control Notices of Malaysia and the Foreign Exchange Administration Rules issued by the Central Bank of Malaysia, non-residents are free to repatriate any amount of funds from Malaysia, including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to applicable reporting requirements and any withholding tax, provided that the repatriation is made in foreign currency.

Non-residents are also free to invest in any form of RM assets either as direct or portfolio investments. The investments can be funded through (a) conversion of foreign currency to RM with licensed onshore banks (excluding licensed international Islamic banks) or through an appointed overseas office of the licensed onshore bank's banking group, (b) foreign currency borrowings from the licensed onshore banks, or (c) RM borrowing from licensed onshore banks (excluding licensed international Islamic banks) for real sector activities and for the purchase of residential and commercial properties in Malaysia except for the purchase of land only.

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## OVERVIEW OF OUR GROUP

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*The following summary is qualified in its entirety by, and is subject to, the more detailed information and financial statements (including the notes thereto) appearing elsewhere in this Prospectus. Terms defined elsewhere in this Prospectus have the same meanings when used herein. Prospective investors should carefully consider all the information presented in this Prospectus, particularly the matters set out in the section entitled “Risk Factors” of this Prospectus before making an investment decision.*

### INTRODUCTION

We are one of the leading global independent providers of Data Centre Equipment and Lifecycle Services.

We were incorporated in Singapore on 15 March 2013 under the Companies Act as a private limited company under the name “ASVIDA Corporation Pte. Ltd.”. On 14 August 2013, our Company was renamed “Procurri Corporation Pte. Ltd.”. Subsequently, on 29 June 2016, we converted into a public company limited by shares and changed our name to “Procurri Corporation Limited”.

Through our direct presence and our global network of partners, our business covers over eighty (80) countries worldwide, and we have offices across three (3) continents, in five (5) jurisdictions, namely, the US, the UK, Mexico, Singapore and Malaysia. Additionally, we recently incorporated a subsidiary in the PRC. Our revenue has grown from approximately S\$28.4 million in FY2013 to approximately S\$122.8 million in FY2015.

Our Company’s name, Procurri, is derived from the Latin word, “procurro”, which means “leading the pack”. This depicts our Company’s vision to unlock opportunities in the IT industry by changing the way the world buys technology through a sharing platform. Our tagline, “changing the way the world buys technology”, succinctly sums up our mission, which is to be the global aggregator of enterprise hardware and services to our channels, offering a converged network that combines the technology, finance and logistics domains.

We serve as a single touchpoint for our customers’ Data Centre Equipment and Lifecycle Services needs.

Our core business can be categorised into two (2) business segments:

- (a) IT Distribution, which comprises the following business offerings:
  - (i) Hardware Resale; and
  - (ii) Supply Chain Management; and
- (b) Lifecycle Services, which comprises the following business offerings:
  - (i) Independent Maintenance Services;
  - (ii) Hardware-as-a-Service; and
  - (iii) IT Asset Disposition.

Please refer to the section entitled “*Our Business – Our Products and Services*” of this Prospectus for more information.

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## OVERVIEW OF OUR GROUP

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### OUR COMPETITIVE STRENGTHS

We believe that our position as one of the industry leaders is based on the following competitive strengths:

- (a) we have a global presence which enables us to be a global aggregator who creates economies of scale and exploits growth opportunities;
- (b) we have a scalable business model that combines technology, finance and logistics domains;
- (c) we have an experienced and committed key management team; and
- (d) we can leverage on our strong mergers and acquisitions and joint ventures execution track record to drive our global expansion.

For further details, please refer to the section entitled “*Our Business – Our Competitive Strengths*” of this Prospectus. Please also refer to the section entitled “*Prospects, Business Strategies and Plans*” of this Prospectus.

### OUR CONTACT DETAILS

Our registered address and principal place of business is 29 Tai Seng Avenue, #02-01 Natural Cool Lifestyle Hub, Singapore 534119. Our telephone and fax numbers are +65 6486 1300 and +65 6742 0405 respectively. Our company registration number is 201306969W. Our website address is <http://www.procurri.com>. Information contained in our website does not constitute part of this Prospectus and should not be relied on.

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## RISK FACTORS

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*Prospective investors should carefully consider and evaluate each of the following risk factors (which are not intended to be exhaustive) and all other information set forth in this Prospectus before deciding to invest in the New Shares. Some of the following risk factors relate principally to the industry in which our Group operates and the business of our Group in general. Other risk factors relate principally to general social, economic, political and regulatory conditions, the securities market and ownership of our Shares, including possible future sales of our Shares.*

*If any of the following risks and uncertainties develops into actual events, our business, financial condition, results of operations and prospects could be materially and adversely affected. In such cases, the price of our Shares could decline due to any of these risks and uncertainties and you may lose all or part of your investment in our Shares.*

*To the best of our Directors' knowledge and belief, all risk factors which are material to investors in making an informed judgment about our Group have been set out below.*

### **RISKS RELATING TO OUR INDUSTRY, BUSINESS AND OPERATIONS**

#### ***We may not be able to continue competing successfully against present and future competitors***

The IT industry is highly competitive. While our major competitors are other IT hardware and equipment and IT maintenance providers, we also face competition from international and domestic technology consulting firms, captive divisions of large multi-national technology firms, infrastructure management services firms, IT firms, software companies and in-house technology departments of large corporations.

We compete with them based on, amongst other things, brand image, variety of products and services, quality of products and services, and price. Our competitors may have greater financial, technical and marketing resources, stronger brand name recognition, more extensive existing customer base, larger number of technology partners or are better entrenched in markets that we operate in or which we venture into in the future. In addition, our competitors may have the ability to respond more quickly to new or emerging technologies, may adapt more quickly to changes in customer requirements and may devote greater resources to the provision, promotion and sales of their products than our Group. The IT industry is also experiencing rapid changes that are affecting the competitive landscape, including recent divestitures and acquisitions that have resulted in consolidation within the industry. These changes may result in larger competitors with even more significant resources.

There is no assurance that we will be able to continue competing successfully against our present and future competitors. Increased competition may also force us to lower our prices. We may also face price cutting pressure from our competitors in their bid to maintain or expand their market share. If we are unable to respond with appropriate measures, our market share may decline and our profitability and financial performance will be adversely affected.

If we are unable to compete effectively with existing or new competitors in the future, particularly, in light of the changing and competitive market environment, it may materially and adversely affect our business, net assets, financial condition and results of operations.



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## RISK FACTORS

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### ***Rapid changes in technology and customer preferences may affect our business***

The IT industry is characterised by rapid technological changes, evolving industry standards, changing customer preferences and new product and service introductions. The advent of new technologies like cloud computing, and new initiatives such as enterprise mobility and the pace of adoption of new technologies and initiatives by customers, place increasing pressure on IT providers. Our future success depends upon our ability to address such disruptions to the market. If we do not anticipate market trends and provide new product and service offerings to meet changing customer preferences, we may lose our competitiveness and be unable to offer our products and services at competitive prices. It may even render our products and services obsolete, particularly the IT hardware and equipment which we had purchased for resale. There is no assurance that any of the above events will not occur, and the occurrence thereof may materially and adversely affect our business, net assets, financial condition, results of operations and prospects.

Further, products, services or technologies that are provided by our competitors may render ours non-competitive. We have introduced, and intend to continue introducing, innovative solutions involving novel delivery models that are priced based on transactions. Some of our solutions, including our Hardware-as-a-Service solutions, are often offered on a transaction-based pricing model even though these solutions require us to incur significant upfront costs. The complexity of these solutions and significant competition in the markets for these solutions may affect our ability to market these solutions successfully. Customers may not adopt these solutions widely and we may be unable to recover any investments made in these solutions. Even if these solutions are successful in the market, the dependence of these solutions on third party hardware and software and on our ability to meet stringent service levels in providing maintenance or support services may result in our inability to deploy these solutions successfully or profitably. Further, where we offer a transaction-based pricing model in connection with an engagement, we may also be unable to recover any upfront costs incurred in solutions deployed by us in full.

### ***We may fail to execute our expansion plans, particularly our mergers and acquisitions, joint ventures and partnerships strategy, successfully and/or manage our growth efficiently***

We have expanded our business significantly in recent years. Our IT Distribution and Lifecycle Services business segments were originally confined to Asia-Pacific. Through our investments in Procurri LLC and Tinglobal, and the incorporation of Procurri Mexico, we have expanded our IT Distribution and Lifecycle Services businesses into the Americas and EMEA. Through the acquisition of shares in Procurri Malaysia and Procurri Asia Pacific, we have further expanded our operational capabilities in the Asia-Pacific, thereby increasing the depth of our offerings. This contributed to the growth in our revenue from approximately S\$28.4 million in FY2013 to approximately S\$122.8 million in FY2015.

As set out in the section entitled “*Prospects, Business Strategies and Plans – Business Strategies and Future Plans*” of this Prospectus, we intend to further advance our growth by, amongst other things, mergers and acquisitions, joint ventures and/or partnerships. The acquisitions and investments that we may make, or joint ventures and partnerships that we may enter into, may expose us to business, operational and other risks that are different from those that we have experienced historically, including but not limited to the following:

- (a) the direct and indirect costs in connection with such transactions;
- (b) the inability to effectively integrate and manage the management, operations, services, products and personnel of acquired businesses;

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## RISK FACTORS

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- (c) the inability to exert control over the actions of our partners, including any non-performance, default or bankruptcy of our partners;
- (d) the time and resources expended to coordinate internal systems, controls, procedures and policies;
- (e) the disruption in ongoing business and diversion of our management's time and attention from other business concerns;
- (f) the risk of entering markets in which we may have no or limited prior experience or dealing with new counterparties;
- (g) the potential loss of key employees and customers of our existing business and those of the acquired business;
- (h) the risk that an investment or acquisition may reduce our future earnings; and
- (i) exposure to unknown liabilities.

While we have not encountered any issues arising from the execution of our expansion plans that have had a material impact on our operations and financial condition, in the event that we do, and we are unable to successfully implement our growth strategy or are unable to address the risks associated with our mergers and acquisitions, joint ventures, and/or partnerships, or if we encounter unforeseen expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired businesses and the expansion of operations, or fail to achieve acquisition synergies, our business, financial condition, results of operations and prospects may be materially and adversely affected.

In addition, to accommodate our growth, we will need to hire qualified personnel and implement new and upgraded operational and financial systems, procedures and controls, including the ongoing improvement of our accounting and other internal management systems, all of which require substantial management efforts. It is also possible that the markets for our IT Distribution and Lifecycle Services businesses do not develop as quickly as we expect. We may also face new operational risks and challenges with which we may be unfamiliar, especially those in connection with our expansion into overseas markets. Any failure to manage our growth effectively, implement adequate systems, procedures and controls, or hire qualified personnel, may materially and adversely affect our business, financial condition, results of operations and prospects.

***The implementation of our growth strategy is capital intensive and we may be unable to secure additional financing***

If we are unable to maintain sufficient working capital for our expansion plans to finance our growth strategy, we may have to raise additional capital in the future through debt or equity offerings. We cannot be certain that suitable financing will be available in the required amounts or on acceptable terms, and this may result in, amongst other things, dilution of existing Shareholders' shareholdings and/or a negative impact on our profitability. Additionally, debt financing may include conditions that would restrict our freedom to operate our business, such as conditions that:

- (a) limit our ability to pay dividends or require us to seek consents for the payment of dividends;
- (b) increase our vulnerability to general adverse economic and industry conditions;

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## RISK FACTORS

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- (c) require us to dedicate a portion of our cash flow from operations to payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, working capital and other general corporate purposes; and
- (d) limit our flexibility in planning for, or reacting to, changes in our business and our industry.

It should also be noted that the global economy is currently exposed to increasing inflation and interest rates. Therefore, any future debt financing obtained from financial institutions may incur significant interest payments, which will have an adverse impact on our profitability and ability to pay dividends. In the event that we cannot obtain the necessary financing on reasonable terms, or at all, we may be forced to scale back on our plans for future business expansion, and this can materially and adversely affect our business, net assets, financial condition and results of operations. Additionally, any additional capital raised through the sale of equity may dilute your ownership interest in us.

***We may not be able to comply with our customers' specifications and may be affected by customer complaints and negative publicity***

We provide IT solutions based on the demands and preferences of our customers. Many of our products and services are critical to the operations of our customers' businesses, and provide benefits which may be difficult to quantify. This exposes us to liability for issues with our products and services, and any failure thereof could result in a claim for substantial damages against us. Further, any errors by our employees in the delivery of our products or services could result in the termination of our engagement and/or claim for damages.

We maintain general liability insurance coverage, including coverage for errors or omissions, however, this may not continue to be available on reasonable terms and may be unavailable in sufficient amounts to cover one or more large claims. Also an insurer might disclaim coverage as to any future claim. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or changes in our insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, may materially and adversely affect our operating results.

As we are dependent on our reputation and the quality of our products and services for the continued growth of our business, failure to consistently deliver quality products and services necessary to develop and maintain our reputation may materially and adversely affect our ability to retain our existing customers, secure new customers or develop new market segments, thereby hampering our future business growth.

In addition to complaints arising from issues with our products and services or our failure to comply with our customers' specifications, we may also be subject to other complaints, whether valid or invalid, about our products and services. We may also be affected by negative publicity stemming from the publication of industry findings and research reports (regardless of their accuracy or validity) concerning our products and services. Such complaints and negative publicity will affect our brand image and the sale of our products and services.

***We face the risk of purchasing counterfeit or stolen IT hardware and equipment***

As a multi-vendor provider of IT hardware and equipment and a vendor-agnostic aggregator, we purchase our IT hardware and equipment from diverse channels. As such, we face the risk of our suppliers and/or customers selling us counterfeit and/or stolen IT hardware and equipment. While we have established processes for the testing and evaluation of IT hardware and equipment, as

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## RISK FACTORS

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well as training systems to ensure that our employees are equipped with the necessary knowledge and skills to appraise and identify counterfeit and/or stolen IT hardware and equipment, there can be no assurance that we will not be subject to such instances, as counterfeit and/or stolen IT hardware and equipment can be difficult to fully detect, deter and/or prevent. We have not encountered any instances whereby IT hardware and equipment which we purchased were alleged to be counterfeit and/or stolen, which had a material impact on our operations and financial condition. However, should such purchases unknowingly occur, we may suffer losses and/or negative publicity. This in turn may materially and adversely affect our reputation, business operations and results of operations.

***If we become involved in any dispute regarding our business, we may incur substantial expense and/or modify our business processes***

As a multi-vendor provider of IT hardware and equipment and a vendor-agnostic aggregator, we purchase our IT hardware and equipment from diverse channels, which we then refurbish and resell globally, independent of the manufacturer of the same. Additionally, we also provide Lifecycle Services independent of such manufacturers. Due to the price differentials between different geographical markets, such cross-border trade and provision exposes us to the risk of disputes with manufacturers, in particular, litigation and legal proceedings brought to enforce distribution rights and/or other exclusivity arrangements. In the event of any such dispute, we may incur substantial expense and the efforts of our management may be diverted in order to resolve such disputes. The outcome of any dispute would be uncertain, and even if we were to prevail, such dispute may be costly and time-consuming. We may even have to modify our business processes to avoid the risk of future dispute, or to ensure compliance with any judgment or award pursuant to any litigation or legal proceeding. We have not encountered any dispute regarding our business that has had a material impact on our operations and financial condition. However, should such disputes occur, or should we have to modify our business processes as a result, our reputation, business operations and results of operations may be materially and adversely affected.

***We may inadvertently infringe third-party intellectual property rights or may not be able to protect our intellectual property rights***

As at the date of this Prospectus, we are not aware of, nor have we received, any claims from third parties for any violations or infringements of intellectual property rights of third parties by us. Nevertheless, there can be no assurance that the products and services offered by us (including those which are provided in accordance with our customers' requirements and specifications) would not inadvertently infringe the intellectual property rights of others, or that others would not assert infringement claims against us or claim that we have infringed their intellectual property rights. Such claims against us, even if untrue or baseless, may result in significant costs, legal or otherwise, cause product shipment delays, require us to provide non-infringing products, modify our business processes, enter into licensing agreements or seriously harm our reputation and brand image. Licensing agreements, if required, may not be available on terms acceptable to us or at all. In the event of a successful claim of infringement of intellectual property rights against us and our failure or inability to provide non-infringing products or to license the infringed intellectual property rights in a timely or cost-effective manner, our business, net assets, financial condition and results of operations may be materially and adversely affected.

We have applied for registration of our trademarks to protect our intellectual property rights in Singapore, Hong Kong, Malaysia, Thailand and Indonesia. Please refer to the section entitled "*Our Business – Intellectual Property*" of this Prospectus for more information. There can be no assurance that our trademarks and/or other intellectual property rights will not be susceptible to

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## RISK FACTORS

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imitation or other forms of infringement. In the event that our trademarks and/or other intellectual property rights are imitated or otherwise infringed, our reputation and financial performance may be adversely affected. If we are unable to effectively protect our intellectual property rights, our brand reputation, sales and profitability may be adversely affected. If we are compelled to undertake litigation to protect our intellectual property rights, there may be a material adverse impact on our business and profitability.

***We are subject to regulation and other legal obligations relating to privacy and data protection***

We process, store and use personal information and other data which subjects us to regulations and other legal obligations relating to privacy and data protection. If the security measures of our designated data centres and networks are compromised, proprietary information of our customers or information belonging to our customers may be misappropriated.

A key part of our Lifecycle Services involves end-to-end asset destruction and data erasure/destruction services. If we fail to properly destroy such assets and erase such data, we may, in addition to becoming liable for defects in service, also be exposed to a claim for breach of confidentiality of customer data in our possession.

While we have not encountered any such issues, there is no assurance that our various measures will adequately address any current and/or future breaches and/or non-compliance with applicable laws and/or regulations. Inability to maintain confidentiality of customer data in our possession due to security breaches, errors, malfunctions, breakdowns of our IT systems or defects in service could damage our reputation and cause us to lose customers and subject us to significant liability under breach of confidentiality provisions, which, either alone or in aggregate could have a material adverse effect on our business, financial condition, results of operations and prospects. Additionally, any actual or perceived failure on our part to comply with such regulations and obligations could expose us to liabilities and penalties and harm our business and reputation.

***Major disruptions to our logistics capability could affect our operations***

We currently serve as a single touchpoint for our customers' IT hardware and equipment needs by leveraging on our global sourcing network and world-class reverse logistics framework. A significant element of our distributed project management methodology is to continue to leverage on and expand our ability to deliver our products and services remotely. Our global reverse logistics framework is currently operated through specialised, centralised or outsourced warehouses around the globe. We currently operate fourteen (14) local warehouses and four (4) regional warehouses and depend almost entirely on third-party transportation providers for the delivery of our products from each warehouse.

Any major disruption in service at one or more of our warehouses for any reason could cause significant delays in the shipment of our products or delivery of our services, which can in turn expose us to not just cancellations of contracts, but also, liability for damages. Our logistics capability is subject to disruption resulting from factors, including but not limited to the following:

- equipment breakdown;
- power outages;
- human error or accidents;

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## RISK FACTORS

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- physical or electronic security breaches;
- fires, earthquakes, hurricanes, tornados, floods and other natural disasters;
- public health emergencies;
- terrorist attacks; and
- theft, sabotage or vandalism.

Any disruption to our logistics capability may have a material and adverse effect on our business, results of operations and financial condition.

***Our success depends largely upon suitably skilled and experienced managerial, sales and technical employees and professionals and our ability to hire, attract, train, motivate and retain them***

Our ability to execute projects, maintain our customer relationships and obtain new customers depends largely on our ability to attract, train, motivate and retain suitably skilled and experienced managerial, sales and technical employees and professionals. Failure to do so will impair our ability to sell and deliver our products and services.

Additionally, a key part of our IT Distribution business involves the purchase of current and end-of-life IT hardware from our customers, which we then refurbish and resell, or use to support our Lifecycle Services. Accordingly, we are reliant on highly skilled technical professionals with extensive knowledge and experience of the IT industry to give fair and reasonable valuations as failure to properly value IT hardware will impair our ability to acquire IT hardware, as well as affect the competitiveness of our pricing. We believe that there is significant worldwide competition for skilled technical professionals. This affects our ability to hire an adequate number of skilled and experienced technical professionals, and our ability to do so on satisfactory terms. Additionally, changes in employment policies or laws may also affect our ability to attract and retain personnel.

Changes in technology and evolving customer preferences also require us to redeploy and retrain our sales and technical professionals. If we are unable to keep pace with such changes, this will adversely affect our ability to sell and deliver our products and services.

***Our business depends substantially on the continuing efforts of our management and other key personnel***

Our future success substantially depends upon the continued services of our management and other key employees. Our success to date has been largely attributable to the efforts of our management team. If one or more of our management or key personnel are unable or unwilling to continue in their present positions, we might not be able to replace them easily or at all. Competition for management in our industry is intense, and we may not be able to retain management personnel or attract and retain new management personnel in the future. We cannot assure you that the departure and transition of management personnel will not cause disruption to our operations or customer relationships, or materially impact our results of operations. Furthermore, if any of our management or key personnel were to join a competitor or form a competing company, we may lose customers, suppliers, expertise, key professionals and staff members.

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There can be no assurance that we will be successful in retaining our management or key employees or will be able to hire qualified management personnel to replace them, should such a need arise. In such events, our business may be severely disrupted and it may materially and adversely affect our business, net assets, financial condition and results of operations. Furthermore, we do not maintain key man life insurance for any of the senior members of our management team or other key personnel. The loss of any member of our senior management or other key personnel may have a material adverse effect on our business, results of operations and financial condition.

***Some of our products and services require significant capital outlay and rely on external financing***

Some of our products and services require significant capital outlay, in particular, for the purchase of the necessary IT hardware and equipment. To finance our provision of such products and services, we rely largely on bank facilities. We have not experienced any difficulties in repaying our borrowings, but our ability to continue to obtain the financing is subject to, amongst other things, macroeconomic factors such as the condition of the global economy, which is currently exposed to increasing inflation and interest rates. In the event that we cannot obtain the necessary financing on reasonable terms, or at all, we may be forced to scale back on some of our products and services. It should also be noted that the provision of new products and services may involve significant upfront investments and the failure of the same may result in our being unable to recover these investments, in part or in full. The occurrence of any of these events may materially and adversely affect our business, net assets, financial condition and results of operations.

***We are exposed to fluctuations in foreign exchange rates***

Our products and services are usually purchased and sold in USD. Fluctuations in foreign exchange rates may cause the prices of goods purchased in USD to vary against that of products from other countries. Such fluctuations may harm our competitiveness, which can negatively affect our sale and import of goods.

Additionally, our financial statements contained in this Prospectus and our future financial statements will be prepared in SGD, while our operating currencies comprise, amongst others, SGD, USD and GBP. Appreciation of the SGD against the USD and GBP would have an adverse currency translation effect on our consolidated financial statements.

While there are hedging instruments available to reduce our exposure to exchange rate fluctuations, the cost of such hedging instruments may fluctuate significantly over time and can outweigh the potential benefit from the reduced currency volatility. As at the Latest Practicable Date, we have not entered into any hedging transactions to reduce our exposure to foreign currency exchange risks. In future, we may hedge our material foreign currency translations after taking into consideration the quantum and impact of our foreign exchange risk exposure as well as the transaction costs of any hedging policy, and the prevailing economic and operating conditions. In any event, the availability and effectiveness of these hedges may be limited and we may not be able to hedge our exposure successfully, or at all.

We have not encountered any issues arising from fluctuations in foreign exchange rates that have had a material impact on our operations and financial condition. However, fluctuations in exchange rates may materially and adversely affect our business, net assets, financial condition and results of operations.

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***Our failure to complete fixed-price, fixed-time frame contracts or transaction-based pricing contracts within budget, on time and conditions may negatively affect our profitability***

As an element of our business strategy, we offer an increasing portion of our services on a fixed-price, fixed-time frame basis, rather than on a time-and-materials basis. In addition, pressure on the technology budgets of our customers has led us to deviate from our standard pricing policies and to offer varied pricing models to our customers in certain situations in order to remain competitive. For example, we have recently begun entering into transaction-based pricing contracts with certain customers who were not previously offered such terms in order to give our customers the flexibility to pay as they use our services.

The risk of entering into fixed-price, fixed-time frame arrangements and transaction-based pricing arrangements is that if we fail to properly estimate the appropriate pricing for a project, we may incur lower profits or losses as a result of being unable to execute projects within the time frame and with the amount of labour we expected. Although we use our past project experience to reduce the risks associated with estimating, planning and performing fixed-price, fixed-time frame projects and transaction-based pricing projects, we bear the risk of cost overruns, completion delays and wage inflation in connection with these projects.

While we have not encountered any issues arising from our entering into fixed-price, fixed-time frame arrangements and transaction-based pricing arrangements that have had a material impact on our operations and financial condition, in the event that we fail to estimate accurately the resources and time required for a project, or if we fail to complete our contractual obligations within the contracted time frame, our profitability may suffer. We expect that we will continue to enter into fixed-price, fixed-time frame and transaction-based pricing engagements in the future, and such engagements may increase in relation to the revenues generated from engagements on a time-and-materials basis, which would increase the risks to our business.

A number of our contracts have incentive-based or other pricing terms that condition some or all of our fees on our ability to meet defined performance goals or service levels. Our failure to meet these goals or a customer's expectations in such performance-based contracts may result in a less profitable or an unprofitable engagement.

***We face the risks associated with entering into longer term agreements***

While most of our products and services are offered on short-term agreements (i.e. terms of twelve (12) months or less), we offer some of our products and services via customised recurring and/or longer term service level agreements. Certain of these agreements provide our customers with a right of non-renewal and/or early termination, subject to reasonable notice period. We may be unable to replace these with new agreements of comparable size or in a timely manner. Our ability to replace such agreements is subject to competition and is affected by factors outside of our control such as the economic environment. If a substantial number of our customers opt not to renew and/or terminate their agreements early, our business, results of operations and financial condition may be adversely affected.

***We are subject to the risk of pilferage of IT hardware and equipment***

Our businesses require us to maintain an inventory of IT hardware and equipment. Additionally, we offer our customers, amongst other things, the option to consign their IT hardware and equipment. We will typically arrange for such equipment to be collected and stored at our premises until these are sold on a consignment basis. We maintain a computerised inventory system to monitor the IT hardware and equipment that is collected and kept in our storage and we



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conduct physical reviews of such IT hardware and equipment on a periodic basis. Despite such measures, and while we have not encountered any issues in terms of pilferage, there can be no assurance that there will not be any pilferage of such IT hardware and equipment by our employees and/or outsiders. A number of our contracts with customers contain provisions attributing risk of loss, damage to or destruction of IT hardware and equipment to us until sale or delivery. Our financial performance may be adversely affected if we incur significant liability as a result of the loss or damage to such consignment equipment stored at our premises.

***We may not have adequate insurance coverage for our operations***

It is generally not customary to take out an extensive insurance protection for technology businesses. We may become subject to liabilities for events for which no insurance coverage can be obtained or is obtainable on terms acceptable to us, such as natural disasters, riots, general strikes, and acts of terrorism.

A lack of or inadequate insurance coverage may expose us to substantial financial risk, for which we may not be adequately compensated or at all. We do not maintain separate funds or otherwise set aside reserves for these types of events. Any uninsured occurrence of loss or damage, litigation or business disruption may result in us incurring substantial costs and the diversion of resources, which could materially and adversely affect our business, net assets, financial condition and results of operations.

***We may not be able to maintain and/or obtain approvals and licenses from the relevant government authorities necessary to carry out or expand our business, to own real property or use land or to cope with future regulatory requirements***

We require certain licenses (in particular, business licenses) to conduct our business. These licenses are subject to periodic renewal by the relevant government authorities, and the standards of compliance required may change. We are subject to the supervision of these authorities, each of which may be able to revoke or refuse to grant and/or to extend our licenses. While we have obtained all necessary certificates required for our business operations, there can be no assurance that we will be able to obtain all necessary licenses or permits in the future. Additionally, we may be found to be in breach of any condition of applicable licence(s) or any provision of any code of practice, standard of compliance or other government regulation or regulatory requirement. In such event, the relevant government authorities may take action against us, including issuing warnings, imposing penalties (including fines and/or term of imprisonment, where applicable), suspending the licence (or part thereof), reducing the duration of the licence or imposing additional conditions and/or restrictions on the licence, and/or cancelling the licence (in whole or in part).

If any of the activities carried out by us fail to meet the requirements of current rules or regulations and we are held liable or responsible, or if we fail to obtain the grant or renewal of the required licenses, we may have to cease our business. Penalties may also be imposed upon us. These can materially and adversely affect our business, net assets, financial condition and results of operations.

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***We may be subject to penalties in respect of our UK operations for past failures to register certain exemptions under the UK's waste management regulations***

In the UK, environmental permits are required to undertake certain activities involving waste management. However, in the case of exempt activities, provided always that a business registers the necessary exemptions with the Environment Agency, a business may undertake such exempt activities without obtaining environmental permits. Please refer to the section entitled “*Government Regulations and Licensing*” of this Prospectus for more information.

We had previously registered a number of exemptions (“**1994 Exemptions**”) under the UK's Waste Management Licensing Regulations 1994 (the “**1994 Regulations**”). However, the 1994 Regulations were superseded in 2010 by the Environmental Permitting (England and Wales) Regulations 2010 (the “**2010 Regulations**”) which introduced changes to the types of exempt activities, and required businesses with existing registered exemptions under the 1994 Regulations to register exemptions afresh. We did not register fresh exemptions under the 2010 Regulations by the expiry dates specified therein, resulting in the lapsing of our 1994 Exemptions, and we only registered fresh exemptions in 2015 and 2016. Consequently, while we currently have the necessary exemptions to carry on our UK operations, we did not possess the requisite exemptions for certain waste management activities undertaken during the period between the lapsing of the 1994 Exemptions and our registration of fresh exemptions under the 2010 Regulations (the “**Intervening Period**”).

During the Intervening Period, we undertook activities involving waste management without the requisite exemptions. We are potentially at risk of regulatory enforcement action by the Environment Agency. Although no enforcement action has been taken against us as at the Latest Practicable Date, we may become subject to, amongst other things, civil penalties imposed by the Environment Agency. In such event, we may be subject to a fine which may affect our reputation, and may affect any of our business, financial condition, results of operations and prospects. We are of the view that any such fine will not have a material impact on our operations and financial condition.

We have since, in addition to our health and safety, quality and environmental officer in the UK, engaged a financial controller for our UK operations who is responsible for overseeing the Group's environmental and occupational health and safety function in the UK. Additionally, our Audit Committee will review our risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by our Board of Directors, including that in connection with compliance with environmental laws and regulations. Please refer to the section entitled “*Corporate Governance – Audit Committee*” for more information.

***We may not be able to source for suitable IT hardware and equipment, or obtain them at competitive prices***

We rely on our various supply channels for the supply of IT hardware and equipment required for our IT servers and network equipment, as well as our customers who sell us their unutilised or end-of-life IT hardware pursuant to our Hardware Resale business.

As we generally do not enter into long-term or exclusive agreements with any of our suppliers, there is no assurance that they will continue to supply us with hardware and materials at prices that are acceptable to us or at all. Particularly, IT hardware sourced through our Hardware Resale business may not necessarily come from other IT companies, and as such, it is not always a stable or reliable source. It should also be noted that our ability to source IT hardware through our

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Hardware Resale business is dependent upon our ability to give fair and reasonable valuations as failure to properly value IT hardware will impair our ability to acquire IT hardware, as well as affect the competitiveness of our pricing.

Additionally, while our Group seeks to ensure compliance with the terms of our contracts with suppliers, we cannot assure you that our current contracts will not be terminated by our suppliers or that our suppliers will always be able to supply us with hardware and materials on favourable commercial terms. Some suppliers may from time to time adopt new guidelines or policies or change their existing guidelines and policies or the way they interpret their contracts. In the event that our suppliers are unable to supply the hardware and materials and/or they terminate their supply to us for failure to comply with any guidelines or policies, there can be no assurance that we can find suitable alternatives in a timely manner so as to minimise disruption to our business and operations. If we are unable to find suitable alternatives in a timely manner, or are required to engage suitable alternatives at higher prices, this could have a material adverse effect on our business, financial condition, results of operations and prospects. We have not encountered any of the aforesaid incidents which have had an adverse material impact on our Group during the Period Under Review and from 1 January 2016 up to the Latest Practicable Date.

***We are subject to political, economic and social developments, as well as the laws, regulations and licensing requirements, in the countries in which we operate***

Our business, prospects, financial condition and results of operations may be materially and adversely affected by political, economic, social and legal developments that are beyond our control in the countries in which we operate in. Such political and economic uncertainties may include negative developments in regional and global socio-political climates, risks of war, terrorism, nationalism, expropriation or nullification of contracts, changes in macroeconomic conditions, interest rates, national fiscal and monetary policies, inflation, deflation, methods of taxation and tax policy. For example, following the referendum held on 23 June 2016 where the UK voted to leave the European Union, it is expected that there will be a period of economic uncertainty, especially for businesses in the UK and Europe.

A future tax investigation or tax review may reveal that the tax authorities have views on tax regulations and circumstances that are different from those of our Group. Any of the abovementioned events may materially and adversely affect our business, net assets, financial condition and results of operations.

***We have a limited operating history as a Group***

While our Asia-Pacific business was started in 2009 under DeClout, we have grown our footprint in the Americas, EMEA and Asia-Pacific through various investments. Accordingly, we have a relatively limited operating history as a Group and our limited historical operating results, including profit margins, may not provide a meaningful basis for investors to evaluate our business, financial performance and prospects. Given the limited operating history of our Group, our business has scaled up significantly in a relatively short period of time. Our business models are also still evolving and if we are unable to successfully implement our business models or to adapt them to the rapid changes in the IT industry, our business and performance will be adversely affected. Please refer to the section entitled “*Our Business – History and Development*” of this Prospectus for further details of our Group’s past operating history.

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### ***Fluctuations in technology spending caused by changes in macroeconomic conditions***

Spending on technology products and services is subject to fluctuations depending on many factors, including the economic environment, interest rates, currency exchange rates, recession, inflation, deflation, political uncertainty, taxation, stock market performance, unemployment level, and general consumer confidence in the markets in which our customers operate. We believe that the economic environment in the markets in which many of our customers operate remains unstable, and that the economic conditions in many countries remain challenging and may continue to be challenging in the near future. For instance, in many European countries, large government deficits together with a downgrading of government debt and credit ratings have escalated concerns about continuing weakness in the economies of such countries. Reduced technology spending in response to the challenging economic environment has also led to increased pricing pressure from our customers, which can adversely impact our revenue, gross profit, operating margin and results of operations. Moreover, in the past, reduced or delayed technology spending has also adversely impacted our employee utilisation rates, especially that of our technical professionals. This decrease in utilisation rates adversely affects our profitability, and any such future decreases, whether on account of reduced or delayed technology spending, may adversely impact our results of operations.

The recent instability in the global economy, driven by slower growth in developed markets coupled with the European debt crisis, the US financial and credit crisis (during which the US federal government was forced to take over or provide financial support to many leading financial institutions) has had an impact on the growth of the IT industry and may continue to impact it in the future. This instability also impacts our business and results of operations, and may continue to do so in the future. If the global economy weakens or destabilises, our customers may reduce or postpone their technology spending significantly, or terminate or defer their contracts with us, which may negatively affect our revenues and profitability.

In addition to the business challenges and margin pressure resulting from economic slowdown and the response of our customers to the same, there is also a growing trend among our customers towards the consolidation of IT providers in order to improve efficiency and reduce costs. Our success in the competitive bidding process for consolidated projects or in retaining existing projects is dependent on our ability to fulfil customer expectations relating to staffing, efficient provision of services, absorption of transition costs, deferment of billing and more stringent service levels. If we fail to meet a customer's expectations in such projects, this would likely adversely impact our business, revenues and operating margins. In addition, even if we are successful in winning the mandates for such projects, we may experience significant pressure on our operating margins as a result of the competitive bidding process. Moreover, our ability to maintain or increase pricing is restricted as customers often expect that as we do more business with them, they will receive volume discounts or special pricing incentives. In addition, existing and new customers are also increasingly using third-party consultants with broad market knowledge to assist them in negotiating contractual terms. Any inability to maintain or increase pricing on this account may also adversely impact our revenues, gross profits, operating margins and results of operations.

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### ***We are exposed to the credit risks of our customers***

Our business and financial results are dependent on the timely payments by, and credit worthiness of, our major customers.

Any deterioration in the financial position of our customers, particularly our major customers, may affect our profits and cash flow, as these customers may default on their payments to us. In addition, these customers may cancel their orders with us. Although we review the credit risk of our customers on a yearly basis, we cannot be assured that such defaults will not take place in the future or that we will not experience cash flow problems as a result of such defaults. We may also not be able to enforce our contractual rights to receive payment through legal proceedings.

While we have not encountered any issues arising from the credit risks of our customers that have had a material impact on our operations and financial condition, the occurrence of any default in payment may materially and adversely affect our business, net assets, financial condition and results of operations.

### ***The markets in which we operate are subject to the risk of earthquakes, floods, tsunamis and other natural and manmade disasters***

Some of the regions that we operate in are prone to earthquakes, floods, tsunamis and other natural and manmade disasters. In the event that any of our business centres are affected by any such disasters, we may sustain damage to our operations and properties, suffer significant financial losses and be unable to complete our customer engagements in a timely manner, if at all. Further, in the event of a natural disaster, we may also incur costs in redeploying personnel and property. In addition if there is a major earthquake, flood or other natural disaster in any of the locations in which our significant customers are located, we face the risk that our customers may incur losses, or sustained business interruption, which may materially impair their ability to continue their purchase of products or services from us. A major earthquake, flood or other natural disaster in the markets in which we operate could have a material adverse effect on our business, financial condition, results of operations and cash flows.

### ***Terrorist attacks, armed conflicts and increased hostilities could adversely affect our financial performance***

Terrorist attacks, armed conflicts, increased hostilities and other acts of violence or war around the world may adversely affect the regional and global financial markets. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to an economic recession and have an adverse effect on our business, results of operations and financial condition. There can be no guarantee that social and civil disturbances will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely affect our businesses, results of operations and financial condition.

### ***Intangible assets and goodwill may be subject to impairment loss***

We have expanded our business in recent years. As part of our investment and acquisition strategy, we have expanded our IT Distribution and Lifecycle Services businesses globally. The consideration for some of our investments and acquisitions was more than the net amount of identifiable assets acquired and liabilities assumed at fair value. Such difference was recognised by us as goodwill in connection with our investment. Additionally, we acquired technical know-how which was recognised as intangible assets. In accordance with our accounting policy, the carrying values of intangible assets and goodwill are reviewed at least annually (and when there is an

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indication that the asset may be impaired) to determine whether the intangible assets and goodwill have suffered any impairment loss. In the event any impairment loss is recognised, our financial condition and results of operations may be materially and adversely affected.

### **RISKS RELATING TO OWNERSHIP OF OUR SHARES**

***DeClout is our direct Controlling Shareholder. This enables them to exercise significant control over us and can subject them to conflicts of interest***

Immediately upon closing of the Offering, DeClout will still have a controlling shareholding in our Company, holding 46.5% of the voting rights. Through this shareholding, it will be in a position, irrespective of the voting behaviour of other Shareholders, to exercise considerable influence over all major decisions and developments of our Company, including the election of our Board and any Shareholders' action requiring a majority vote. Such concentration of ownership and management may also have the effect of delaying, preventing or deterring a change in control of our Group or otherwise discouraging a potential acquirer from attempting to obtain control of us. Additionally, Acclivis Technologies and Solutions Pte. Ltd. ("**Acclivis**"), which is a subsidiary of DeClout, presently engages in, amongst other things, a similar but not competing business to that of our IT Distribution business segment. It should also be noted that: (i) our Non-Executive Chairman, Mr. Wong Kok Khun, is currently the Chairman and Group CEO of DeClout; (ii) our Non-Executive Director, Mr. Lim Swee Yong, is currently the Head of Corporate Office of DeClout; and (iii) our Lead Independent Director, Mr. Ho Chew Thim, is also the lead independent director of DeClout.

While mitigating measures have been implemented, there can be no assurance that these will be sufficient. Please refer to the section entitled "*Interested Person Transactions and Conflicts of Interest – Potential Conflicts of Interest*" of this Prospectus for more information. Any conflicts of interest described above can materially and adversely affect our business, net assets, financial condition and results of operations.

### ***Our Shares may not be a suitable investment for all investors***

Each prospective investor in the Shares must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Shares, our Company, the merits and risks of investing in the Shares and the information contained or incorporated by reference in this Prospectus;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Shares and the effect the Shares will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Shares, including where the currency of the Shares is different from the prospective investor's currency;
- understand thoroughly the terms of the Shares; and
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic and other factors that may affect its investment and its ability to bear the applicable risks.

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***Public trading in our Shares might not develop. The Offering may not result in an active or liquid market on the SGX-ST for our Shares***

We have received an eligibility-to-list letter from the SGX-ST to have our Shares listed and quoted on the SGX-ST. Listing and quotation does not, however, guarantee that liquid trading in our Shares will develop after the Offering and that its price will not fall below the Offering Price. The Offering Price for the New Shares was determined by way of a book-building procedure and will not necessarily provide any indication of the price at which they will subsequently be traded on the SGX-ST. We cannot predict the extent of investors' interest in our Shares, or that such interest will foster trading, in particular, if the number of Shares allotted to investors in the course of the Offering will be substantially less than envisaged. Although we currently intend that our Shares will remain listed on the SGX-ST, there is no guarantee of the continued listing of our Shares on the SGX-ST. If our Shares are suspended from quotation on, or removed from trading on the SGX-ST, you will not be able to trade your Shares on the same and there is no assurance that you will be entitled to compensation or an exit offer, or should you be so entitled, that you will receive realisation for your investments that you would have been able to obtain through trading your Shares on the SGX-ST.

***Future sales or issuances of a substantial number of our Shares may depress the market price of our Shares. Future capitalisation measures could lead to substantial dilution of existing Shareholders' interests in our Company***

Sales of substantial amounts of our Shares in the public market following the Offering or the perception that these sales could occur, could cause the market value of our Shares to decline. These sales could also make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we consider appropriate.

Immediately upon closing of the Offering, DeClout will still have a controlling shareholding in our Company, holding 46.5% of the voting rights. All of these shares are bound by a moratorium for a period of six (6) months from the admission of our Shares to trading on the SGX-ST. In addition, certain other Shareholders have also agreed to subject their shares to a moratorium. Please refer to the section entitled "*Shareholders – Moratorium*" of this Prospectus for more information.

In addition to the above, our issuance of additional equity securities or securities with rights to convert into equity could potentially reduce the market price of our Shares and would dilute the economic and voting rights of existing Shareholders if made without granting subscription rights to these Shareholders.

We cannot be assured that our Shareholders will not sell a substantial number of their Shares following the expiry of their respective moratoriums. A sale of a substantial number of these Shares or the perception that these sales could occur could cause the market value of our Shares to decline.

***Our Share price may fluctuate following the Offering***

After the Offering, the price of our Company's shares could fluctuate significantly and rapidly in response to, amongst other things, the following factors, some of which are beyond our control:–

- changes in conditions affecting our industry, general economic and stock market conditions, stock market sentiments or other events or factors;
- variations in our operating results;

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- changes in securities analysts' recommendations, perceptions or estimates of our financial performance;
- changes in market valuations and share prices of companies with similar businesses to our Company and which are listed on the SGX-ST;
- the general volatility of stock exchange prices;
- announcements by our competitors or us of gain or loss of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- fluctuations in stock price and trading volume;
- involvements in litigation or arbitration;
- success or failure of our management team in implementing business and growth strategies; and
- negative publicity involving our Company, any of our Directors, Executive Officers or Substantial Shareholders, whether or not it is justified.

***Investors in our Shares would face immediate and substantial dilution in NAV per Share and may experience future dilution***

Our Offering Price is higher than our Group's NAV per Share of 24.6 cents as at 31 December 2015 (adjusted for the effects of the Offering). Thus, there is an immediate and substantial dilution in the NAV per Share for investors who purchase our Shares. If we were liquidated for NAV immediately following the Offering, each Shareholder subscribing to the Offering would receive less than the price they paid for their Shares. Please refer to the section entitled "*Dilution*" of this Prospectus for more information.

In addition, we intend to issue Options under our Procurri ESOS and share awards under our Procurri PSP. To the extent that new Shares are issued pursuant to the exercise of our Options, or such awards are released and new Shares are issued pursuant to such release, there will be further dilution to investors participating in the Offering. Further details of the Procurri PSP and Procurri ESOS are described under the section entitled "*Procurri PSP*" and "*Procurri ESOS*" of this Prospectus and in Appendices E and F in this Prospectus where the rules of the Procurri PSP and Procurri ESOS respectively are set out.

***We may not be able to pay dividends***

Our ability to declare dividends in relation to our Shares will depend on our future financial performance which, in turn, depends on successfully implementing our strategy and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices of our products, and other factors specific to our industry, many of which are beyond our control.

Further, our ability to declare dividends will also be dependent on dividend distributions from our principal operating subsidiaries and associated companies. While none of our principal operating subsidiaries and associated companies currently have any such loan facilities, they may, from



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time to time, enter into loan facilities with various banks and financial institutions pursuant to which the relevant subsidiary or associate may be prohibited from making any distribution (including dividends) unless the relevant bank or financial institution has determined that such distribution will not affect the ability of that subsidiary or associate, as the case may be, from repaying that particular loan.

In addition, the receipt of dividends from our principal operating subsidiaries and associated companies may be adversely affected by the passage of new laws, adoption of new regulations or changes to, or in the interpretation or implementation of, existing laws and regulations and other events beyond our control.

Please refer to the section entitled “*Dividend Policy*” of this Prospectus for more information. Fluctuations in the exchange rate between the SGD, USD and GBP or other currencies could adversely affect the foreign currency value of our dividends.

### ***Singapore law contains provisions that could discourage a take-over of our Company***

Sections 138, 139 and 140 of the SFA and the Take-over Code (collectively, the “**Singapore Take-over Laws and Regulations**”) contain certain provisions that may delay, deter or prevent a future take-over or change in control of our Company for so long as our Shares are listed for quotation on the SGX-ST. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of our Shares, or, if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of our Shares, and he (or parties acting in concert with him) acquires additional Shares representing more than 1.0% of our voting Shares in any six (6) month period, must, except with the consent of the SIC, extend a take-over offer for the remaining Shares in accordance with the provisions of the Singapore Take-over Laws and Regulations. While the Singapore Take-over Laws and Regulations seek to ensure equality of treatment among Shareholders, their provisions may discourage or prevent certain types of transactions involving an actual or threatened change of control of our Company. Some of our Shareholders, which may include you, may therefore be disadvantaged as a transaction of that kind might have allowed the sale of shares at a price above the prevailing market price.

### ***Overseas Shareholders may not be able to participate in future rights offerings or certain other equity issues by us***

If we offer, or cause to be offered, to holders of our Shares rights to subscribe for additional Shares or any right of any other nature, we will have discretion as to the procedure to be followed in making these rights available to holders of our Shares or in disposing of these rights for the benefit of such holders and making the net proceeds available to such holders. We may not be able to offer these rights to the holders of our Shares having an address in a jurisdiction outside Singapore. Accordingly, Shareholders who are outside or have a registered address outside Singapore may be unable to participate in rights offerings and may experience a dilution in their holdings as a result.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected consolidated financial information should be read in conjunction with the full text of this Prospectus, including the section entitled “*Management’s Discussion and Analysis of Results of Operations and Financial Position*” of this Prospectus, and the sections entitled “*Audited Consolidated Financial Statements for the Financial Years ended 31 December 2013, 2014 and 2015*” and “*Unaudited Pro Forma Consolidated Statement of Financial Position for the Financial Year ended 31 December 2015*” as set out in Appendix A and B of this Prospectus.

### Consolidated Statements of Comprehensive Income

	FY2013 S\$’000	FY2014 S\$’000	FY2015 S\$’000
<b>Revenue</b>	28,400	76,901	122,814
Cost of sales	(19,077)	(52,533)	(81,192)
<b>Gross profit</b>	9,323	24,368	41,622
<b>Other items of income</b>			
Other income	271	1,024	840
<b>Other items of expense</b>			
Selling expenses	(347)	(6,455)	(9,665)
Administrative expenses	(7,630)	(13,883)	(21,414)
Finance costs	(147)	(571)	(532)
Other credits/(charges), net	186	(475)	(854)
<b>Profit before tax</b>	1,656	4,008	9,997
Income tax credit/(expense)	297	(742)	(1,225)
<b>Profit for the year</b>	1,953	3,266	8,772
<b>Other comprehensive income:</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation	*(1)	65	(402)
Other comprehensive income for the financial year, net of tax	*(1)	65	(402)
<b>Total comprehensive income for the financial year</b>	1,953	3,331	8,370
<b>Profit for the year is to:</b>			
Owners of the Company	1,975	2,790	8,772
Non-controlling interests	(22)	476	–
<b>Profit for the year attributable to owners of the Company</b>	1,953	3,266	8,772
<b>Comprehensive income attributable to:</b>			
Owners of the Company	1,975	2,836	8,370
Non-controlling interests	(22)	495	–
<b>Total comprehensive income for the financial year attributable to owners of the Company</b>	1,953	3,331	8,370

**Note:**

(1) \* Less than S\$1,000

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## SELECTED CONSOLIDATED FINANCIAL INFORMATION

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	FY2013 S\$'000	FY2014 S\$'000	FY2015 S\$'000
<b>EPS attributable to owners of the Company (cents per share)</b>			
EPS <sup>(1)</sup>	92.9	2.0	4.3
EPS based on pre-Offering share capital <sup>(2)</sup>	0.9	1.3	4.2
EPS based on post-Offering share capital <sup>(3)</sup>	0.7	1.0	3.1

**Notes:**

- (1) Computed based on our weighted average number of shares (assuming sub-division of every one (1) Share into 6,500 Shares had occurred) of 2,125,010 Shares in FY2013, 139,929,863 Shares in FY2014 and 202,223,726 Shares in FY2015.
- (2) For comparative purposes, EPS for the Period Under Review is computed based on profit attributable to owners of our Company from continuing operations and our Company's pre-Offering Share Capital of 211,120,000 Shares.
- (3) For comparative purposes, EPS for the Period Under Review is computed based on profit attributable to owners of our Company from continuing operations and our Company's post-Offering Share Capital of 280,000,000 Shares.

## SELECTED CONSOLIDATED FINANCIAL INFORMATION

### Consolidated Statements of Financial Position of our Group

	FY2013 S\$'000	FY2014 S\$'000	FY2015 S\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	4,112	7,188	9,022
Intangible assets	–	15,029	16,901
Finance lease receivables	178	593	445
Deferred tax asset	457	579	897
	4,747	23,389	27,265
<b>Current assets</b>			
Inventories	3,259	7,645	11,168
Trade and other receivables	5,694	43,393	35,374
Income tax recoverable	416	–	–
Prepayments	251	899	1,884
Finance lease receivables	330	539	744
Derivative financial assets	–	691	–
Cash and bank balances	1,941	6,884	4,932
	11,891	60,051	54,102
<b>Total assets</b>	16,638	83,440	81,367
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	4,642	32,995	24,992
Advance billings	888	1,809	2,473
Loans and borrowings	2,303	13,344	13,863
Income tax payable	–	778	566
	7,833	48,926	41,894
<b>Net current assets</b>	4,058	11,125	12,208
<b>Non-current liabilities</b>			
Deferred tax liabilities	–	368	426
Loans and borrowings	802	3,292	4,653
Provisions	70	70	70
	872	3,730	5,149
<b>Total liabilities</b>	8,705	52,656	47,043
<b>Net assets</b>	7,933	30,784	34,324
<b>Equity attributable to owners of the Company</b>			
Share capital	1,257	27,883	33,062
Retained earnings	3,351	6,141	14,913
Other reserves	2,000	(4,413)	(13,749)
	6,608	29,611	34,226
Non-controlling interests	1,325	1,173	98
<b>Total equity</b>	7,933	30,784	34,324
<b>Total equity and liabilities</b>	16,638	83,440	81,367

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## SUMMARY OF OUR PRO FORMA FINANCIAL INFORMATION

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The following selected consolidated financial information should be read in conjunction with the full text of this Prospectus, including the section entitled “*Management’s Discussion and Analysis of Results of Operations and Financial Position*” of this Prospectus, and the sections entitled “*Audited Consolidated Financial Statements for the Financial Years ended 31 December 2013, 2014 and 2015*” and “*Unaudited Pro Forma Consolidated Statement of Financial Position for the Financial Year ended 31 December 2015*” as set out in Appendix A and B of this Prospectus.

The unaudited pro forma consolidated statement of financial position of the Group for the Financial Year ended 31 December 2015 (the “**Pro Forma Financial Information**”) has been prepared for illustrative purposes only, and is based on certain assumptions and after making certain adjustments to illustrate the impact of (a) the acquisition of remaining shares in Procurri Asia Pacific and (b) the renovation of new leased office premises (collectively, the “**Significant Events**”) on the Group’s financial position as at 31 December 2015. The objective of the Pro Forma Financial Information is to show what the historical financial information would have been had the Significant Events existed as at 31 December 2015. However, the Pro Forma Financial Information is not necessarily indicative of the related effects on our financial position that would have been obtained had the Significant Events actually existed earlier. Accordingly, such information, because of its nature, may not be reflective of our Group’s actual financial position, financial performance and cash flows, and does not purport to predict the future financial position of our Group.

The Pro Forma Financial Information is based on the audited consolidated financial statements for the Financial Year ended 31 December 2015, which have been prepared in accordance with the Singapore Financial Reporting Standards.

The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Group for the Financial Year ended 31 December 2015 have not been disclosed as the Significant Events, if assumed to be in existence since 1 January 2015, would not have had a material impact on the unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Group for the Financial Year ended 31 December 2015.

The Pro Forma Financial Information is prepared using the same accounting policies as the audited consolidated financial statements for the Financial Year ended 31 December 2015 as disclosed in Note 2 to the “*Audited Consolidated Financial Statements for the Financial Years ended 31 December 2013, 2014 and 2015*” as set out in Appendix A of this Prospectus.

## SUMMARY OF OUR PRO FORMA FINANCIAL INFORMATION

### Statement of Adjustments for the Unaudited Pro Forma Consolidated Statement of Financial Position

	Audited Consolidated Statement of Financial Position S\$'000	Pro Forma Adjustments S\$'000	Unaudited Pro Forma Consolidated Statement of Financial Position S\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	9,022	1,710 <sup>(1)</sup>	10,732
Intangible assets	16,901	–	16,901
Finance lease receivables	445	–	445
Deferred tax asset	897	–	897
	27,265	1,710	28,975
<b>Current assets</b>			
Inventories	11,168	–	11,168
Trade and other receivables	35,374	–	35,374
Prepayments	1,884	–	1,884
Finance lease receivables	744	–	744
Cash and bank balances	4,932	–	4,932
	54,102	–	54,102
<b>Total assets</b>	81,367	1,710	83,077
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	24,992	8,710 <sup>(1)(2)</sup>	33,702
Advance billings	2,473	–	2,473
Loans and borrowings	13,863	–	13,863
Income tax payable	566	–	566
	41,894	8,710	50,604
<b>Net current assets</b>	12,208	(8,710)	3,498
<b>Non-current liabilities</b>			
Deferred tax liabilities	426	–	426
Loans and borrowings	4,653	–	4,653
Provisions	70	–	70
	5,149	–	5,149
<b>Total liabilities</b>	47,043	8,710	55,753
<b>Net assets</b>	34,324	7,000	27,324

## SUMMARY OF OUR PRO FORMA FINANCIAL INFORMATION

	Audited Consolidated Statement of Financial Position S\$'000	Pro Forma Adjustments S\$'000	Unaudited Pro Forma Consolidated Statement of Financial Position S\$'000
<b>Equity attributable to owners of the Company</b>			
Share capital	33,062	–	33,062
Retained earnings	14,913	–	14,913
Other reserves	(13,749)	(6,902) <sup>(2)</sup>	(20,651)
	34,226	(6,902)	27,324
Non-controlling interests	98	(98) <sup>(2)</sup>	–
<b>Total equity</b>	34,324	(7,000)	27,324
<b>Total equity and liabilities</b>	81,367	1,710	83,077

**Notes:**

- (1) Renovation of new leased office premises.

On 9 May 2016, we entered into lease agreements with Natural Cool Investments Pte Ltd for office premises located at 29 Tai Seng Avenue, #01-02 and #02-01, Natural Cool Lifestyle Hub, Singapore 534119. We expect to incur capital expenditure of S\$1,710,000 for the renovation of the aforementioned premises.

- (2) Acquisition of the remaining 49.0% of Procurri Asia Pacific.

On 23 December 2015, we exercised our call option over, and acquired from Allied Knights, the remaining shares in Procurri Asia Pacific. Procurri Asia Pacific had, before the exercise of our call option over the remaining shares in Procurri Asia Pacific, been our 51.0% subsidiary (please refer to the sections entitled “*Restructuring Exercise*” and “*Our Business – History and Development*” of this Prospectus for more information). The consideration for the exercise of the call option and acquisition was S\$7,000,000, which was satisfied by way of the allotment and issue of fully paid ordinary shares in the capital of DeClout. The shareholder of Allied Knights is not related to any of our Directors, Controlling Shareholders or their respective associates.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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The following discussion and analysis of our results of operations and financial position has been prepared by our management and should be read in conjunction with the sections entitled “*Audited Consolidated Financial Statements for the Financial Years ended 31 December 2013, 2014 and 2015*” and “*Unaudited Pro Forma Consolidated Statement of Financial Position for the Financial Year ended 31 December 2015*” as set out in Appendix A and B of this Prospectus.

This discussion and analysis contains forward-looking statements that reflect our current views with respect to future events and our financial performance and they involve risks and uncertainties. Our actual results may differ significantly from those anticipated in the forward-looking statements as a result of any number of factors, including those set forth in this section and under the sections entitled “*Risk Factors*” and “*Cautionary Note on Forward-Looking Statements*”. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Prospectus, particularly in the section entitled “*Risk Factors*”. Under no circumstances should the inclusion of such forward-looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by our Company, the Issue Manager, Bookrunner or Underwriter or any other person. Investors are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please refer to the sections entitled “*Risk Factors*” and “*Cautionary Note on Forward-Looking Statements*” of this Prospectus for more information.

### OVERVIEW

We are one of the leading global independent providers of Data Centre Equipment and Lifecycle Services. Please refer to the section entitled “*General Information on our Group – Our Business*” of this Prospectus for further details.

### Revenue

Revenue derived from our IT Distribution business includes revenue derived from (a) Hardware Resale, which comprises income derived from the distribution of IT hardware and equipment, including but not limited to pre-owned servers, storage and networking equipment; and (b) Supply Chain Management, where income is derived from assisting OEMs in the distribution of their goods as part of their supply chain activities.

Revenue derived from our Lifecycle Services business includes revenue derived from (a) Independent Maintenance Services, which comprises the rendering of independent IT maintenance services for a variety of IT hardware and equipment; (b) Hardware-as-a-Service, which comprises the provision of IT hardware and equipment as a service on a transaction-based pricing model; and (c) IT Asset Disposition, which comprises the provision of service to extend the life of equipment and to extract greater value for retired technology, by means of equipment refurbishment and data destruction services, and asset disposal services to help our customers yield greater corporate and environment sustainability.

Revenue derived from the IT Distribution business is recognised when the significant risks and rewards of ownership have been transferred to the buyer. Revenue derived from the Lifecycle Services that are of a short duration of three (3) months or less is recognised on the completion of services rendered. Revenue derived from the rendering of Independent Maintenance Services and our Hardware-as-a-Service over a longer duration, which is earned in the form of upfront and variable payments, is deferred and recognised on a monthly basis over the contract period, based on the terms of the contract.



## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

The following table shows the breakdown of our revenue by business divisions:

Revenue	FY2013		FY2014		FY2015	
	S\$'000	%	S\$'000	%	S\$'000	%
IT Distribution	23,197	81.7	62,606	81.4	99,564	81.1
Lifecycle Services	5,203	18.3	14,295	18.6	23,250	18.9
	<b>28,400</b>	<b>100.0</b>	<b>76,901</b>	<b>100.0</b>	<b>122,814</b>	<b>100.0</b>

The following table shows the breakdown of our revenue from continuing operations by geographical segments:

Geographical Segment	FY2013		FY2014		FY2015	
	S\$'000	%	S\$'000	%	S\$'000	%
<b>Revenue</b>						
Asia-Pacific	11,969	42.1	15,453	20.1	21,404	17.4
EMEA	–	–	23,209	30.2	41,447	33.7
Americas	16,431	57.9	38,239	49.7	59,963	48.9
	<b>28,400</b>	<b>100.0</b>	<b>76,901</b>	<b>100.0</b>	<b>122,814</b>	<b>100.0</b>

The following table shows the breakdown of our revenue from our respective geographical segments by business divisions:

Geographical Segment by Business	FY2013		FY2014		FY2015	
	S\$'000	%	S\$'000	%	S\$'000	%
<b>Asia-Pacific</b>						
IT Distribution	7,261	60.7	7,631	49.4	9,229	43.1
Lifecycle Services	4,708	39.3	7,822	50.6	12,175	56.9
	<b>11,969</b>	<b>100.0</b>	<b>15,453</b>	<b>100.0</b>	<b>21,404</b>	<b>100.0</b>
<b>EMEA</b>						
IT Distribution	–	–	22,857	98.5	39,278	94.8
Lifecycle Services	–	–	352	1.5	2,169	5.2
	<b>–</b>	<b>–</b>	<b>23,209</b>	<b>100.0</b>	<b>41,447</b>	<b>100.0</b>
<b>Americas</b>						
IT Distribution	15,936	97.0	32,118	84.0	51,057	85.1
Lifecycle Services	495	3.0	6,121	16.0	8,906	14.9
	<b>16,431</b>	<b>100.0</b>	<b>38,239</b>	<b>100.0</b>	<b>59,963</b>	<b>100.0</b>

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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The key factors that can affect our revenue include the following:

(a) *General economic or political conditions of countries in which we operate*

Our ability to secure new customers and contracts is dependent on the general economic conditions or political conditions of the countries in which we operate. In particular, trends in corporate earnings and IT expenditure of our customers which operate in those countries will affect our revenue.

(b) *Growth in the cloud services and data centre industry*

The growth in the cloud services and data centre industry will drive demand for Data Centre Equipment and services to support the IT infrastructure of cloud and data centre service providers. In particular, the demand for our IT Distribution and Lifecycle Services will affect our revenue.

(c) *Ability to maintain existing relationship with suppliers of IT hardware and equipment and to source IT hardware and equipment per customers' request*

Revenue for our IT Distribution is dependent on our ability to maintain existing supplier relationship and source IT hardware and equipment per customers' request. The gain or loss of supplier relationships may have an impact on our revenue.

(d) *Ability to enhance or maintain our quality of services to meet customer expectations*

We need to constantly enhance or maintain the quality of our services to meet our customers' expectations. Our future revenue is dependent on customers' acceptance of our service offerings and our ability to meet their IT requirements.

(e) *Competitive landscape*

The IT Distribution and Lifecycle Services markets are highly fragmented and the number of competitors will affect our market share and margins.

(f) *Premature termination of our long-term contracts and non-renewal of recurring contracts*

Some of our contracts are recurring or long-term contracts. Certain long-term contracts may entitle customers to terminate the arrangement early, subject to reasonable notice period. If a substantial number of customers with such contracts opt to terminate their contracts prematurely, or opt not to renew their contracts, our revenue will be adversely affected.

A detailed account of the risk factors affecting our business activities are set out under the section entitled "*Risk Factors*" in this Prospectus.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

### Gross Profit and Gross Profit Margin

Gross profit represents revenue earned by our Group after deducting the cost of goods sold and direct expenses attributable to the sales.

The following table shows the breakdown of our gross profit and gross profit margin by business divisions:

Gross Profit	FY2013		FY2014		FY2015	
	S\$'000	%	S\$'000	%	S\$'000	%
IT Distribution	6,613	70.9	16,265	66.7	27,433	65.9
Lifecycle Services	2,710	29.1	8,103	33.3	14,189	34.1
	9,323	100.0	24,368	100.0	41,622	100.0

Gross Profit Margin	FY2013	FY2014	FY2015
IT Distribution	28.5%	26.0%	27.6%
Lifecycle Services	52.1%	56.7%	61.0%
	32.8%	31.7%	33.9%

The following table shows the breakdown of our gross profit and gross profit margin from continuing operations by geographical segments:

Gross Profit	FY2013		FY2014		FY2015	
	S\$'000	%	S\$'000	%	S\$'000	%
Asia-Pacific	4,428	47.5	6,249	25.6	11,269	27.1
EMEA	–	–	7,761	31.9	13,122	31.5
Americas	4,895	52.5	10,358	42.5	17,231	41.4
	9,323	100.0	24,368	100.0	41,622	100.0

Gross Profit Margin	FY2013	FY2014	FY2015
Asia-Pacific	37.0%	40.4%	52.6%
EMEA	–	33.4%	31.7%
Americas	29.8%	27.1%	28.7%
	32.8%	31.7%	33.9%

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Our gross profit margins for each geographical segment differ due to the different business segment mix in each of the different geographies. Our Asia-Pacific operations have the highest gross profit margin as they have the largest contribution from the higher margin Lifecycle Services segment as compared to our operations in EMEA and the Americas. Our operations in EMEA, despite being predominantly in the IT Distribution segment, are able to command a higher gross profit margin than the overall IT Distribution segment due to our ability to leverage on relationships with long-term customers in the EMEA region.

The major factors that affect our cost of sales include:

(a) *Cost of goods*

In the reselling of IT hardware and equipment, costs of such goods account for a major portion of our cost of sales. It is affected by the price and bulk discounts, if any, offered to us by our suppliers at the time of purchase. The pricing is dependent upon the demand for and supply of the IT hardware and equipment which we use in delivering our services to our customers.

(b) *Cost of direct labour employed to deliver our products and services*

Employee benefits expense is the cost of staff who are involved in directly delivering our *products and services* to our customers. Apart from salaries and wages, such costs also include government levies such as foreign workers levy.

(c) *Level of capital expenditure on equipment to service our customers*

As our business volume increases, we may invest further in equipment to better service our customers. The increase in investments in these equipment and the associated setup costs will increase our depreciation expenses.

### Other Income

Other income relates mainly to interest income, government grants, recovery of freight costs, sales of other ancillary services and recovery of costs incurred on behalf of our customers. Other income represented approximately 1.0%, 1.3% and 0.7% of our revenue in FY2013, FY2014 and FY2015 respectively.

### Operating Expenses

The following table shows the changes in our total operating expenses as compared to the changes in our revenue in the last three (3) financial years.

	FY2013	FY2014	FY2015
Total operating expenses (S\$'000)	7,791	20,813	31,933
Change in total operating expenses (%)	n.m.	167.1	53.4
Revenue (S\$'000)	28,400	76,901	122,814
Change in revenue (%)	n.m.	170.8	59.7

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Our operating expenses include selling expenses, administrative expenses and finance costs. Administrative expenses comprise depreciation of plant and equipment, amortisation of intangible assets, employee benefits expense and other operating expenses. Operating expenses represented approximately 27.4%, 27.1% and 26.0% of our revenue in FY2013, FY2014 and FY2015, respectively.

Depreciation of plant and equipment accounted for approximately 4.3%, 5.0% and 4.3% of operating expenses in FY2013, FY2014 and FY2015, respectively.

Amortisation of intangible assets accounted for approximately 0.0%, 0.8% and 0.7% of operating expenses in FY2013, FY2014 and FY2015, respectively.

Employee benefits expense accounted for approximately 56.6%, 39.4% and 43.7% of operating expenses in FY2013, FY2014 and FY2015, respectively. Our employee benefits expense mainly comprises wages, salaries, bonus, employer's contribution to defined contribution plans, staff welfare and benefits.

Selling expenses accounted for approximately 4.5%, 31.0% and 30.3% of operating expenses in FY2013, FY2014 and FY2015, respectively. Selling expenses mainly comprise sales commission payable to sales staff as well as marketing and entertainment expenses.

Other operating expenses accounted for approximately 34.6%, 23.8% and 21.0% of operating expenses in FY2013, FY2014 and FY2015, respectively. Other operating expenses mainly comprise office rental, travelling expenses, professional fees, management fee, allowance for stock obsolescence, and allowance for doubtful debt.

### Tax Expense

Our tax expense for FY2013, FY2014 and FY2015 comprises current tax expense and deferred tax expense. Current tax expense is the expected tax payable on the taxable income for FY2013, FY2014 and FY2015 using tax rates enacted or substantively enacted at the respective reporting dates, and any adjustment to tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Our operations in the US, the UK, Mexico, Singapore and Malaysia are subject to corporate tax rates of 40.0%, 21.0%, 30.0%, 17.0% and 25.0%, respectively.

Our tax expense and the effective tax rates are set out below:

	FY2013 S\$'000	FY2014 S\$'000	FY2015 S\$'000
Current tax expense	25	753	1,459
Deferred tax income	(322)	(11)	(234)
Tax (income)/expense	(297)	742	1,225
Effective tax rate (%)	n.m.	18.5	12.3

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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The effective tax rates were lower than the statutory tax rates in the countries that we operate in, mainly due to effects of utilisation of unabsorbed capital allowances and tax losses from prior years, partial tax exemption and relief, tax rebates and tax incentives.

### Profit for the Year

The following table shows the breakdown of our profit after tax by geographical segments:

	FY2013		FY2014		FY2015	
	S\$'000	%	S\$'000	%	S\$'000	%
Asia-Pacific	1,551	79.4	1,038	31.8	4,673	53.3
EMEA	–	–	1,248	38.2	1,537	17.5
Americas	402	20.6	980	30.0	2,562	29.2
	1,953	100.0	3,266	100.0	8,772	100.0

### INFLATION

The impact of inflation on our financial performance over the Period Under Review was not significant.

### REVIEW OF PAST OPERATING PERFORMANCE

#### FY2013 vs FY2014

##### Revenue

Revenue increased by approximately S\$48.5 million or 170.8%, from S\$28.4 million in FY2013 to S\$76.9 million in FY2014. This was due to the increase in revenue derived from our IT Distribution business of S\$39.4 million or 169.9%, from S\$23.2 million in FY2013 to S\$62.6 million in FY2014 and the increase in revenue derived from our Lifecycle Services business of S\$9.1 million or 174.7%, from S\$5.2 million in FY2013 to S\$14.3 million in FY2014.

Revenue from our Asia-Pacific operations increased by approximately S\$3.5 million or 29.2%, from S\$12.0 million in FY2013 to S\$15.5 million in FY2014, revenue contribution from the UK acquisition was S\$23.2 million, and revenue from the Americas increased by approximately S\$21.8 million or 132.9% from S\$16.4 million in FY2013 to S\$38.2 million in FY2014.

The increase in revenue was mainly attributable to the following reasons:

- (a) acquisition of 51.0% shareholding interests in Tinglobal in the UK ("**TGH Acquisition**"), which increased revenue by approximately S\$23.2 million;
- (b) higher deal volume and size in our IT Distribution business and the launch of our Lifecycle Services offering in the US, which increased revenue by approximately S\$21.8 million; and
- (c) acquisition of 100.0% shareholding interests in Procurri Malaysia in Asia, which increased revenue by approximately S\$2.7 million.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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### **Gross Profit and Gross Profit Margin**

Gross profit increased by approximately S\$15.1 million or 162.4%, from S\$9.3 million in FY2013 to S\$24.4 million in FY2014. The increase was in line with the increase in revenue from FY2013 to FY2014.

Gross profit from our Asia-Pacific operations increased by approximately S\$1.8 million or 40.9% from S\$4.4 million in FY2013 to S\$6.2 million in FY2014, gross profit contributed by the TGH Acquisition in the UK was approximately S\$7.8 million, and gross profit from the US increased by approximately S\$5.5 million or 111.6% from S\$4.9 million in FY2013 to S\$10.4 million in FY2014.

Gross profit margin decreased by 1.1 percentage points, from 32.8% in FY2013 to 31.7% in FY2014, mainly due to a decline in gross profit margin from our IT Distribution business. Gross profit margin in our IT Distribution business decreased by 2.5 percentage points from 28.5% in FY2013 to 26.0% in FY2014, mainly due to our efforts to increase our market share through more competitive pricing. This is partially offset by an increase in gross profit margin of 4.6 percentage points in our Lifecycle Services business, from 52.1% in FY2013 to 56.7% in FY2014. This was mainly due to the increased efficiency in the deployment of our resources through economies of scale.

### **Other Income**

Other income increased by approximately S\$0.7 million or 277.9%, from S\$0.3 million in FY2013 to S\$1.0 million in FY2014. The increase was mainly due to increases in sales of other ancillary services and recovery of freight costs.

### **Operating Expenses**

Depreciation of plant and equipment increased by approximately S\$0.8 million or 212.5%, from S\$0.3 million in FY2013 to S\$1.1 million in FY2014 due to the additional depreciation expense on plant and equipment incurred on the consolidation of new subsidiaries.

Amortisation of intangible assets was S\$0.2 million in FY2014 due to customer relationships arising from the TGH Acquisition.

Employee benefits expense increased by approximately S\$3.8 million or 85.8%, from S\$4.4 million in FY2013 to S\$8.2 million in FY2014 mainly due to an increase in payroll and staff-related expenses. Our staff number increased from 177 as at 31 December 2013 to 226 as at 31 December 2014, mainly as a result of the TGH Acquisition.

Selling expenses increased by approximately S\$6.2 million or 1,760.2%, from S\$0.3 million in FY2013 to S\$6.5 million in FY2014. The increase was mainly due to increased sales commission paid to the sales force, in line with our revenue increase.

Other operating expenses increased by approximately S\$2.0 million or 71.4%, from S\$2.8 million in FY2013 to S\$4.8 million in FY2014. The increase was mainly due to increases in office rental, professional fees, allowance for impairment of trade receivables and inventories written off as a result of our acquisitions of subsidiaries during the year.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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Overall, total operating expenses increased by approximately S\$13.0 million or 167.1%, from S\$7.8 million in FY2013 to S\$20.8 million in FY2014.

### **Finance Expense**

Finance expense increased by approximately S\$0.5 million or 288.4%, from S\$0.1 million in FY2013 to S\$0.6 million in FY2014. Finance expense in FY2013 comprised mainly interest expense from bank borrowings. In FY2014, the increase in finance expenses was mainly due to an 8% interest-bearing loan note of approximately S\$1.1 million (GBP0.5 million) carried over from the TGH Acquisition. The total finance expense incurred in FY2014 for this loan note was S\$0.2 million.

### **Profit Before Tax**

Profit before tax increased by approximately S\$2.3 million or 142.0%, from S\$1.7 million in FY2013 to S\$4.0 million in FY2014.

### **Tax Expense**

Tax expense increased by approximately S\$1.0 million from a tax credit of S\$0.3 million in FY2013 to a tax expense of S\$0.7 million in FY2014. The increase was mainly due to the increase in our taxable income. The tax credit of S\$0.3 million in FY2013 was mainly due to effects of unutilised tax losses in our Singapore operations. Our effective tax rate in FY2014 was 18.5%.

### **Profit for the Year**

Profit for the year increased by approximately S\$1.3 million or 67.2%, from S\$2.0 million in FY2013 to S\$3.3 million in FY2014.

Breaking down by geographical segments, the profit generated from our Americas operations increased from S\$0.4 million in FY2013 to S\$1.0 million in FY2014, the profit generated from our EMEA operations was S\$1.2 million in FY2014 due to the TGH Acquisition. The profit generated from our Asia-Pacific operations decreased by approximately S\$0.6 million from S\$1.6 million or 33.1% in FY2013 to S\$1.0 million in FY2014. The decrease was mainly attributed to the absence of the S\$0.3 million tax credit and other income of approximately S\$0.2 million from the disposal of plant and equipment in FY2013.

### **FY2014 vs FY2015**

#### **Revenue**

Revenue increased by approximately S\$45.9 million or 59.7%, from S\$76.9 million in FY2014 to S\$122.8 million in FY2015. The increase in revenue derived from our IT Distribution business was S\$37.0 million or 59.0%, from S\$62.6 million in FY2014 to S\$99.6 million in FY2015 and the increase in revenue derived from our Lifecycle Services business was S\$9.0 million or 62.6%, from S\$14.3 million in FY2014 to S\$23.3 million in FY2015.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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Revenue from our Asia-Pacific operations increased by approximately S\$5.9 million or 38.5%, from S\$15.5 million in FY2014 to S\$21.4 million in FY2015, revenue from our EMEA operations increased by approximately S\$18.2 million or 78.6%, from S\$23.2 million in FY2014 to S\$41.4 million in FY2015, and revenue from our Americas operations increased by approximately S\$21.8 million or 56.8% from S\$38.2 million in FY2014 to S\$60.0 million in FY2015.

The increase in revenue was mainly attributable to the following reasons:

- (a) additional four (4) months' contribution in FY2015 from the TGH Acquisition in May 2014, which increased revenue by approximately S\$12.5 million;
- (b) additional five (5) months' contribution in FY2015 from the acquisition of 100.0% shareholding interests in Procurri Malaysia in June 2014, which increased revenue by approximately S\$1.7 million;
- (c) the acquisition of 51.0% shareholding interests in Procurri Asia Pacific, which increased revenue by approximately S\$4.6 million; and
- (d) organic growth from a higher deal volume and size in both business segments, which increased revenue by approximately S\$27.1 million.

### Gross Profit and Gross Profit Margin

Gross profit increased by approximately S\$17.2 million or 70.8%, from S\$24.4 million in FY2014 to S\$41.6 million in FY2015. The increase was in line with the increase in revenue from FY2014 to FY2015. The increase was also due to an increase in revenue contribution from our Lifecycle Services business, which generated a higher gross profit margin as compared to our IT Distribution business, as well as an increase in efficiency in the deployment of resources through economies of scale.

Gross profit from our Asia-Pacific operations increased by approximately S\$5.1 million or 80.3% from S\$6.2 million in FY2014 to S\$11.3 million in FY2015, gross profit from our EMEA operations increased by approximately S\$5.3 million or 69.1% from S\$7.8 million in FY2014 to S\$13.1 million in FY2015, and gross profit from our Americas operations increased by approximately S\$6.8 million or 66.4% from S\$10.4 million in FY2014 to S\$17.2 million in FY2015.

Gross profit margin increased by 2.2 percentage points, from 31.7% in FY2014 to 33.9% in FY2015, mainly due to an increase in gross profit margin from both business segments. Gross profit margin in our IT Distribution business increased by 1.6 percentage points from 26.0% in FY2014 to 27.6% in FY2015 and gross profit margin in our Lifecycle Services business increased by 4.3 percentage points from 56.7% in FY2014 to 61.0% in FY2015. This was mainly due to the increased efficiency in the deployment of our resources through economies of scale.

### Other Income

Other income decreased by approximately S\$0.2 million or 18.0%, from S\$1.0 million in FY2014 to S\$0.8 million in FY2015. The decrease was mainly due to decreases in sales of other ancillary services.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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### **Operating Expenses**

Depreciation of plant and equipment increased by approximately S\$0.3 million or 31.0%, from S\$1.1 million in FY2014 to S\$1.4 million in FY2015 due to the additional depreciation expense on plant and equipment incurred on the consolidation of new subsidiaries.

Amortisation of intangible assets remained flat at S\$0.2 million in FY2015.

Employee benefits expense increased by approximately S\$5.8 million or 70.4%, from S\$8.2 million in FY2014 to S\$14.0 million in FY2015 mainly due to an increase in payroll and staff-related expenses. Our staff number increased from 226 as at 31 December 2014 to 241 as at 31 December 2015, mainly due to the addition of new sales headcounts in the Americas and also the acquisition of Procurri Asia Pacific. There was also an increase of S\$2.2 million due to the consolidation of an additional four (4) months of employee benefits expense from the TGH Acquisition and additional five (5) months of employee benefits expense from the acquisition of Procurri Malaysia.

Selling expenses increased by approximately S\$3.2 million or 49.7%, from S\$6.5 million in FY2014 to S\$9.7 million in FY2015. The increase was mainly from the increased sales commission paid to our sales personnel, which was in line with the increased gross profit brought in by our sales personnel. There was an increase of S\$0.9 million from due to the consolidation of an additional four (4) months of expenses from the TGH Acquisition and additional five (5) months of expenses from the acquisition of Procurri Malaysia.

Other operating expenses increased by approximately S\$1.8 million or 37.5%, from S\$4.8 million in FY2014 to S\$6.6 million in FY2015. There was an increase of S\$0.7 million due to the consolidation of an additional four (4) months of expenses from the TGH Acquisition and additional five (5) months of expenses from the acquisition of Procurri Malaysia.

Overall, total operating expenses increased by approximately S\$11.1 million or 53.4%, from S\$20.8 million in FY2014 to S\$31.9 million in FY2015. There was an increase of S\$4.0 million due to the consolidation of an additional four (4) months of expenses from the TGH Acquisition and additional five (5) months of expenses from the acquisition of Procurri Malaysia.

### **Finance Expense**

Finance expense decreased slightly from S\$0.6 million in FY2014 or approximately 6.8% to S\$0.5 million in FY2015. Finance expense comprises mainly interest expense from bank borrowings.

### **Profit Before Tax**

Profit before tax increased by approximately S\$6.0 million or 149.4%, from S\$4.0 million in FY2014 to S\$10.0 million in FY2015. The increase from the consolidation of additional four (4) months from the TGH Acquisition and five (5) months from the acquisition of Procurri Malaysia was approximately S\$0.4 million. The acquisition of Procurri Asia Pacific added approximately S\$2.6 million to our profit before tax.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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### **Tax Expense**

Tax expense increased by approximately S\$0.5 million from S\$0.7 million in FY2014 to S\$1.2 million in FY2015. The increase was mainly due to the increase in our taxable income. Our effective tax rates for FY2014 and FY2015 were 18.5% and 12.3%, respectively. The lower effective tax rate for FY2015 was mainly due to temporary differences from capital allowances.

### **Profit for the Year**

Profit for the year increased by approximately S\$5.5 million or 168.6%, from S\$3.3 million in FY2014 to S\$8.8 million in FY2015. There was an increase of S\$0.4 million due to the consolidation of an additional four (4) months of profit from the TGH Acquisition and additional five (5) months of profit from the acquisition of Procurri Malaysia.

Breaking down by geographical segments, the profit generated from our Americas operations increased by approximately S\$1.6 million or 161.4%, from S\$1.0 million in FY2014 to S\$2.6 million in FY2015. The profit generated from our EMEA operations increased by approximately S\$0.3 million or 23.2%, from S\$1.2 million in FY2014 to S\$1.5 million in FY2015. The profit generated from our Asia-Pacific operations increased by S\$3.7 million from S\$1.0 million in FY2014 to S\$4.7 million in FY2015, of which the contribution from the acquisition of Procurri Asia Pacific in February 2015 was S\$2.5 million.

## **REVIEW OF PAST FINANCIAL POSITION**

### **Audited Consolidated Statement of Financial Position as at 31 December 2014 and 31 December 2015**

A review of our financial position based on the audited consolidated statement of financial position of our Group as at 31 December 2014 and 31 December 2015 is set out below.

### **Non-current Assets**

Our non-current assets comprised mainly (a) plant and equipment, (b) intangible assets, (c) non-current portion of finance lease receivables and (d) deferred tax assets. Non-current assets amounted to approximately S\$23.4 million and S\$27.3 million as at 31 December 2014 and 31 December 2015 respectively, representing 28.0% and 33.5% of our total assets as at their respective dates.

These non-current assets comprised the following:

- (a) Plant and equipment comprised leasehold improvements, office equipment and furniture, and maintenance parts.

The net book value of our plant and equipment amounted to approximately S\$7.2 million and accounted for 30.7% of our total non-current assets as at 31 December 2014. As at 31 December 2015, the net book value of our plant and equipment amounted to approximately S\$9.0 million or 33.1% of our total non-current assets.

- (b) Intangible assets comprised goodwill arising from the acquisitions of interests in subsidiaries, customer relationships and technical know-how.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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The net book value of our intangible assets amounted to approximately S\$15.0 million and accounted for 64.3% of our total non-current assets as at 31 December 2014. As at 31 December 2015, the net book value of our intangible assets amounted to approximately S\$16.9 million or 62.0% of our total non-current assets. The increase of S\$1.9 million was due to the acquisition of technical know-how of approximately S\$2.6 million, which was partially offset by the amortisation of customer relationship of approximately S\$0.2 million and exchange differences of approximately S\$0.5 million from the translation of the goodwill balance.

- (c) Non-current portion of finance lease receivables amounted to approximately S\$0.6 million and accounted for 2.5% of our total non-current assets as at 31 December 2014. As at 31 December 2015, non-current portion of finance lease receivables amounted to approximately S\$0.4 million or 1.6% of our total non-current assets.
- (d) Deferred tax assets amounted to approximately S\$0.6 million and accounted for 2.5% of our total non-current assets as at 31 December 2014. As at 31 December 2015, deferred tax assets amounted to approximately S\$0.9 million or 3.3% of our total non-current assets.

### **Current Assets**

Our current assets comprised mainly (a) inventories, (b) trade and other receivables, (c) current portion of finance lease receivables, (d) prepayments, (e) derivative financial assets and (f) cash and bank balances.

Our current assets amounted to approximately S\$60.0 million and approximately S\$54.1 million as at 31 December 2014 and 31 December 2015 respectively, representing 72.0% and 66.5% of our total assets as at their respective dates.

These current assets comprised the following:

- (a) Inventories, comprising IT hardware and equipment, computer peripherals, consumables and accessories.

As at 31 December 2014, inventories amounted to approximately S\$7.6 million or 12.7% of our total current assets. As at 31 December 2015, inventories amounted to S\$11.2 million or 20.6% of our total current assets. The increase was mainly a result of purchases made near the end of FY2015 to meet increasing demand, the stocking of approximately S\$2.2 million HBA cards in Procurri LLC in relation to our Supply Chain Management business, and Procurri Asia Pacific increasing its initial inventory by approximately S\$0.3 million as a newly-set up entity.

- (b) As at 31 December 2014, trade and other receivables was the largest component of our current assets, which amounted to approximately S\$43.4 million or 72.3% of our total current assets. It comprised mainly trade receivables from customers of approximately S\$37.2 million and other receivables of approximately S\$6.2 million. As at 31 December 2015, trade and other receivables amounted to approximately S\$35.4 million or 65.4% of our total current assets. It comprised mainly trade receivables from customers of approximately S\$24.3 million and other receivables of approximately S\$11.1 million. The decrease in trade receivables was mainly due to a timing difference, as we issued a large billing towards the end of FY2014.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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- (c) Current portion of finance lease receivables comprised lease payments expected to be received from customers within the next twelve (12) months, and amounted to approximately S\$0.5 million or 0.9% of our total current assets as at 31 December 2014. As at 31 December 2015, current portion of finance lease receivables amounted to approximately S\$0.7 million or 1.4% of our total current assets.
- (d) Prepayments comprised advances to suppliers and other non-trade prepayments which amounted to approximately S\$0.9 million and accounted for 1.5% of our total current assets as at 31 December 2014. As at 31 December 2015, prepayments amounted to approximately S\$1.9 million or 3.5% of our total current assets. This was mainly due to an increase in advances to suppliers from S\$0.5 million in FY2014 to S\$1.0 million in FY2015 as a result of an increase in revenue, and to prepayment on capital expenditure and an increase in deferred commission.
- (e) Derivative financial assets, comprising a call option arising from the TGH Acquisition, amounted to approximately S\$0.7 million and accounted for 1.2% of our total current assets as at 31 December 2014.
- (f) Cash and bank balances amounted to approximately S\$6.9 million and accounted for 11.5% of our total current assets as at 31 December 2014. As at 31 December 2015, cash and bank balances amounted to approximately S\$4.9 million or 9.1% of our total current assets.

### **Non-current Liabilities**

Our non-current liabilities comprised mainly (a) deferred tax liabilities and (b) non-current portion of loans and borrowings. Non-current liabilities amounted to approximately S\$3.7 million and S\$5.1 million as at 31 December 2014 and 31 December 2015, representing 7.1% and 10.9% of our total liabilities as at their respective dates.

These non-current liabilities comprised the following:

- (a) Deferred tax liabilities amounted to approximately S\$0.4 million and accounted for 9.9% of our total non-current liabilities as at 31 December 2014. As at 31 December 2015, deferred tax liabilities amounted to approximately S\$0.4 million or 8.3% of our total non-current liabilities.
- (b) Non-current portion of loans and borrowings amounted to approximately S\$3.3 million and accounted for 88.3% of our total non-current liabilities as at 31 December 2014. As at 31 December 2015, non-current portion of loans and borrowings amounted to S\$4.7 million or 90.4% of our total non-current liabilities.

### **Current Liabilities**

Our current liabilities comprised mainly (a) trade and other payables, (b) current portion of loans and borrowings, (c) income tax payable, and (d) advance billings.

Our current liabilities amounted to approximately S\$48.9 million and approximately S\$41.9 million as at 31 December 2014 and 31 December 2015 respectively, representing 92.9% and 89.1% of our total liabilities as at their respective dates.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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These current liabilities comprised the following:

- (a) Trade and other payables comprised trade payables and accrued operating expenses. As at 31 December 2014, trade and other payables was the largest component of our current liabilities, which amounted to approximately S\$33.0 million or 67.4% of our total current liabilities. It comprised mainly trade payables to suppliers of approximately S\$27.1 million and accrued operating expenses of approximately S\$5.2 million.

As at 31 December 2015, trade and other payables amounted to approximately S\$25.0 million or 59.7% of our total current liabilities. It comprised mainly trade payables to suppliers of approximately S\$12.0 million, accrued operating expenses of approximately S\$6.6 million, and amount due to holding company of approximately S\$4.3 million.

The decrease in trade payables was mainly due to a timing difference, as we received a large supplier invoice towards the end of FY2014.

- (b) Current portion of loans and borrowings comprised mainly bank loans, finance leases, trust receipts, and trade receivables factoring. Current portion of loans and borrowings amounted to approximately S\$13.3 million and accounted for 27.3% of our total current liabilities as at 31 December 2014.

As at 31 December 2015, current portion of loans and borrowings amounted to approximately S\$13.9 million or 33.1% of our total current liabilities.

- (c) As at 31 December 2014, income tax payable amounted to approximately S\$0.8 million or 1.6% of our total current liabilities. As at 31 December 2015, income tax payable amounted to approximately S\$0.6 million or 1.4% of our total current liabilities.

- (d) Advanced billings comprised mainly maintenance services payment received in advance from our customers amounting to approximately S\$1.8 million or 3.7% of our total current liabilities as at 31 December 2014.

As at 31 December 2015, advanced billings amounted to approximately S\$2.5 million or 5.9% of our total current liabilities.

### **Equity Attributable to Owners of our Company**

As at 31 December 2014, equity attributable to owners of our Company amounted to approximately S\$29.6 million comprising mainly share capital of approximately S\$27.9 million, retained earnings of approximately S\$6.1 million and negative other reserves of approximately S\$4.4 million. Other reserves comprised mainly foreign currency translation reserve, merger reserve, and premium paid on the acquisition of non-controlling interest.

As at 31 December 2015, equity attributable to owners of our Company amounted to approximately S\$34.2 million comprising mainly share capital of approximately S\$33.0 million, retained earnings of approximately S\$14.9 million and negative other reserves of approximately S\$13.7 million. Other reserves comprised mainly foreign currency translation reserve, merger reserve, and premium paid on the acquisition of non-controlling interest.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### LIQUIDITY AND CAPITAL RESOURCES

During the Period Under Review, we financed our growth and operations through a combination of shareholders' equity (including retained profits), net cash generated from operating activities and borrowings from financial institutions. Our principal uses of cash had been for working capital requirements and capital expenditure.

Based on our consolidated statement of financial position as at 31 December 2015, our total equity amounted to approximately S\$34.3 million and indebtedness amounted to approximately S\$13.6 million (comprising bank loans, finance leases, and trust receipts less cash and bank balances). Our gearing ratio (defined as the sum of indebtedness divided by total equity) was 40%. Our net current assets amounted to approximately S\$12.2 million and our working capital ratio (defined as current assets divided by current liabilities) was 1.3 times.

Our Directors are of the reasonable opinion that, after taking into account the cash flows generated from our operations, our credit facilities and our existing cash and cash equivalents, the working capital available to us as at the date of lodgement of this Prospectus is sufficient for our present requirements and for at least twelve (12) months after the Listing of our Company on SGX-ST.

As at 31 December 2015, we had an aggregate net debt of approximately S\$13.6 million (less cash and bank balances) and available credit facilities granted of approximately S\$44.0 million, of which approximately S\$18.5 million were utilised and approximately S\$25.5 million were unutilised.

As at the Latest Practicable Date, we had an aggregate net debt position of approximately S\$15.5 million (after deducting total cash balances) and available credit facilities granted of approximately S\$43.8 million, of which approximately S\$20.2 million were utilised and approximately S\$23.6 million were unutilised.

As at the Latest Practicable Date, our Company is not in breach of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect our Company's financial position and results or business operations, or the investments by holders of Shares.

We set out below a summary of our consolidated statements of cash flows for the Period Under Review. The following net cash flow summary should be read in conjunction with the full text of this Prospectus, including the sections entitled "*Audited Consolidated Financial Statements for the Financial Years ended 31 December 2013, 2014 and 2015*" and "*Unaudited Pro Forma Consolidated Statement of Financial Position for the Financial Year ended 31 December 2015*" as set out in Appendix A and B of this Prospectus.

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**MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Net cash from/(used in) operating activities	(1,210)	1,683	4,963
Net cash from/(used in) investing activities	418	(21,088)	(8,581)
Net cash from financing activities	1,357	23,502	1,665
Net increase/(decrease) in cash and cash equivalents	565	4,097	(1,953)
Effect of exchange rate fluctuations on cash held	(1)	(41)	61
Cash and cash equivalents at beginning of the year	1,377	1,941	5,997
Cash and cash equivalents at the end of the financial year	1,941	5,997	4,105

### **FY2013**

#### **Net Cash Used in Operating Activities**

Net cash generated from operating activities before changes in working capital in FY2013 was approximately S\$2.7 million. Net cash used in working capital amounted to approximately S\$3.9 million, mainly due to an increase in inventories of S\$2.0 million, an increase in trade and other receivables of approximately S\$3.7 million, an increase in prepayments of approximately S\$0.6 million and a decrease in advance billings of approximately S\$0.2 million; which were partially offset by an increase in trade and other payables of approximately S\$2.2 million and a decrease in finance lease receivables of approximately S\$0.4 million.

#### **Net Cash from Investing Activities**

Net cash from investing activities was approximately S\$0.4 million, mainly attributable to the net cash received from the acquisition of 50.1% of the membership interests in Procurri LLC of S\$0.7 million and the proceeds received from the disposal of plant and equipment of S\$0.3 million. These were partially offset by the purchase of plant and equipment of S\$0.6 million.

#### **Net Cash from Financing Activities**

Net cash from financing activities was approximately S\$1.4 million, mainly attributable to the proceeds received from the issue of shares in our Company of S\$1.3 million, increase in amount due to immediate holding company of approximately S\$1.1 million and the proceeds received from loans and borrowings of approximately S\$3.1 million. These were partially offset by the repayment of loans and borrowings of approximately S\$4.0 million.

#### **Effect of Exchange Rate Fluctuations on Cash Held**

Effect of exchange rate fluctuations was a decrease of approximately S\$1,000 in cash and cash equivalents. It arose mainly from the conversion of cash balances held by our Group in foreign currencies into the Singapore dollar equivalent.



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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**FY2014**

### **Net Cash from Operating Activities**

We generated net cash from operating activities before changes in working capital of approximately S\$6.8 million. Net cash used in working capital amounted to approximately S\$5.4 million. This was due mainly to an increase in trade and other receivables of approximately S\$25.5 million, an increase in inventories of approximately S\$2.1 million, and an increase in finance lease receivables of approximately S\$0.6 million, which were partially offset by an increase in trade and other payables of approximately S\$21.9 million and an increase in advance billings of approximately S\$0.9 million. In addition, we received an income tax refund of S\$0.3 million. Net cash generated from operating activities amounted to approximately S\$1.7 million.

### **Net Cash Used in Investing Activities**

Net cash used in investing activities was approximately S\$21.1 million, mainly attributable to the additions of plant and equipment of approximately S\$3.0 million, increase in amount due from related companies and immediate holding company of approximately S\$2.8 million and S\$3.0 million respectively, and the acquisition of interests in Tinglobal and Procurri Malaysia of approximately S\$12.3 million and S\$0.1 million respectively.

### **Net Cash from Financing Activities**

Net cash from financing activities was approximately S\$23.5 million, mainly attributable to the additional capital raised during the year of approximately S\$17.2 million and the proceeds received from loans and borrowings approximately of S\$44.3 million. These were partially offset by the repayment of loans and borrowings of approximately S\$35.7 million and decrease in amount due to our immediate holding company of approximately S\$1.1 million.

The approximately S\$17.2 million of capital was raised through two rounds of fund-raising exercises, and comprised approximately S\$11.7 million raised from DeClout, approximately S\$3.9 million raised from Golden Summit International Ltd, and approximately S\$1.6 million raised from Mr. Oan Chim Seng. The loans and borrowings of approximately S\$44.3 million were from unrelated third party financial institutions.

### **Effect of Exchange Rate Fluctuations on Cash Held**

Effect of exchange rate fluctuations was a decrease of approximately S\$41,000 in cash and cash equivalents. It arose mainly from the conversion of cash balances held by our Group in foreign currencies into the Singapore dollar equivalent.

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION**

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**FY2015**

### **Net Cash from Operating Activities**

We generated net cash from operating activities before changes in working capital of approximately S\$13.3 million. Net cash used in working capital amounted to approximately S\$6.6 million. This was due mainly to a decrease in trade and other payables of approximately S\$14.5 million, an increase in prepayments of approximately S\$1.0 million, and an increase in inventories of approximately S\$3.6 million, which were partially offset by a decrease in trade and other receivables of approximately S\$11.7 million and an increase in advance billings of approximately S\$0.7 million. In addition, we paid income tax of S\$1.6 million. Net cash generated from operating activities amounted to approximately S\$5.0 million.

### **Net Cash Used in Investing Activities**

Net cash used in investing activities was approximately S\$8.6 million, mainly attributable to the additions of plant and equipment and intangible assets of approximately S\$2.9 million and S\$2.6 million respectively, and increase in amounts due from related companies and immediate holding company of approximately S\$0.2 million and S\$2.9 million respectively.

### **Net Cash from Financing Activities**

Net cash from financing activities was approximately S\$1.7 million, mainly attributable to the proceeds from loans and borrowings of approximately S\$39.7 million and proceeds raised from the issuance of capital of approximately S\$3.7 million. In addition, there was also an increase in amount due to immediate holding company and directors of approximately S\$3.9 million and S\$1.4 million respectively. These were partially offset by the acquisition of non-controlling interest (Tinglobal) of approximately S\$7.9 million and the repayment of loans and borrowings of approximately S\$38.5 million.

### **Effect of Exchange Rate Fluctuations on Cash Held**

Effect of exchange rate fluctuations was an increase of approximately S\$61,000 in cash and cash equivalents. It arose mainly from the conversion of cash balances held by our Group in foreign currencies into the Singapore dollar equivalent.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### CAPITAL EXPENDITURE AND DIVESTMENTS

The table below sets forth the material capital expenditure and divestments made by our Group for FY2013, FY2014 and FY2015 up to the Latest Practicable Date:

	FY2013 S\$'000	FY2014 S\$'000	FY2015 S\$'000	1 January 2016 to Latest Practicable Date S\$'000
<b>Capital Expenditure</b>				
Leasehold improvements	1,093	188	256	1,659
Restoration costs	70	–	–	–
Plant and equipment	1,121	4,994	4,655	1,041
Motor vehicles	–	20	16	61
	2,284	5,202	4,927	2,761
<b>Divestments</b>				
Leasehold improvements	–	–	(5)	(390)
Restoration costs	–	–	–	–
Plant and equipment	(50)	(18)	(109)	(261)
Motor vehicles	–	–	–	–
	(50)	(18)	(114)	(651)

Leasehold improvement comprised mainly renovation costs and electrical installations. The capital expenditure in relation to leasehold improvement in FY2013 relate to our previous office and warehouse facilities at 29 Tai Seng Avenue, #05-01, Natural Cool Lifestyle Hub, Singapore 534119. The capital expenditure in relation to leasehold improvement for the period commencing 1 January 2016 to the Latest Practicable Date relate to our current office and warehouse facilities at 29 Tai Seng Avenue, #01-02 and #02-01, Natural Cool Lifestyle Hub, Singapore 534119.

Plant and equipment comprised computer equipment and software, office equipment, furniture and fittings, maintenance parts, and computer equipment leased to customers.

The above capital expenditure were incurred by our Group to support our global business expansion and financed mainly by internal resources, bank loans and finance leases.

There was no major divestment during the Period Under Review.

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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### COMMITMENTS AND CONTINGENT LIABILITIES

#### Capital Commitments

As at the Latest Practicable Date, capital expenditure contracted in respect of plant and equipment is S\$550,000. Save for the foregoing, as at the Latest Practicable Date, we do not have any material capital commitments.

#### Operating Lease Commitments

As at the Latest Practicable Date, our Group has operating lease commitments in respect of non-cancellable operating leases as follows:

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<b>Future Minimum Lease Payments</b>	<b>As at the Latest Practicable Date S\$'000</b>
Within one (1) year	1,398
Within two (2) to five (5) years	1,904
	<hr/> <u>3,302</u>

Our Group leases computer equipment, office premises, data centre racks and photocopier machines under operating leases. Such leases have fixed terms ranging from two (2) to ten (10) years, with some leases having an option to renew the lease after the expiry of the initial fixed term for a further term of one (1) to two (2) years. Our Group expects to meet our operating lease commitments using cash generated from our operations.

#### Contingent Liabilities

Our Group does not have any material contingent liabilities as at the Latest Practicable Date.

### FOREIGN EXCHANGE EXPOSURE

Our operations in foreign countries are valued in the functional currency of our operations in each country. As our reporting currency is in Singapore dollars, we translate the asset and liabilities of our foreign operations from their respective local currency into Singapore dollars at the rate prevailing as at the balance sheet date. Fluctuations in exchange rates will affect the reported value of our foreign operations from period to period. Some of the sales and purchases are transacted in currencies other than Singapore dollars. The currencies giving rise to this risk are primarily in the US\$.

Presently, we do not have any hedging policy with respect to foreign currency exposure as we did not have significant foreign exchange risk exposure. In the future, we may hedge our material foreign currency translations after taking into consideration the quantum and impact of our foreign exchange risk exposure as well as the transaction costs of any hedging policy, and the prevailing economic and operating conditions. All proposed hedging policies will be reviewed and approved by our Board of Directors and our Audit Committee before implementation by our Group. Our Company will seek the approval of our Board of Directors for entering into any foreign exchange

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## MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL POSITION

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hedging transactions, and our Company will put in place adequate measures which will be reviewed and approved by our Audit Committee, who will also monitor the implementation of the hedging policies, including reviewing the instruments, processes and practices in accordance with the hedging policies approved by our Board of Directors and our Audit Committee.

Please refer to the section entitled "*Risk Factors – Risks Relating to our Industry, Business and Operations – We are exposed to fluctuations in foreign exchange rates*" in this Prospectus for more information.

## CAPITALISATION AND INDEBTEDNESS

You should read this in conjunction with the section entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” of this Prospectus, and the sections entitled “*Audited Consolidated Financial Statements for the Financial Years ended 31 December 2013, 2014 and 2015*” and “*Unaudited Pro Forma Consolidated Statement of Financial Position for the Financial Year ended 31 December 2015*” as set out in Appendix A and B of this Prospectus.

The following table shows our cash and cash equivalents, capitalisation and indebtedness of our Group as at 31 May 2016:

- (a) on an unaudited actual basis; and
- (b) as adjusted to give effect to the issuance of 68,880,000 New Shares pursuant to the Offering and the application of the net proceeds.

	<b>Unaudited Actual (S\$’000)</b>	<b>As Adjusted (S\$’000)</b>
<b>Cash and cash equivalents</b>	4,334	42,907 <sup>(1)</sup>
<b>Indebtedness</b>		
Current loan and borrowings		
– Secured and guaranteed	16,250	16,250
Non-current loans and borrowings		
– Secured and guaranteed	4,871	4,871
<b>Total indebtedness</b>	21,121	21,121
<b>Shareholders’ equity:</b>		
Share capital	33,062 <sup>(2)</sup>	71,635 <sup>(1)</sup>
Other reserves	(21,334)	(21,334)
Retained earnings	16,007	16,007 <sup>(1)</sup>
<b>Total shareholders’ equity</b>	27,735	66,308
<b>Total capitalisation and indebtedness</b>	48,856	87,429

**Notes:**

- (1) This amount excludes estimated IPO expenses of approximately S\$4,001,000 of which S\$1,801,000 is to be capitalised and S\$2,200,000 is to be expensed.
- (2) This amount includes Share issuance expenses of S\$250,000 in respect of new Shares issued in 2014.

## CAPITALISATION AND INDEBTEDNESS

### BANKING FACILITIES

As at the Latest Practicable Date, the total banking facilities of our Group, are as follows:

Name of Borrower	Name of Bank	Type of Credit Facility	Amount of Facilities Granted	Amount of Facilities Utilised
Procurri Singapore	United Overseas Bank Limited	Hire purchase facility	S\$2,954,000	S\$194,000
Procurri Singapore	United Overseas Bank Limited	Letter of credit and trust receipts	S\$2,500,000	S\$2,000,000
Procurri Singapore	United Overseas Bank Limited	Term loan and corporate credit card	S\$571,000	–
Procurri Singapore, Acclivis and Beaqon	The Hongkong and Shanghai Banking Corporation Limited	Treasury facility and trade facility	S\$4,000,000	– <sup>(1)</sup>
Procurri and Procurri Singapore	The Hongkong and Shanghai Banking Corporation Limited	Revolving credit facility	S\$2,500,000	S\$2,500,000
Procurri Asia Pacific	DBS Bank	Letter of credit, trust receipts, bill receivables purchase, shipping and air waybill guarantee	US\$5,000,000 (S\$6,780,000)	US\$2,110,000 (S\$2,925,000) and S\$64,000
Procurri Malaysia	OCBC Bank (Malaysia) Berhad	Overdraft	RM500,000 (S\$165,000)	RM335,000 (S\$111,000)
Procurri Malaysia	RHB Bank Berhad	Overdraft	RM600,000 (S\$198,000)	–
Procurri LLC	Wells Fargo Bank, National Association	Revolving line of credit	US\$7,000,000 (S\$9,492,000)	US\$2,555,000 (S\$3,465,000)
Procurri UK	Barclays Bank PLC	Overdraft	GBP1,000,000 (S\$1,922,000)	–
Procurri UK	Barclays Bank PLC	Invoice discounting facility	GBP3,000,000 (S\$5,766,000)	GBP694,000 (S\$1,334,000)
Procurri	DBS Bank	Term loan	S\$11,000,000	S\$7,632,000

**Note:**

- (1) As at the date of this Prospectus, Procurri Singapore has not utilised this joint facility, and has applied to The Hongkong and Shanghai Banking Corporation Limited to be removed as borrower.

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## CAPITALISATION AND INDEBTEDNESS

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The above banking facilities are secured by (i) corporate guarantees from, amongst others, our Company, Procurri Singapore, Tinglobal and DeClout; (ii) charges over accounts receivables and fixed deposits; (iii) a hire purchase agreement; and (iv) personal guarantees from the directors of our subsidiary, Procurri Malaysia, being Mr. Phang Chee Can, Mr. Tan Joon Ngee, Mr. Tan Wei Meng.

### THE DECLOUT LOANS

Our Controlling Shareholder, DeClout, has extended certain unsecured and non-guaranteed loans to our Group:

- (a) on 1 January 2014, DeClout provided a working capital loan of up to S\$2,000,000 to Procurri Singapore. As DeClout did not receive any benefits in kind, commission or interest payments from Procurri Singapore, the loan was not given on an arm's length basis. As at the Latest Practicable Date, this loan has been fully repaid;
- (b) on 13 January 2015, DeClout extended a loan of US\$535,000 to Procurri LLC for working capital purposes. On 5 March 2015, Procurri LLC repaid US\$267,000. As DeClout did not receive any benefits in kind, commission or interest payments from Procurri LLC, the loan was not given on an arm's length basis. As at the Latest Practicable Date, this loan has been fully set off against loans made by our Group to DeClout (please refer to the section entitled "*Interested Person Transactions – Present and Ongoing Interested Person Transactions – Loans by our Group to the DeClout Group*" of this Prospectus for more information) (the "**Loans by our Group to the DeClout Group**");
- (c) on 2 February 2015, we acquired 51.0% of Procurri Asia Pacific (please refer to the section entitled "*Our Business – History and Development*" of this Prospectus for more information) for a consideration of S\$2,700,000, which was satisfied by way of the allotment and issue of fully-paid ordinary shares in the capital of DeClout. The price of the shares issued by DeClout for the acquisition of the shares in Procurri Asia Pacific was captured in our books as a loan from DeClout to us. As DeClout did not receive any benefits in kind, commission or interest payments from us, the loan was not given on an arm's length basis as between DeClout and us. As at the Latest Practicable Date, this loan has been fully set-off against Loans by our Group to the DeClout Group;
- (d) on 31 July 2015, we exercised our call option over the remaining shares in Tinglobal, with completion of that acquisition subsequently taking place on 4 September 2015. Tinglobal had, before the exercise of our call option over the remaining shares in Tinglobal, been our 51.0% subsidiary (please refer to the sections entitled "*Restructuring Exercise*" and "*Our Business – History and Development*" of this Prospectus for more information). The aggregate consideration for the exercise of the call option and acquisition of the remaining 49.0% of the share capital of Tinglobal was S\$9,416,000, of which S\$500,000 was loaned by DeClout to us. As DeClout did not receive any benefits in kind, commission or interest payments from us, the loan was not given on an arm's length basis as between DeClout and us. As at the Latest Practicable Date, this loan has been fully set-off against Loans by our Group to the DeClout Group;
- (e) on 23 December 2015, we exercised our call option over and acquired the remaining shares in Procurri Asia Pacific. Procurri Asia Pacific had, before the exercise of our call option over the remaining shares in Procurri Asia Pacific, been our 51.0% subsidiary (please refer to the sections entitled "*Restructuring Exercise*" and "*Our Business – History and Development*" of this Prospectus for more information). The consideration for the exercise of the call option



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## CAPITALISATION AND INDEBTEDNESS

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and acquisition of the remaining 49.0% of the share capital of Procurri Asia Pacific was S\$7,000,000, which was satisfied by way of the allotment and issue of fully-paid ordinary shares in the capital of DeClout. The price of the shares issued by DeClout for the acquisition of the remaining shares in Procurri Asia Pacific was captured in our books as a loan from DeClout to us. As DeClout did not receive any benefits in kind, commission or interest payments from us, the loan was not given on an arm's length basis as between DeClout and us. As at the Latest Practicable Date, this loan has been partially set-off against Loans by our Group to the DeClout Group and S\$6,081,000 remains outstanding; and

- (f) on 22 January 2016, DeClout extended a loan of S\$200,000 to us for working capital purposes. As DeClout did not receive any benefits in kind, commission or interest payments from us, the loan was not given on an arm's length basis. As at the Latest Practicable Date, this loan has been fully set-off against Loans by our Group to the DeClout Group,

(collectively, the "**DeClout Loans**").

Part of the DeClout Loans have been set off against Loans by our Group to the DeClout Group and the balance thereof, amounting to approximately S\$6,081,000 as at the Latest Practicable Date, will be fully repaid using the proceeds from the issuance of the New Shares. Please refer to the section entitled "*Use of Proceeds and Offering Expenses*" for more information.

Save as disclosed above, as at the Latest Practicable Date, we have no outstanding borrowings which are due for repayment within the next twelve (12) months.

### **CONTINGENT LIABILITIES**

As at the Latest Practicable Date, we do not have any contingent liabilities.

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## OFFERING STATISTICS

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<b>Offering Price</b>	<b>S\$0.56</b>
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### NAV

The NAV per Share based on the consolidated balance sheet of our Group as at 31 December 2015 (“NAV per Share”):

- |  |            |
|--|------------|
| (a) before adjusting for the estimated net proceeds from the issuance of the New Shares and based on our pre-Offering share capital of 211,120,000 Shares          | 16.3 cents |
| (b) after adjusting for the estimated net proceeds from the issuance of the New Shares and based on our post-Offering enlarged share capital of 280,000,000 Shares | 24.6 cents |

Premium of the Offering Price over our NAV per Share:

- |  |        |
|--|--------|
| (a) before adjusting for the estimated net proceeds from the issuance of the New Shares and based on our pre-Offering share capital of 211,120,000 Shares          | 243.6% |
| (b) after adjusting for the estimated net proceeds from the issuance of the New Shares and based on our post-Offering enlarged share capital of 280,000,000 Shares | 127.6% |

### Earnings

Historical EPS for FY2015 based on the audited consolidated profit attributable to owners of our Company from continuing operations and our pre-Offering share capital of 211,120,000 Shares	4.2 cents
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Historical EPS for FY2015 based on the audited consolidated profit attributable to owners of our Company from continuing operations, assuming that the Service Agreement <sup>(1)</sup> had been in effect from the beginning of FY2015, and based on our pre-Offering share capital of 211,120,000 Shares	3.8 cents
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### Price earnings ratio

Historical PER for FY2015 based on the audited consolidated profit attributable to owners of our Company from continuing operations and our pre-Offering share capital of 211,120,000 Shares	13.3 times
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Historical PER for FY2015 based on the audited consolidated profit attributable to owners of our Company from continuing operations, assuming that the Services Agreement <sup>(1)</sup> had been in effect from the beginning of FY2015, and based on our pre-Offering share capital of 211,120,000 Shares	14.7 times
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## OFFERING STATISTICS

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### Net cash from operating activities

Historical net cash from operating activities per Share for FY2015 based on the pre-Offering share capital of 211,120,000 Shares 2.4 cents

Historical net cash from operating activities per Share for FY2015, assuming that the Service Agreement<sup>(1)</sup> had been in effect from the beginning of FY2015, based on the pre-Offering share capital of 211,120,000 Shares 2.0 cents

### Ratio of Offering Price to net operating cash flow

Ratio of Offering Price to historical net cash from operating activities per Share for FY2015 based on the pre-Offering share capital of 211,120,000 Shares 23.3 times

Ratio of Offering Price to historical net cash from operating activities per Share for FY2015, assuming that the Service Agreement<sup>(1)</sup> had been in effect from the beginning of FY2015, based on the pre-Offering share capital of 211,120,000 Shares 28.0 times

### Market capitalisation

Market capitalisation based on the post-Offering share capital of 280,000,000 Shares and the Offering Price of S\$0.56 S\$156.8 million

#### Note:

- (1) Assuming that our Executive Director and Global CEO, Mr. Sean Murphy, is paid S\$885,000 based on the Service Agreement, as described in the section entitled “*Directors, Management and Staff – Service Agreement*” of this Prospectus.

## DILUTION

Dilution is the amount by which the Offering Price paid by new investors for the New Shares in the Offering exceeds our NAV per Share after adjusting for net proceeds from the issuance of the Offering.

Our NAV (which is the amount of our total assets minus the amount of our total liabilities) as at 31 December 2015 was S\$34,324,000, or 16.3 cents per Share (based on the pre-Offering share capital of 211,120,000 Shares).

Our NAV, as adjusted for the effects of the Offering, will be S\$68,896,000 or 24.6 cents per Share (based on the post-Offering share capital of 280,000,000 Shares).

This represents an immediate increase in NAV per Share of 8.3 cents (or 50.9%) to our existing Shareholders and an immediate dilution in NAV per Share of 31.4 cents (or 56.1%) to new investors subscribing for New Shares in the Offering. The following table illustrates the dilution per Share:

	Cents
Offering Price per New Share	56.0
NAV per Share as at 31 December 2015 based on the pre-Offering share capital of 211,120,000 Shares	16.3
Increase in NAV per Share attributable to existing Shareholders	8.3
NAV per Share after the Offering	24.6
Dilution in NAV per Share to our new investors	31.4

The following table summarises the total number of Shares (as adjusted for the sub-division) acquired by our Directors and Substantial Shareholders and their Associates, the total consideration paid for such Shares and the average price per Share during the three (3) years before the date of lodgement of this Prospectus:

	Number of Shares Acquired	Consideration (S\$'000)	Average Price per Share (S\$)
<b>Directors and their Associates</b>	–	–	–
<b>Substantial Shareholders and their Associates</b>			
DeClout	145,600,000	21,896	0.15
Irrucorp	33,995,000	1,862	0.05

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## RESTRUCTURING EXERCISE

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Prior to the registration of this Prospectus, our Group undertook a Restructuring Exercise pursuant to which we simplified our group structure in connection with the Offering.

### ACQUISITION OF THE REMAINING 49.0% OF TINGLOBAL

On 11 March 2014, we entered into an investment agreement (the “**Investment Agreement**”) with: (i) DeClout; (ii) ASVIDA UK; (iii) Tinglobal; (iv) NVM Private Equity Limited; (v) Shackleton Finance Limited; (vi) David James Gutteridge and Mathew Jordan (collectively, the “**Management Existing Shareholders**”); (vii) Northern 2 VCT Plc, Northern 3 VCT Plc, Northern Venture Trust Plc and NVM Nominees Limited (collectively, the “**NVM Existing Shareholders**”); and (viii) Shackleton Secondaries L.P. (the “**Shackleton Existing Shareholder**”, and together with the Management Existing Shareholders and NVM Existing Shareholders, the “**Existing Shareholders**”). Pursuant to the Investment Agreement, ASVIDA UK agreed to subscribe for 104,081,633 new ordinary shares representing 51.0% of the total voting rights and economic interest in Tinglobal, which was then owned by the Existing Shareholders, on an enlarged basis, for a cash consideration of GBP6,120,000. Completion of the subscription took place on 8 May 2014. The consideration was arrived at on a willing-seller and willing-buyer basis, after negotiations which were conducted at arm’s length between DeClout and the Existing Shareholders, and took into account, amongst others, the earnings before interest, taxation, depreciation and amortisation expenses of Tinglobal’s management accounts for the twelve (12) month period ended 31 December 2013, being GBP1,736,000. The Investment Agreement also provided for, amongst others, a call option granted by the Existing Shareholders to our wholly-owned subsidiary ASVIDA UK, to acquire all of their remaining shares in Tinglobal.

Subsequently, on 31 July 2015, we entered into a supplemental agreement (the “**IA Supplemental**”) with the other parties to the Investment Agreement pursuant to which the call option granted by the Existing Shareholders to ASVIDA UK was amended, and on 31 July 2015, ASVIDA UK exercised the amended call option over the remaining shares in Tinglobal. The aggregate consideration for the exercise of the call option and acquisition of the remaining 49.0% of Tinglobal was S\$9,416,000, which was satisfied by way of:

- (a) a cash payment of GBP3,410,000 (approximately S\$7,393,000, at the then exchange rate of GBP1.00 = S\$2.168);
- (b) a cash payment of S\$500,000; and
- (c) the allotment and issue of 600 new Shares to Mathew Jordan by Procurri.

The aggregate consideration was arrived at on a willing-seller and willing-buyer basis, after negotiations which were conducted at arm’s length, and takes into account, amongst other things, the NTA of Tinglobal based on its audited consolidated accounts as at 31 December 2014, being GBP890,000 (approximately S\$1,913,500, at the then exchange rate of GBP1.00 = S\$2.15) and the benefits of increasing our shareholding interests therein from 51.0% to 100.0%. The NVM Existing Shareholders and the Shackleton Existing Shareholder did not receive new Shares from the acquisition.

The acquisition of the remaining shares in Tinglobal from the Existing Shareholders was completed on 4 September 2015. None of the Existing Shareholders are related to any of our Directors, Controlling Shareholders or their respective Associates.

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## RESTRUCTURING EXERCISE

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### ACQUISITION OF THE REMAINING 49.0% OF PROCURRI ASIA PACIFIC

On 21 January 2015, we entered into a sale, purchase and joint venture agreement (the “**SPJV**”) with DeClout, Allied Knights and Procurri Asia Pacific (the “**SPJV Parties**”), which was then a wholly-owned subsidiary of Allied Knights. Pursuant to the SPJV, we acquired from Allied Knights, 102,000 shares representing 51.0% of the issued share capital of Procurri Asia Pacific, for a consideration of S\$2,700,000, which was satisfied in full by the issuance and allotment of 12,000,000 new shares in the capital of DeClout at an issue price of S\$0.225 per share. The consideration was arrived at on a willing-seller and willing-buyer basis, after negotiations which were conducted at arm’s length between the parties, and took into account, amongst others, prevailing market conditions and the potential synergies between the SPJV Parties. The SPJV also provided for, amongst others, a call option granted by Allied Knights to us, to acquire all of its remaining shares in Procurri Asia Pacific.

Subsequently, on 21 December 2015, we entered into a supplemental agreement (the “**SPJV Supplemental**”) with the other SPJV Parties pursuant to which it was agreed that S\$2,598,000 of the S\$2,700,000 consideration would be considered as a refundable prepayment by us to Allied Knights, which would be refundable in the event that: (i) Allied Knights failed to transfer to us certain know-how in relation to the provision of re-manufacturing services, as determined by us; and (ii) Procurri Asia Pacific failed to sign or failed to assist any other entity without our Group to sign, by 31 July 2016, a re-manufacturing services contract with an identified leading OEM. The SPJV Supplemental also amended the call option granted by Allied Knights to us, and on 23 December 2015, we exercised the amended call option over, and acquired from Allied Knights, the remaining shares in Procurri Asia Pacific. The consideration for the exercise of the call option and acquisition of the remaining 49.0% of the share capital of Procurri Asia Pacific was S\$7,000,000, which was satisfied by way of the issuance and allotment of 34,113,060 new shares in the capital of DeClout at an issue price of approximately S\$0.205 per share. The consideration was arrived at on a willing-seller and willing-buyer basis, after negotiations which were conducted at arm’s length between the parties, and takes into account, amongst other things, the accounts, and the future potential and contributions of Procurri Asia Pacific and the benefits of increasing our shareholding interests therein from 51.0% to 100.0%.

The acquisition of the remaining shares in Procurri Asia Pacific was completed on 26 February 2016. The shareholder of Allied Knights is not related to any of our Directors, Controlling Shareholders or their respective Associates.

### STRIKING-OFF OF DORMANT UK ENTITIES

Further to our acquisition of a majority shareholding in Tinglobal in May 2014, and to our acquisition of the remaining shares therein in September 2015, Tinglobal Limited, Tindirect Limited (for the avoidance of doubt, it should be noted that this is not the same subsidiary which we rebranded as Procurri UK; please refer to the sections entitled “*Group Structure*” and “*Our Business – History and Development*” of this Prospectus for more information), Powercore International Limited and Powercore Holdings Limited (the “**Dormant UK Subsidiaries**”) which were all wholly-owned dormant subsidiaries of Tinglobal that had been incorporated in the UK, became our wholly-owned subsidiaries.

Tindirect Limited and Powercore International Limited have since been struck off from the companies register of the UK and dissolved on 26 April 2016, while Powercore Holdings Limited and Tinglobal Limited were struck off from the companies register of the UK and dissolved on 7 June 2016 and 5 July 2016, respectively.

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## **RESTRUCTURING EXERCISE**

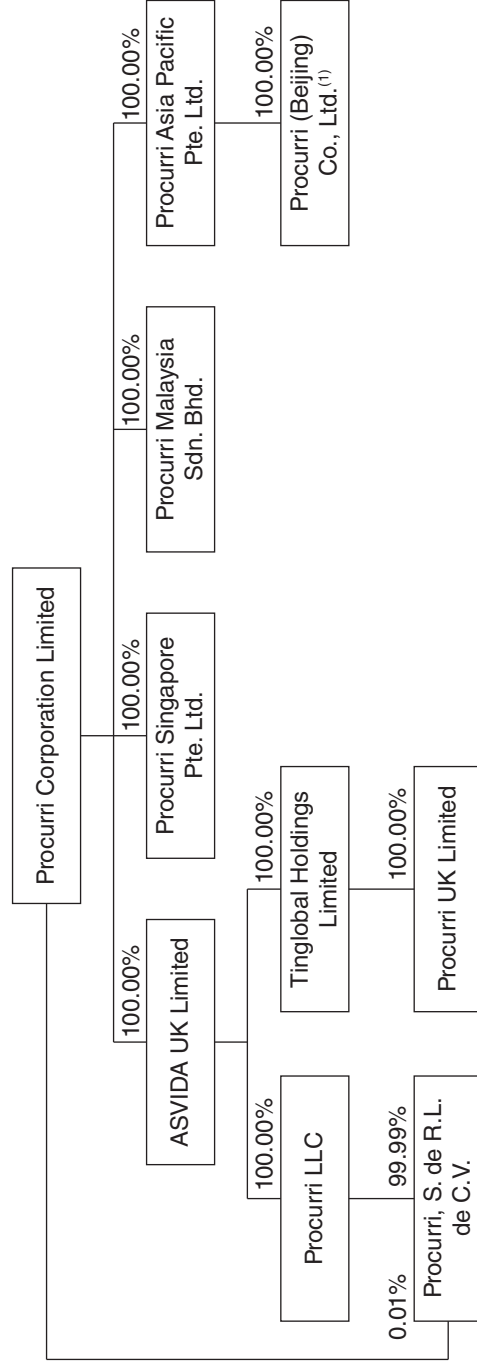
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In connection with our dissolution of Tinglobal Limited, we had on 29 March 2016 transferred the entire issued share capital of Procurri UK from Tinglobal Limited to Tinglobal (by way of an intra-group share sale agreement, for the consideration of GBP1,290,000, satisfied by the assumption by Tinglobal of all outstanding obligations and liabilities to repay the debt of GBP1,290,000 due and owing at that date by Tinglobal Limited to Procurri UK).

## GROUP STRUCTURE

### GROUP STRUCTURE

Our Group structure as at the date of this Prospectus is as follows:



**Note:**

(1) Procurri Beijing was incorporated on 2 March 2016 with a view to further expand into the PRC market. As at the Latest Practicable Date, Procurri Beijing has not engaged in any business and as such, is not a principal subsidiary of our Group. It is contemplated that Procurri Beijing will only commence business after the Listing.



## GROUP STRUCTURE

The details of our subsidiaries and associated companies as at the date of this Prospectus are as follows:

Name of Company	Date and Country of Incorporation	Principal Business Activities	Principal Place of Business	Issued/ Registered and Paid Up Capital	Effective Equity Interest Held by our Company <sup>(1)</sup>
<b>Subsidiaries</b>					
<i>Singapore</i>					
Procurri Singapore Pte. Ltd.	13 October 2009/ Singapore	Wholesale of computer hardware and peripheral equipment	Singapore	S\$2,000,000	100.0%
		Repair and maintenance of computer hardware and peripherals, data processing equipment			
Procurri Asia Pacific Pte. Ltd.	19 January 2015/ Singapore	Wholesale of computer hardware and peripheral equipment	Singapore	S\$200,000	100.0%
		Repair and maintenance of computer hardware and peripherals, data processing equipment			
<i>US</i>					
Procurri LLC	17 December 2012/ Georgia, US	The global independent distribution of data centre equipment and multi-vendor maintenance providing	Georgia, US	US\$2,000,000 <sup>(2)</sup>	100.0%
<i>UK</i>					
ASVIDA UK Limited	6 March 2013/ UK	To carry out the activities of a holding company	UK	GBP11,699,272	100.0%
Tinglobal Holdings Limited	23 May 2011/ UK	To carry out business support service activities	UK	GBP251,414.966	100.0%
Procurri UK Limited	18 December 1959/ UK	To carry out information technology consultancy activities	UK	GBP1,290,000	100.0%
<i>Malaysia</i>					
Procurri Malaysia Sdn. Bhd.	6 October 2009/ Malaysia	Sales of all kinds of computer systems and hardware	Malaysia	RM1,100,000	100.0%
		Provision of maintenance and related services			
		Rental of computer parts and fully configured server			

## GROUP STRUCTURE

Name of Company	Date and Country of Incorporation	Principal Business Activities	Principal Place of Business	Issued/ Registered and Paid Up Capital	Effective Equity Interest Held by our Company <sup>(1)</sup>
<i>Mexico</i>					
Procurri, S. de R.L. de C.V.	27 January 2015/ Mexico	The purchase, sale, development, design, implementation, consulting, installing, support, update and in general all type of operations regarding software, hardware, networks, and computer devices	Mexico	MXN1,500,000	100.0%
<i>PRC</i>					
Procurri (Beijing) Co., Ltd. <sup>(3)</sup>	2 March 2016/ PRC	Repair and maintenance of computer hardware and peripherals, and data processing equipment; computer network and system integration design, installation, commissioning, maintenance, and the provision of technical advice and services; data processing; enterprise management consulting; and wholesale, import and export of computer hardware and peripheral equipment	PRC	US\$2,000,000	100.0%

**Notes:**

- (1) The proportion of ownership interest of the relevant corporation and, if different, the proportion of voting power held by the relevant corporation.
- (2) Under the laws of Georgia, US, the equity interests of a limited liability company organised thereunder generally are not denominated in shares, but rather in membership interests, with such interests typically denominated in units or percentage interests. Procurri LLC's membership interests are denominated in percentage interests of ownership. Procurri LLC has issued 100.0% of its membership interests for an aggregate contribution of US\$2,000,000.
- (3) As at the Latest Practicable Date, Procurri Beijing has not engaged in any business and as such, is not a principal subsidiary of our Group. It is contemplated that Procurri Beijing will only commence business after the Listing.

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## SHARE CAPITAL

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We were incorporated in Singapore on 15 March 2013 under the Companies Act as a private limited company under the name “ASVIDA Corporation Pte. Ltd.”. On 14 August 2013, our Company was renamed “Procurri Corporation Pte. Ltd.”. Subsequently, on 29 June 2016, we converted into a public company limited by shares and changed our name to “Procurri Corporation Limited”.

As at the date of incorporation, the issued and paid up capital of our Company was S\$1.00 comprising one (1) ordinary share. Ms. Tay Tuan Leng was the initial subscriber and was issued and allotted with one (1) ordinary share. Ms. Tay Tuan Leng is an unrelated third party to our Directors, Controlling Shareholders and their respective Associates.

Since the date of our Company’s incorporation, we have issued and allotted ordinary shares at various points in time. Please refer to the section entitled “*Share Capital – History of our Shareholding*” of this Prospectus for more information.

Pursuant to written resolutions passed by our Shareholders on 27 June 2016, our Shareholders approved the following:

- (a) the conversion of our Company into a public company limited by shares;
- (b) the adoption of our new Constitution;
- (c) the change of our name to “Procurri Corporation Limited”;
- (d) the sub-division of every one (1) Share into 6,500 Shares;
- (e) the issuance of the New Shares pursuant to the Offering;
- (f) the listing and quotation of the issued ordinary shares of our Company (including the New Shares to be issued pursuant to resolution (e) above) on the Official List of the SGX-ST;
- (g) the authorisation of our Directors to allot and issue Shares and/or convertible securities (where the maximum number of Shares to be issued upon conversion can be determined at the time of issuance of such convertible securities) from time to time (whether by way of rights, bonus or otherwise) and upon such terms and conditions and for such purposes and to such persons as our Directors may in their absolute discretion deem fit, (notwithstanding the authority conferred by such authority may have ceased to be in force) issue Shares in pursuance of any offers, agreements or options made or granted by our Directors while such authority was in force, provided that the aggregate number of Shares and/or convertible securities which may be issued pursuant to such authority shall not exceed 50.0% of the issued shares of our Company, of which the aggregate number of Shares and/or convertible securities which may be issued other than on a pro-rata basis to the existing Shareholders of our Company shall not exceed 20.0% of the issued shares of our Company (the percentage of issued shares being based on the post-Offering issued shares of our Company after adjusting for new Shares arising from the conversion or exercise of any convertible securities or employee share options on issue at the time such authority is given and any subsequent consolidation or sub-division of shares) and, unless revoked or varied by our Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of our Company or on the date by which the next annual general meeting is required by law to be held, whichever is earlier;

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## SHARE CAPITAL

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- (h) the adoption of the Procurri PSP, the rules of which are set out in Appendix E of this Prospectus and that our Directors be authorised to allot and issue Award Shares upon the vesting of Awards granted under the Procurri PSP;
- (i) the adoption of the Procurri ESOS, the rules of which are set out in Appendix F of this Prospectus and that our Directors be authorised to allot and issue Option Shares as may be required to be issued pursuant to the exercise of Options granted under the Procurri ESOS;
- (j) that:
  - (i) the authorisation of our Directors to purchase or otherwise acquire the Shares not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors of our Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
    - (1) on-market purchases (“**Market Purchase**”), transacted on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one (1) or more duly licensed stockbrokers appointed by our Company for the purpose; and/or
    - (2) off-market purchases (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by our Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual, and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual as may for the time being be applicable (the “**Share Buy-back Mandate**”);
  - (ii) any Share that is purchased or otherwise acquired by our Company pursuant to the Share Buy-back Mandate shall, at the discretion of our Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
  - (iii) unless varied or revoked by our Company in general meeting, the authority pursuant to the Share Buy-back Mandate shall be exercisable at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earlier of:
    - (1) the date on which the next annual general meeting (the “**AGM**”) of our Company is held or required by law to be held;
    - (2) the date on which the share buy-backs are carried out to the full extent mandated; or
    - (3) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked;
  - (iv) in this resolution:

“**Prescribed Limit**” means 10.0% of the issued ordinary share capital of our Company as at the date of passing of this resolution unless our Company has effected a reduction of our share capital in accordance with the applicable provisions of the Companies Act,

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## SHARE CAPITAL

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at any time during the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this resolution, in which event the issued ordinary share capital of our Company shall be taken to be the amount of the issued ordinary share capital of our Company as altered (excluding any treasury shares that may be held by our Company from time to time);

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (1) in the case of a Market Purchase: 105.0% of the Average Closing Price;
- (2) in the case of an Off-Market Purchase: 120.0% of the Average Closing Price, where:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period; and

“**day of the making of the offer**” means the day on which our Company announces its intention to make an offer for the purchase of Shares from our Shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (v) our Company and any Director are severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as may be considered desirable, expedient or necessary or in the interests of our Company to give effect to the matters referred to in this resolution; and
- (k) the adoption of the general mandate for interested person transactions, details of which are set out in “*Interested Person Transactions and Potential Conflicts of Interest – General Mandate for Interested Person Transactions*” of this Prospectus.

Please refer also to the sections entitled “*Information on the Share Buy-back Mandate*” and “*Letter from SAC Capital Private Limited to the Audit Committee*” as set out in Appendices G and H of this Prospectus, respectively, for more information.

As at the Latest Practicable Date, the issued and paid-up share capital of our Company is S\$33,312,410.30 divided into 32,480 Shares. Following sub-division and upon the allotment of the New Shares which are the subject of the Offering, the resultant issued share capital of our Company will be increased to S\$71,885,210.30 comprising 280,000,000 Shares.

As at the Latest Practicable Date, we have only one (1) class of shares in the capital of our Company. The rights and privileges of our Shares are stated in our Constitution. There are no founder, management or deferred shares reserved for issuance for any purpose.

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## SHARE CAPITAL

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The New Shares shall have the same interest and voting rights as our existing Shares that were issued prior to the Offering and there are no restrictions on the free transferability of our Shares. As at the Latest Practicable Date, save for the Bonds (as defined below), to the best of the knowledge of our Directors, no person has been, or is entitled to be, given an option to subscribe for or purchase any securities of our Company or our subsidiaries.

### REDEEMABLE EXCHANGEABLE BONDS ISSUED BY DECLOUT IN FAVOUR OF ICH GEMINI

On 8 January 2016, we entered into a subscription agreement with our Controlling Shareholder, DeClout, and ICH Gemini, pursuant to which DeClout agreed to issue, and ICH Gemini agreed to subscribe for, an aggregate of S\$6,000,000 in principal amount of non interest-bearing redeemable exchangeable bonds due 2016 (the “**Bonds**”) at a subscription price of 100.0% of the principal amount of the Bonds, on the terms and subject to the conditions of the Subscription Agreement (the “**Bond Issue**”). The closing of the Bond Issue subsequently took place on 12 January 2016, with DeClout’s issuance of the Bonds to ICH Gemini.

Pursuant to the terms and conditions of the Bonds, the Bonds shall, immediately upon the finalisation and establishment of the Offering Price, be automatically exchanged into existing Shares owned by DeClout (the “**Exchange Shares**”) at 70.0% of the Offering Price (the “**Exchange Price**”). The number of Exchange Shares shall be determined by dividing the aggregate principal amount of the Bonds by the Exchange Price. Accordingly, ICH Gemini will hold 15,306,122 Shares representing approximately 5.5% of our issued share capital immediately after the Offering. Please refer to the section entitled “*Shareholders*” of this Prospectus for more information.

### CHANGES IN ISSUED AND PAID-UP SHARE CAPITAL OF OUR COMPANY AND OUR SUBSIDIARIES

The shareholders’ equity of our Company as at the date of incorporation and after the issue of the New Shares, is set out below:

Shareholders’ Equity	As at the Date of Incorporation (S\$)	Immediately after the Offering (S\$)
Issued and paid-up share capital	1.00	71,885,210.30 <sup>(1)</sup>
Reserves	—	—
<b>Total shareholders’ equity</b>	<b>1.00</b>	<b>71,885,210.30</b>

**Note:**

(1) This amount excludes estimated IPO expenses of approximately S\$1,801,000 to be capitalised.

## SHARE CAPITAL

More than 10.0% of our share capital has been paid for with assets other than cash within the three (3) years before the date of this Prospectus. The issued and paid-up share capital of our Company as at the date of incorporation and immediately after the issue of the New Shares, is set out below:

Issued and Fully-paid up Share Capital as at:	Number of New Shares Issued	Resultant Issued and Paid-up Share Capital (Number of Shares)	Resultant Issued and Paid-up Share Capital (S\$)
Incorporation	1	1	1.00
Sub-division	211,087,520	211,120,000	33,312,410.30
<b>Pre-Offering share capital</b>	–	211,120,000	33,312,410.30
New Shares to be issued pursuant to the Offering	68,880,000	280,000,000	71,885,210.30 <sup>(1)</sup>
<b>Post-Offering share capital</b>	–	280,000,000	71,885,210.30 <sup>(1)</sup>

**Note:**

(1) This amount excludes estimated IPO expenses of approximately S\$1,801,000 to be capitalised.

There are no Shares issued that have not been fully paid up.

Save as disclosed below, there were no changes in the issued and paid-up share capital of our Company, and our subsidiaries within the three (3) years preceding the Latest Practicable Date:

### Our Company

Date	Event	Number of Shares Issued <sup>(1)</sup>	Issue Price <sup>(1)</sup> (S\$)	Resultant Number of Shares <sup>(1)</sup>	Resultant Issued Share Capital (S\$)
12 December 2013	Shares issued to DeClout	5,009	250.97	5,010	1,257,110.20
2 January 2014	Shares issued to Irrucorp	4,990	250.92	10,000	2,509,201.00
30 April 2014	Shares issued to DeClout	11,790	544.53	21,790	8,929,201.00
5 May 2014	Shares issued to DeClout	1,970	2,539.00	23,760	13,931,031.00
5 May 2014	Shares issued to Mr. Oan Chim Seng	590	2,539.00	24,350	15,429,041.00
5 May 2014	Shares issued to Golden Summit	690	2,539.00	25,040	17,180,951.00
30 May 2014	Shares issued to Golden Summit	690	2,539.00	25,730	18,932,861.00
2 June 2014	Shares issued to Verity Solutions	1,890	1,079.37	27,620	20,972,870.30

## SHARE CAPITAL

Date	Event	Number of Shares Issued <sup>(1)</sup>	Issue Price <sup>(1)</sup> (\$)	Resultant Number of Shares <sup>(1)</sup>	Resultant Issued Share Capital (\$)
31 December 2014	Shares issued to DeClout	2,620	2,539	30,240	27,625,050.30
31 December 2014	Shares issued to Mr. Oan Chim Seng	60	2,539	30,300	27,777,390.30
31 December 2014	Shares issued to Golden Summit	140	2,539	30,440	28,132,850.30
1 September 2015	Shares issued to DeClout	1,010	2,539	31,450	30,697,240.30
1 September 2015	Shares issued to Verity Solutions	90	2,539	31,540	30,925,750.30
1 September 2015	Shares issued to Irrucorp	240	2,539	31,780	31,535,110.30
1 September 2015	Shares issued to Mr. Oan Chim Seng	30	2,539	31,810	31,611,280.30
1 September 2015	Shares issued to Golden Summit	70	2,539	31,880	31,789,010.30
4 September 2015	Shares issued to Mathew Jordan	600	2,539	32,480	33,312,410.30
29 June 2016	Sub-division of every one (1) Share into 6,500 Shares	211,087,520 <sup>(2)</sup>	–	211,120,000	33,312,410.30

**Notes:**

(1) This is on a pre-sub-division basis.

(2) Additional number of Shares to be issued as a result of the sub-division.



## SHARE CAPITAL

### Our Subsidiaries

Date	Event	Number of Shares Issued	Issue Price	Resultant Number of Shares	Resultant Issued/Registered Share Capital
<i>Singapore</i>					
Procurri Asia Pacific Pte. Ltd.					
19 January 2015	Shares issued to Allied Knights on incorporation	200,000	S\$1.00	200,000	S\$200,000
<i>UK</i>					
ASVIDA UK Limited					
1 July 2014	Shares issued to Procurri	6,780,823	GBP1.00	6,780,824	GBP6,780,824
5 September 2015	Shares issued to Procurri	4,918,448	GBP1.00	11,699,272	GBP11,699,272
Tinglobal Holdings Limited					
8 May 2014	Shares issued to ASVIDA UK	104,081,633	GBP0.0588	251,414,966	GBP251,414.966
<i>Malaysia</i>					
Procurri Malaysia Sdn. Bhd.					
27 January 2015	Shares issued to Procurri	600,000	RM1	1,100,000	RM1,100,000
<i>Mexico</i>					
Procurri, S. de R.L. de C.V.					
27 January 2015	Social quota issued to Proccuri on incorporation	150	MXN1	150	MXN150
27 January 2015	Social quota issued to Proccuri LLC on incorporation	1,499,850	MXN1	1,500,000	MXN1,500,000
<i>PRC</i>					
Procurri (Beijing) Co., Ltd.					
2 March 2016	Subscription of registered capital by Proccuri Asia Pacific on incorporation		– <sup>(1)</sup> US\$2,000,000	– <sup>(1)</sup>	US\$2,000,000

**Note:**

- (1) Under the laws of the PRC, liabilities of shareholders of a limited liability company are limited to the amount of registered capital they have subscribed. Procurri Asia Pacific is the sole subscriber of Procurri Beijing.

## SHAREHOLDERS

Our Directors and Substantial Shareholders as well as their respective shareholdings immediately before the Offering and immediately after the Offering are set out below (assuming Directors and Substantial Shareholders are not subscribing to the Offering):

Directors	Before the Offering			After the Offering		
	Direct Interest No. of Shares	Deemed Interest No. of Shares	%	Direct Interest No. of Shares	Deemed Interest No. of Shares	%
Wong Kok Khun	–	–	–	–	–	–
Sean Murphy <sup>(1)</sup>	–	33,995,000	16.10	–	33,995,000	12.14
Lim Swee Yong	–	–	–	–	–	–
Ho Chew Thim	–	–	–	–	–	–
Ng Loh Ken Peter	–	–	–	–	–	–
Wong Quee Quee, Jeffrey	–	–	–	–	–	–
<b>Substantial/Controlling Shareholders</b>						
DeClout Limited	145,600,000	–	68.97	130,293,878	–	46.53
Irrucorp Pte. Ltd. <sup>(2)</sup>	33,995,000	–	16.10	33,995,000	–	12.14
Verity Solutions Pte. Ltd. <sup>(3)</sup>	12,870,000	–	6.10	12,870,000	–	4.60
Edward Flachbarth <sup>(4)</sup>	–	33,995,000	16.10	–	33,995,000	12.14
Phang Chee Can <sup>(5)</sup>	–	12,870,000	6.10	–	12,870,000	4.60
Tan Wei Meng <sup>(5)</sup>	–	12,870,000	6.10	–	12,870,000	4.60
ICH Gemini Asia Growth Fund Pte. Ltd. <sup>(6)</sup>	–	–	–	15,306,122 <sup>(7)</sup>	–	5.47
<b>Other Shareholders (less than 5.0%)</b>						
Golden Summit International Ltd. <sup>(8)</sup>	10,335,000	–	4.90	10,335,000	–	3.69
Oan Chim Seng <sup>(9)</sup>	4,420,000	–	2.09	4,420,000	–	1.58
Mathew Jordan <sup>(10)</sup>	3,900,000	–	1.85	3,900,000	–	1.39
<b>Public (excluding Other Shareholders)</b>						
Public Shareholders	–	–	–	68,880,000	–	24.60
<b>Total Share Capital</b>	<b>211,120,000</b>	<b>100.00</b>		<b>280,000,000</b>	<b>100.00</b>	

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## SHAREHOLDERS

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**Notes:**

- (1) Our Executive Director and Global CEO, Mr. Sean Murphy, is deemed interested in Irrucorp's Shares by virtue of his 20.68% shareholding in Irrucorp.
- (2) Irrucorp's shareholders, save for Ms. Alissa Tracie Schor, who is the spouse of Mr. Daniel Mark Kedme, are our Group's employees and their respective shareholdings are as follows: Ms. Amanda Collins Leonard (1.95%), Mr. Gerald Louis Jeanguenat (16.74%), Mr. John Bradley Adams (4.94%), Mr. Zachary Sexton (16.74%), Mr. Daniel Mark Kedme (5.12%), Mr. Edward Flachbarth (20.68%), Ms. Alissa Tracie Schor (5.12%), Mr. Sean Murphy (20.68%) and Mr. Logan Toshinaga Matsuoka (8.03%).
- (3) Verity Solutions' shareholders are our Group's employees and their respective shareholdings are as follows: Mr. Tan Joon Ngee (19.00%), Mr. Phang Chee Can (30.00%) and Mr. Tan Wei Meng (51.00%).
- (4) Our Global President, Mr. Edward Flachbarth, is deemed interested in Irrucorp's Shares by virtue of his 20.68% shareholding in Irrucorp.
- (5) Mr. Phang Chee Can and Mr. Tan Wei Meng are deemed interested in Verity Solutions' Shares by virtue of their 30.00% and 51.00% shareholding in Verity Solutions, respectively.
- (6) ICH Gemini is a private equity fund managed by ICH Gemini Pte. Ltd.. Each of ICH Gemini Pte. Ltd., Mr. Ren Yuanlin, Newyard Worldwide Holdings Ltd. (wholly-owned by Mr. Ren Yuanlin), Mr. Toe Teow Heng and Mr. Xu Fan are deemed interested in the Shares held by ICH Gemini by virtue of Section 4 of the SFA, and are not related to our Company, Directors, Controlling Shareholders and their respective Associates.
- (7) Pursuant to the exchange of the Bonds issued by DeClout. Please refer to the section entitled "*Share Capital – Redeemable Exchangeable Bonds issued by DeClout in favour of ICH Gemini*" of this Prospectus.
- (8) Golden Summit is a family office incorporated in the British Virgin Islands. Mr. Thomas Chan Ho Lam, who is a full time private investor, is the ultimate beneficial owner of Golden Summit. None of our Directors or Substantial Shareholders has any interest, direct or indirect, in Golden Summit.
- (9) Mr. Oan Chim Seng is an unrelated third party to our Directors, Controlling Shareholders and their respective Associates.
- (10) Our Executive Officer and Head of EMEA, Mr. Mathew Jordan, is the sole trustee of the Tinglobal Trust and in such capacity, and under the terms of which, holds 181 Shares of his 600 Shares on trust for the past and present management team of Tinglobal, comprising Mr. Graham Lea, Mr. Patrick Boydell, Mr. David Cowle, Mr. Raff Silano and Mr. John Birt. Mr. Graham Lea, Mr. Patrick Boydell, Mr. David Cowle, Mr. Raff Silano and Mr. John Birt are unrelated third parties to our Directors, Controlling Shareholders and their respective Associates.

To the best knowledge of our Directors, there is no known arrangement, the operation of which may, at a subsequent date, result in a change of control of our Company.

Save as disclosed in this Prospectus, and other than our Controlling Shareholder, DeClout, to the best of the knowledge of our Directors, our Company is not directly or indirectly owned or controlled by any corporation, government or other natural or legal person, whether severally or jointly.

## SHAREHOLDERS

### SIGNIFICANT CHANGES IN PERCENTAGE OF OWNERSHIP

Save as disclosed below, there has been no change in the percentage of ownership of Shares held by our Directors, Controlling Shareholders and Substantial Shareholders in the Period Under Review and from 1 January 2016 up to the Latest Practicable Date:

	As at 31 December 2013		As at 31 December 2014		As at 31 December 2015		As at the Latest Practicable Date	
	Number of Shares held	%	Number of Shares held	%	Number of Shares held	%	Number of Shares held	%
<b>Substantial/Controlling Shareholders<sup>(1)</sup></b>								
DeClout Limited	5,010	100.00	21,390	70.27	22,400	68.97	22,400	68.97
Irrucorp Pte. Ltd.	–	–	4,990	16.39	5,230	16.10	5,230	16.10
Verity Solutions Pte. Ltd.	–	–	1,890	6.21	1,980	6.10	1,980	6.10

**Note:**

- (1) The percentage ownership of Shares held by our Directors, Controlling Shareholders and Substantial Shareholders in the table above does not include the deemed interests of such Directors, Controlling Shareholders or Substantial Shareholders.

### MORATORIUM

To demonstrate their commitment to our Group, certain Shareholders have agreed with the Issue Manager, Bookrunner and Underwriter, from the Listing Date until the date falling six (6) months after the Listing Date (the “**Moratorium Period**”), to subject all or a part of their shareholding held at the time of Listing (as the case may be) to certain moratorium arrangements. Further details of the moratorium arrangements are set out below.

The aggregate number of Shares which will be moratorised are as follows:

Number of Shares under Moratorium	Percentage of Enlarged Share Capital Immediately after the Offering
185,847,322	66.4

### Controlling Shareholder

To demonstrate its commitment to our Group, our Controlling Shareholder, DeClout, who holds an aggregate of 130,293,878 Shares, representing approximately 46.5% of our issued share capital immediately after the Offering, has agreed with the Issue Manager, Bookrunner and Underwriter that it will not, without the prior written consent of the Issue Manager, Bookrunner and Underwriter, for the Moratorium Period, directly or indirectly, in respect of all of its Shares held at the time of Listing:

- (a) offer, pledge, sell, contract to sell, grant any option, right or warrant to purchase, lend, hypothecate or encumber or otherwise transfer or dispose of, any of its Shares (including any interests or securities convertible into or exchangeable for any Shares or which carry rights to subscribe for or purchase any Shares);
- (b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or any interests or securities

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## SHAREHOLDERS

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convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares, whether such swap, hedge or other arrangement is to be settled by delivery of Shares or other securities, in cash or otherwise;

- (c) deposit any of its Shares (including any interests or securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase any Shares) in any depository receipt facilities, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise;
- (d) enter into any transaction or other arrangement having an economic effect similar, in whole or in part, to the foregoing (a), (b) or (c); or
- (e) offer to, or agree to, or publicly announce any intention to do any of the above.

### Management

Irrucorp, Verity Solutions and our Executive Officer and Head of EMEA, Mr. Mathew Jordan, who collectively hold an aggregate of 50,765,000 Shares, representing approximately 18.1% of our issued share capital immediately after the Offering, have agreed with the Issue Manager, Bookrunner and Underwriter that, in respect of their 50,765,000 Shares, they will not, without the prior written consent of the Issue Manager, Bookrunner and Underwriter, for the Moratorium Period, directly or indirectly, in respect of all their Shares held at the time of Listing:

- (a) offer, pledge, sell, contract to sell, grant any option, right or warrant to purchase, lend, hypothecate or encumber or otherwise transfer or dispose of, any of their Shares (including any interests or securities convertible into or exchangeable for any Shares or which carry rights to subscribe for or purchase any Shares);
- (b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Shares or any interests or securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares, whether such swap, hedge or other arrangement is to be settled by delivery of Shares or other securities, in cash or otherwise;
- (c) deposit any of their Shares (including any interests or securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase any Shares) in any depository receipt facilities, whether any such transaction is to be settled by delivery of Shares or other securities, in cash or otherwise;
- (d) enter into any transaction or other arrangement having an economic effect similar, in whole or in part, to the foregoing (a), (b) or (c); or
- (e) offer to, or agree to, or publicly announce any intention to do any of the above.

Additionally, each of the shareholders of Irrucorp and Verity Solutions have agreed with the Issue Manager, Bookrunner and Underwriter that, in respect of their respective shareholdings in Irrucorp and Verity Solutions (as the case may be), they shall not, without the prior written consent of the Issue Manager, Bookrunner and Underwriter, for the Moratorium Period, directly or indirectly, in respect of all their shares in Irrucorp and Verity Solutions (as the case may be) held at the time of Listing, do any of the above.

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## SHAREHOLDERS

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### Shareholders to which Rule 229(3) of the Listing Manual Applies

ICH Gemini, who holds an aggregate of 15,306,122 Shares, representing approximately 5.5% of our issued share capital immediately after the Offering, has agreed with the Issue Manager, Bookrunner and Underwriter that, in respect of its 4,591,837 Shares which are subject to a six (6) month moratorium pursuant to Rule 229(3) of the Listing Manual (the “**Rule 229(3) Moratorised Shares**”), it will not, without the prior written consent of the Issue Manager, Bookrunner and Underwriter, for the Moratorium Period, directly or indirectly, in respect of all of its Rule 229(3) Moratorised Shares:

- (a) offer, pledge, sell, contract to sell, grant any option, right or warrant to purchase, lend, hypothecate or encumber or otherwise transfer or dispose of, any of its Rule 229(3) Moratorised Shares (including any interests or securities convertible into or exchangeable for any Rule 229(3) Moratorised Shares or which carry rights to subscribe for or purchase any Rule 229(3) Moratorised Shares);
- (b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Rule 229(3) Moratorised Shares or any interests or securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Rule 229(3) Moratorised Shares, whether such swap, hedge or other arrangement is to be settled by delivery of Rule 229(3) Moratorised Shares or other securities, in cash or otherwise;
- (c) deposit any of its Rule 229(3) Moratorised Shares (including any interests or securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase any Rule 229(3) Moratorised Shares) in any depository receipt facilities, whether any such transaction is to be settled by delivery of Rule 229(3) Moratorised Shares or other securities, in cash or otherwise;
- (d) enter into any transaction or other arrangement having an economic effect similar, in whole or in part, to the foregoing (a), (b) or (c); or
- (e) offer to, or agree to, or publicly announce any intention to do any of the above.

### Shareholders to which Rule 229(4) of the Listing Manual Applies

Golden Summit and Mr. Oan Chim Seng, who hold 10,335,000 and 4,420,000 Shares representing approximately 3.7% and 1.6% of our issued share capital immediately after the Offering, respectively, have agreed with the Issue Manager, Bookrunner and Underwriter that, in respect of their respective 137,625 and 58,982 Shares which are subject to a six (6) month moratorium pursuant to Rule 229(4) of the Listing Manual (the “**Rule 229(4) Moratorised Shares**”), they will not, without the prior written consent of the Issue Manager, Bookrunner and Underwriter, for the Moratorium Period, directly or indirectly, in respect of all their Rule 229(4) Moratorised Shares:

- (a) offer, pledge, sell, contract to sell, grant any option, right or warrant to purchase, lend, hypothecate or encumber or otherwise transfer or dispose of, any of their Rule 229(4) Moratorised Shares (including any interests or securities convertible into or exchangeable for any Rule 229(4) Moratorised Shares or which carry rights to subscribe for or purchase any Rule 229(4) Moratorised Shares);

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## SHAREHOLDERS

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- (b) enter into any swap, hedge or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Rule 229(4) Moratorised Shares or any interests or securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Rule 229(4) Moratorised Shares, whether such swap, hedge or other arrangement is to be settled by delivery of Rule 229(4) Moratorised Shares or other securities, in cash or otherwise;
- (c) deposit any of their Rule 229(4) Moratorised Shares (including any interests or securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase any Rule 229(4) Moratorised Shares) in any depository receipt facilities, whether any such transaction is to be settled by delivery of Rule 229(4) Moratorised Shares or other securities, in cash or otherwise;
- (d) enter into any transaction or other arrangement having an economic effect similar, in whole or in part, to the foregoing (a), (b) or (c); or
- (e) offer to, or agree to, or publicly announce any intention to do any of the above.

### **No Sale of Similar Securities by our Company**

We have agreed with the Issue Manager, Bookrunner and Underwriter that, from the Listing Date until the date falling six (6) months after Listing Date, we will not, without the prior written consent of the Issue Manager, Bookrunner and Underwriter, directly or indirectly:

- (a) allot, offer, issue, sell, contract to issue, grant any option, warrant or other right to subscribe or purchase, grant security over, encumber (whether by way of mortgage, assignment of rights, charge, pledge, pre-emption rights, rights of first refusal or otherwise), or otherwise dispose of or transfer, any Shares or any other securities of our Company or any subsidiary of ours (including any equity-linked securities, perpetual securities and any securities convertible into or exchangeable for, or which carry rights to subscribe for or purchase such Shares or any other securities of our Company or any subsidiary of ours), whether such transaction is to be settled by delivery of Shares or other securities of our Company or any subsidiary of ours, or in cash or otherwise;
- (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Shares or any other securities of our Company or any subsidiary of ours, or any interest in any of the foregoing (including any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase Shares or any other securities of our Company or any subsidiary of ours), whether such transaction is to be settled by delivery of Shares or other securities of our Company or any subsidiary of ours, or in cash or otherwise;
- (c) deposit any Shares or any other securities of our Company or any subsidiary of ours (including any securities convertible into or exchangeable for, or which carry rights to subscribe or purchase such Shares or any other securities of our Company or any subsidiary of ours) in any depository receipt facilities;
- (d) enter into any transaction with the same economic effect as any transaction described in the foregoing (a), (b) or (c); or
- (e) offer or agree to or make any announcement with respect to any of the foregoing transactions.

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## SHAREHOLDERS

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The foregoing restriction does not apply to the New Shares issued under the Offering, the Option Shares and the Award Shares or utilisation of treasury shares issued in accordance with the Companies Act.

### **Persons intending to subscribe for Shares in the Offering**

While some of our Directors (including Directors who are Substantial Shareholders) intend to subscribe for the New Shares, none of our other Substantial Shareholders intends to subscribe for the New Shares. In the event that any of our Directors or Substantial Shareholders subscribe for any New Shares, we will, pursuant to Rule 240(1) of the Listing Manual, announce details of such subscription.

To the best of our knowledge, we are not aware of any person who intends to subscribe for more than 5.0% of the New Shares. However, through a book-building process to assess market demand for our Shares, there may be person(s) who may indicate interest to subscribe for more than 5.0% of the New Shares.

No Shares shall be allotted or allocated on the basis of this Prospectus later than six (6) months after the date of registration of this Prospectus by the Authority.



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## OUR BUSINESS

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### OVERVIEW

We are one of the leading global independent providers of Data Centre Equipment and Lifecycle Services.

We were incorporated in Singapore on 15 March 2013 under the Companies Act as a private limited company under the name “ASVIDA Corporation Pte. Ltd.”. On 14 August 2013, our Company was renamed “Procurri Corporation Pte. Ltd.”. Subsequently, on 29 June 2016, we converted into a public company limited by shares and changed our name to “Procurri Corporation Limited”.

Through our direct presence and our global network of partners, our business covers over eighty (80) countries worldwide, and we have offices across three (3) continents, in five (5) jurisdictions, namely, the US, the UK, Mexico, Singapore and Malaysia. Additionally, we recently incorporated a subsidiary in the PRC. Our revenue has grown from approximately S\$28.4 million in FY2013 to approximately S\$122.8 million in FY2015.

Our Company’s name, Procurri, is derived from the Latin word, “procurro”, which means “leading the pack”. This depicts our Company’s vision to unlock opportunities in the IT industry by changing the way the world buys technology through a sharing platform. Our tagline, “changing the way the world buys technology”, succinctly sums up our mission, which is to be the global aggregator of enterprise hardware and services to our channels, offering a converged network that combines the technology, finance and logistics domains.

We serve as a single touchpoint for our customers’ Data Centre Equipment and Lifecycle Services needs.

### HISTORY AND DEVELOPMENT

Our history can be traced back to October 2009 when our Controlling Shareholder, DeClout, founded ASVIDA Asia Pte. Ltd. (“**ASVIDA Asia**”) to supply and provide IT Distribution and Lifecycle Services in the Asia-Pacific. Our Company was incorporated on 15 March 2013 as “ASVIDA Corporation Pte. Ltd” and we were subsequently renamed “Procurri Corporation Pte. Ltd.” on 14 August 2013.

In April 2013, we expanded our business into the US market through a subscription of new membership interests in Procurri LLC, pursuant to which Procurri LLC became our 50.1% subsidiary.

In January 2014, we acquired the remaining membership interests in Procurri LLC, the consideration for which was satisfied by the issue of Shares representing 49.9% of our then enlarged share capital to Irrucorp, a Singapore-incorporated company owned by, amongst others, our Executive Director and Global CEO, Mr. Sean Murphy, our Executive Officer and Global President, Mr. Edward Flachbarth, and our Executive Officer and Head of the Americas, Mr. Zachary Sexton.

In April 2014, we acquired ASVIDA Asia from DeClout, the consideration for which was satisfied by the issue of Shares representing 54.1% of our then enlarged share capital to DeClout (the “**Integration Exercise**”). Following the Integration Exercise, ASVIDA Asia became a wholly-owned subsidiary of ours. The Integration Exercise represented a streamlining and consolidation of DeClout’s IT Distribution and Lifecycle Services businesses under our Group.

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## OUR BUSINESS

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In May 2014, we further expanded our IT Distribution and Lifecycle Services businesses into the UK market, through a subscription of new shares in Tinglobal Holdings Limited (“**Tinglobal**”), pursuant to which Tinglobal became our 51.0% subsidiary.

In June 2014, we further expanded our presence in Malaysia through the acquisition of Verity Solutions Sdn. Bhd. (“**Verity**”), a Malaysian company engaged in IT Distribution and Lifecycle Services, the consideration for which was satisfied by the issue of Shares representing 6.8% of our then enlarged share capital and the issue of shares in DeClout to Verity Solutions.

In January 2015, we incorporated a wholly-owned subsidiary in Mexico, Procurri Mexico, to expand into the Mexican market.

In February 2015, we further expanded our presence in the Asia-Pacific through the acquisition of 51.0% of Procurri Asia Pacific, a Singapore company engaged in IT Distribution and Independent Maintenance Services business in the Asia-Pacific, from Allied Knights. The consideration for the acquisition of the shares in Procurri Asia Pacific was satisfied by the issue of shares in DeClout.

In a bid to integrate the various entities to reap greater synergies across our Group, we rebranded Tindirect Limited (a wholly-owned subsidiary of Tinglobal) (“**Tindirect**”), Verity and ASVIDA Asia to Procurri UK, Procurri Malaysia and Procurri Singapore respectively, and launched our global brand “Procurri” worldwide.

In September 2015, we acquired, through our wholly-owned subsidiary, ASVIDA UK, the remaining shares in Tinglobal, the consideration for which was satisfied in cash to the Existing Shareholders (as defined in the section entitled “*Restructuring Exercise – Acquisition of the Remaining 49.0% of Tinglobal*”) and by the issue of Shares representing 1.8% of our then enlarged share capital to our Executive Officer, Mr. Mathew Jordan. Thereafter, Tinglobal became a wholly-owned subsidiary of ASVIDA UK.

In February 2016, we acquired the remaining shares in Procurri Asia Pacific, the consideration for which was satisfied by the issue of shares in DeClout. Thereafter, Procurri Asia Pacific became our wholly-owned subsidiary.

In March 2016, we incorporated a wholly-owned subsidiary in the PRC, Procurri Beijing, with a view to further expand into the PRC market. As at the Latest Practicable Date, Procurri Beijing has not engaged in any business and as such, is not a principal subsidiary of our Group. It is contemplated that Procurri Beijing will only commence business after the Listing.

On 29 June 2016, we converted into a public company and changed our name to “Procurri Corporation Limited”.

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## OUR BUSINESS

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The table below sets forth our key milestones since incorporation:

Year	Event
2009	DeClout establishes ASVIDA Asia to provide IT Distribution and Lifecycle Services in Asia. ASVIDA Asia subsequently expands its business offerings to the full suite of IT Distribution and Lifecycle Services businesses.
2012	Procurri LLC is established.
2013	We expand our business into the US market through a subscription of new membership interests in Procurri LLC. Our Company is established in connection with the same.
2014	We acquire the remaining membership interests in Procurri LLC, and Procurri LLC becomes a wholly-owned subsidiary of ours.
2014	We acquire ASVIDA Asia from DeClout, and ASVIDA Asia becomes a wholly-owned subsidiary of ours.
2014	We expand our IT Distribution and Lifecycle Services businesses into the UK market through a subscription of new shares in Tinglobal.
2014	We expand our presence in Malaysia through the acquisition of Verity.
2015	We expand our presence in the Asia-Pacific through the acquisition of Procurri Asia Pacific.
2015	We incorporate Procurri Mexico to expand our IT Distribution and Lifecycle Services businesses into the Mexican market.
2015	We rebrand Tindirect, Verity and ASVIDA Asia to Procurri UK, Procurri Malaysia and Procurri Singapore respectively, and launch our global brand “Procurri” worldwide.
2015	We acquire the remaining shares in Tinglobal, and Tinglobal becomes our wholly-owned subsidiary.
2016	We acquire the remaining shares in Procurri Asia Pacific, and Procurri Asia Pacific becomes our wholly-owned subsidiary.
2016	We incorporate Procurri Beijing with a view to expand our IT Distribution and Lifecycle Services businesses into the PRC market. As at the Latest Practicable Date, Procurri Beijing has not engaged in any business and as such, is not a principal subsidiary of our Group. It is contemplated that Procurri Beijing will only commence business after the Listing.

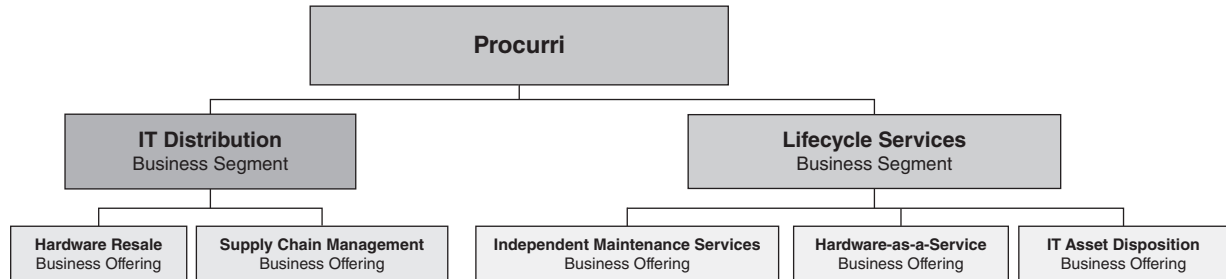
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## OUR BUSINESS

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### OUR PRODUCTS AND SERVICES

Broadly, our core business segments and business offerings are as follows:



### IT Distribution Business Segment

#### *Hardware Resale*

Leveraging on our global sourcing network and reverse logistics framework, we are a multi-vendor provider of IT hardware and equipment specialising in Data Centre Equipment across major IT brands such as HP, IBM, Lenovo, Dell, Fujitsu, Oracle Sun Systems, NetApp, Cisco, EMC, Quantum, Brocade, Alcatel Lucent, Aten, APC and Juniper. Being a vendor-agnostic aggregator, we match buy and sell opportunities between, amongst others, OEMs, VARs, hardware brokers, cloud companies and IT companies, who may be both our customer and supplier.

Our Hardware Resale business offering encompasses the entire value chain from procurement to the remarketing of IT hardware and equipment, and can be divided into the following stages:

- 1. Purchase.** The process begins with our purchasing of New Resale Equipment and Pre-Owned Equipment from both current and previous technology generations, from the secondary market. We obtain these through diverse channels, enabling us to reduce reliance on any single supplier and/or customer. If a product is not available from one particular supply channel, we may seek to obtain it through another. Our acquisitions also support our Independent Maintenance Services and Hardware-as-a-Service business offerings as a supply channel through which we are able to obtain IT hardware and equipment.
- 2. Assess.** Following our acquisition, we evaluate the IT hardware and equipment to assess its quality and value, and to decide on the next course of action (i.e. whether to send for pre-resale verification, harvest for parts, or send to external third parties for recycling).
- 3. Verify.** IT hardware and equipment that pass our stringent quality standards are sent for pre-resale verification during which it will undergo our recovery and/or refurbishment process. As part of this process, we will also securely erase and destroy any data at our premises. IT hardware and equipment that do not meet our quality standards will be harvested for useable parts to support our Hardware Resale and Independent Maintenance Services business offerings, or sent to external third parties for recycling.
- 4. Store.** Following the above, we tag and inventorise our resalable IT hardware and equipment and usable parts in anticipation of their resale or utilisation.
- 5. Stage.** Prior to resale, we assemble the IT hardware and equipment as required, and clean and pack it for delivery.

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## OUR BUSINESS

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6. **Remarket.** IT hardware and equipment that go through the above process is ready to be resold globally. We carry a wide range of New Resale Equipment and Pre-Owned Equipment from both current and previous technology generations. Carrying such a range of IT hardware and equipment allows us to meet the diverse needs of different customers, and remain competitive when demand and supply changes during different economic cycles.

We provide our customers with flexible options to sell and consign IT hardware and equipment to us, such as through our asset trade-in and buy-back programme. In this manner, we enable companies to eliminate the cost of storing, and help to maximise the value of, excess or end-of-life IT hardware and equipment.

We also provide to customers who do not wish to dispose of their IT hardware and equipment, our expertise in assessment, verification, storage and staging as part of our IT Asset Disposition services. This allows them to extend the lifespan and utility of their IT hardware and equipment.

### ***Supply Chain Management***

As our IT Distribution business segment encompasses the entire IT hardware and equipment distribution value chain, we are uniquely positioned to serve as a supply chain management partner to OEMs, by assisting them with various stages of the supply chain. This offering leverages on our global sourcing network, reverse logistics framework and our knowledge, experience and capabilities in synchronising supply with demand on a global basis. Additionally, we are also able to assist with the monitoring, and the planning of movement and storage of goods.

### **Lifecycle Services Business Segment**

Complementary to our IT Distribution business segment, we provide a comprehensive suite of services to support IT hardware and equipment, especially Data Centre Equipment, during its lifecycle.

### ***Independent Maintenance Services***

Beyond the provisioning of IT hardware and equipment, we offer a range of maintenance solutions which allows us to serve as a single point of contact to our customers and provide a consistent level of service globally.

Through our team of certified technical professionals, we offer maintenance solutions that are independent of OEM service level agreements as well as extended maintenance support for products that are out of warranty or are at the end-of-life, thereby extending the lifespan of IT hardware and equipment. This offering leverages on our global sourcing network and our Hardware Resale business offering, which functions as a supply channel through which we are able to harvest IT hardware and equipment for parts.

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## OUR BUSINESS

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We offer our maintenance solutions via customised service level agreements which have been tailored to suit our customers' varying needs and budgets, including 24/7<sup>(1)</sup> coverage on critical assets, 8/6<sup>(2)</sup> coverage and 8/5<sup>(3)</sup> coverage for less critical infrastructure. We also engage industry best practices in parts analysis and planning, and have a proven methodology to ensure we are well-equipped to support every maintenance contract effectively.

### ***Hardware-as-a-Service***

Our Hardware-as-a-Service solutions are designed to provide on-demand, computing resources through a pay-as-you-use model, allowing our customers the flexibility to scale their IT resources when required. By providing an asset-light approach to technology, our customers have an alternative option to owning IT hardware and equipment, which could be in the form of leasing or rental (on a short or long-term basis) that converts the cost of ownership from CAPEX to OPEX. Additionally, our maintenance solutions can be integrated into our Hardware-as-a-Service solutions, further simplifying the process of capacity expansion so as to achieve better efficiency and business outcomes.

### ***IT Asset Disposition***

Our IT Asset Disposition services emphasises reuse in order to extend the life of IT hardware and equipment and extract greater value from retiring technology. By assisting our customers with the assessment, verification, recovery, refurbishment (which includes, amongst others, data destruction), storage and/or staging process, our customers are able to increase the value and/or extend the lifespan and utility of their IT hardware and equipment.

For IT hardware and equipment that do not meet the quality standards required by our customers, we are able to assist with the harvesting and/or sending to third parties for recycling thereof, which allows our customers to achieve greater corporate and environmental sustainability.

We hold ourselves to the highest standards in the industry, and we have, for our UK operations, received the ISO 9001 and ISO 14001 certification for our processes, which are internationally recognised standards for the design and implementation of quality management and effective environmental management systems respectively. We also work with the Asset Disposal & Information Security Alliance (ADISA), one of the organisations which accredits companies with regard to their best practices for handling data carrying assets, to ensure that our transportation, erasure and disposal of end-of-life IT hardware, equipment and data is in line with its standards.

## **COMPETITION**

We face competition in all our business segments, of which the most material is the competition that we face in the Hardware Resale market and the Independent Maintenance Services market.

The Hardware Resale market for Data Centre Equipment is highly fragmented and many of the Hardware Resale vendors are largely localised. There are a limited number of global Hardware Resale vendors who have a combination of key technical expertise, global distribution and supply network to serve global customers who require integrated solutions. OEMs usually do not place

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<sup>(1)</sup> Full coverage seven (7) days a week, twenty-four (24) hours a day, including public holidays

<sup>(2)</sup> Extended hours coverage from 9.00 a.m. – 6.00 p.m., Monday to Saturday, excluding public holidays

<sup>(3)</sup> Business hours coverage from 9.00 a.m. – 5.00 p.m., Monday to Friday, excluding public holidays

## OUR BUSINESS

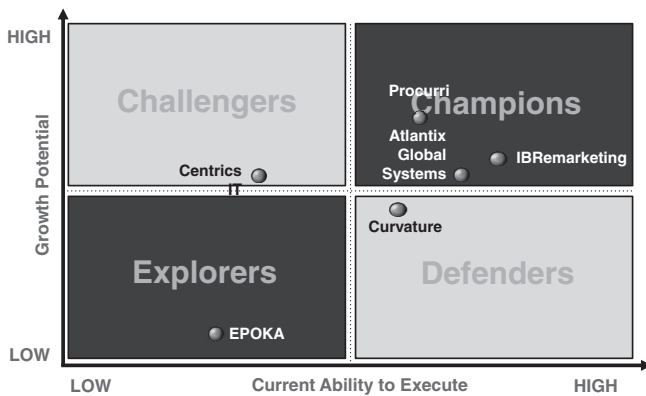
much emphasis on the Hardware Resale market as most of them focus on new equipment sales. They usually outsource or partner with Hardware Resale vendors to refurbish and/or remarket used equipment.

The IT hardware maintenance market is dominated by OEMs, with a small portion captured by independent hardware maintenance providers. This is because purchase transactions are usually supplemented with warranties from the OEMs when companies purchase new equipment from them. Many IT managers will then go on to renew maintenance services with the OEMs upon expiration of existing warranties. The Independent Maintenance Services market is very fragmented and no one player has dominance within this market.

According to Frost & Sullivan, while there is a rapidly increasing demand for resale hardware and an increasing supply of hardware that can potentially be resold, there are a limited number of players who connect these two together and operate from refurbishment of disposed hardware to marketing and supporting such hardware, on a global scale.

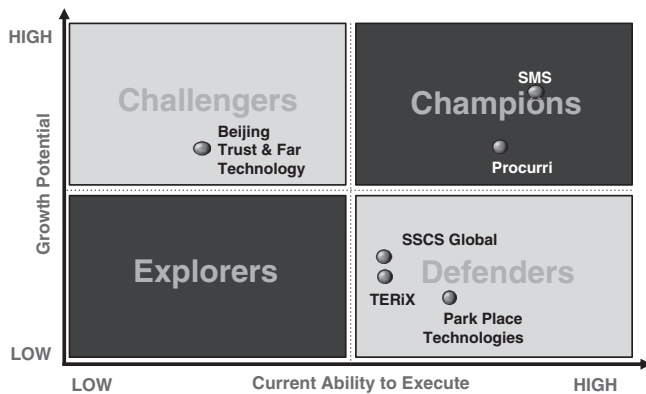
Frost & Sullivan has mapped the competitors on their current competitive strengths and growth potential. Please refer to Appendix I of this Prospectus for details of the parameters used for these ratings.

### Competitive Landscape for Hardware Resale Market



Frost & Sullivan Definitions	
(X) Current Ability to Execute	<ul style="list-style-type: none"> <li>Geographical Presence</li> <li>Breadth of Product/Service</li> </ul>
(Y) Growth Potential	<ul style="list-style-type: none"> <li>Presence in High Growth Countries</li> <li>Synergy across Value Chain</li> </ul>

### Competitive Landscape for Independent Maintenance Services



Frost & Sullivan Definitions	
(X) Current Ability to Execute	<ul style="list-style-type: none"> <li>Geographical Presence</li> <li>Breadth of Product/Service</li> </ul>
(Y) Growth Potential	<ul style="list-style-type: none"> <li>Presence in High Growth Countries</li> <li>Synergy across Value Chain</li> </ul>

Source: Frost & Sullivan

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## OUR BUSINESS

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We believe our main competitors are as follows:

Competing Service Offerings	Main Competitors
IT Distribution	<ul style="list-style-type: none"><li>• Curvature LLC</li><li>• IB Remarketing SA</li><li>• Atlantix Global Systems LLC</li></ul>
Lifecycle Services	<ul style="list-style-type: none"><li>• System Maintenance Services, Inc.</li><li>• Park Place Technologies, Inc.</li><li>• SSCS Global IT Services, Inc.</li></ul>

We compete with them based on, amongst other things, brand image, variety of products and services, quality of products and services, and price.

### OUR COMPETITIVE STRENGTHS

We believe that our position as one of the industry leaders is based on the following competitive strengths.

**We have a global presence which enables us to be a global aggregator who creates economies of scale and exploits growth opportunities**

The global Hardware Resale market and the Independent Maintenance Services market are highly fragmented and comprise mainly local players who have limited geographical reach. We believe that we are the global aggregator in this fragmented market and play an important role in matching buy and sell opportunities across the world.

In addition to our three (3) regional hubs in Singapore, the UK and the US, we also leverage on our global network of partners to extend our coverage to more than eighty (80) countries. With our access to local resources and expertise across geographies, we are able to provide quality technical solutions to meet the varying needs of our customers. Our customers no longer have to deal with multiple OEMs, vendors or intermediaries in multiple geographies for different hardware and services.

We have also established a good reputation within the industry for our sourcing capabilities through our global network. This enables us to secure cross-border contracts from leading IT vendors, global managed service providers and multi-national technology firms, and gives us a competitive edge over our competitors who tend to be largely local players.

Most of the other established players are in the Americas or Europe and lack a physical presence in the Asia-Pacific market, whereas our headquarters are strategically located in Singapore. We believe that we are well-poised to tap on the high-growth Data Centre Equipment and services industry in the Asia-Pacific.

We believe that we are well-positioned for the future, as Frost & Sullivan expects vendors who have the required technical expertise, global network and operations, as well as sourcing abilities, to be able to emerge as leaders in the coming years.



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## OUR BUSINESS

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### **We have a scalable business model that combines technology, finance and logistics domains**

The on-demand economy is driving the proliferation of cloud computing and a pay-as-you-use model, where enterprises are looking to reduce upfront investments by converting CAPEX to OPEX. It is also driving the demand for a robust supporting logistics network to ensure seamless delivery of IT solutions. This has resulted in the blurring of boundaries amongst the three (3) domains of technology, finance and logistics and we expect this trend to continue.

Through our expertise in the three (3) domains, we are able to capitalise on this trend and have a first-mover advantage in offering services that combine these three (3) domains. This business model provides an integrated solution for our customers and allows us to capture markets that would have been traditionally served by players who operate in their silo domains.

For instance, as part of our integrated solutions, we are able to assist customers with the refurbishment, storage, delivery, disposal and/or leasing of equipment through a single point of contact. Our customers no longer have to arrange for separate financing or logistics services when buying, leasing or refurbishing IT hardware and equipment.

We believe that we can replicate this business model across geographies and scale to be a market leader.

### **We have an experienced and committed key management team**

Our management team has extensive industry knowledge, experience and operational expertise. The majority of our management team have an average of more than twenty (20) years of experience in the IT industry, and have prior to their coming together under the Procurri umbrella, worked with each other in different capacities (please refer to the section entitled “*Directors, Management and Staff – Directors*” of this Prospectus). Under the stewardship of our management team, our revenue has grown from approximately S\$28.4 million in FY2013 to approximately S\$122.8 million in FY2015. Furthermore, the reputation and track record of our management team have assisted us in establishing close working relationships with our partners in the industry, and they have built a vast network of established customers with long-standing relationships from diverse sectors and geographies. Both of these are key to our continued growth.

Our management team is supported by our strong team of technical professionals and sales personnel who have worked closely with them prior to the founding of our Group. Our team of experienced sales personnel and certified technical professionals from various parts of the world supports our key management in building a vast network of long-standing relationships with our customers and in providing strong local market expertise to our customers.

### **We can leverage on our strong mergers and acquisitions and joint ventures execution track record to drive our global expansion**

In a bid to strengthen our global reach and support to customers, we have built our global presence through strategic investments and expansions over the years. Our key acquisitions include Procurri LLC, Tinglobal, Verity, and Procurri Asia Pacific. We have since successfully integrated our various businesses under the Procurri umbrella, all the while maintaining a high staff morale and low staff turnover. For further details, please refer to the section entitled “*Our Business – History and Development*” of this Prospectus.

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## OUR BUSINESS

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Our strong mergers and acquisitions and joint ventures execution track record has demonstrated our ability in identifying appropriate targets and partners with whom we can develop synergistic relationships, as well as our ability to successfully execute such development and integration, and realise full potential. We believe that we can leverage on our strong mergers and acquisitions track record to drive our global expansion.

### QUALITY ASSURANCE

Our Group recognises that the industry in which we operate is competitive, and it is vital to provide quality services and maintain high standards in our operations. To attract and retain our customers and to reduce disruptions to our products and services, we have adopted various policies and standards that are commensurate with this. We also have channels where our customers may provide feedback to us on possible improvements to our products and services.

We have, for our UK operations, received the ISO 9001 and ISO 14001 certification for our processes, which are internationally recognised standards for the design and implementation of quality management and effective environmental management systems respectively. Our UK operations are also Cyber Essentials certified (Cyber Essentials is a UK Government-backed cyber security standard). We also work with the Asset Disposal & Information Security Alliance (ADISA), one of the organisations which accredits companies with regard to their best practices for handling data carrying assets, to ensure that our transportation, erasure and disposal of end-of-life IT hardware, equipment and data are in line with its standards. We are also committed to workplace safety and have attained bizSAFE Level 3 Accreditation for Workplace Health and Safety for our Singapore operations.

Please refer to the section entitled “*Our Business – Awards and Accreditations*” of this Prospectus for further details of our Group’s awards and accreditations as at the Latest Practicable Date.

## OUR BUSINESS

### AWARDS AND ACCREDITATIONS

Over the years, we have received awards and accreditations from various government bodies and industry authorities in the following areas:

Award/Accreditation	Year	Awardee	Criteria/Significance
ISO 9001:2008 Certificate of Approval (Quality Management Systems)	Since 2009	Procurri UK	<p>ISO 9001 is the internationally recognised standard for Quality Management Systems (“QMS”). It is the most widely used QMS standard in the world, with over 1.1 million certificates issued to organisations in 178 countries.</p> <p>ISO 9001 provides a framework and set of principles that ensure a common-sense approach to the management of an organisation to consistently satisfy customers and other stakeholders. In simple terms, it provides the basis for effective processes and effective people to deliver an effective product or service time after time.</p>
ISO 14001:2004 Certificate of Approval (Environmental Management Systems)	Since 2009	Procurri UK	<p>The ISO 14001 is the international standard for environmental management systems (“EMS”) and the most widely used EMS in the world, with over 14,000 organisations certified in the UK and over 250,000 certificates issued globally.</p> <p>ISO 14001 is the principal management system standard which specifies the requirements for the formulation and maintenance of an EMS. This helps to control environmental aspects, reduce impacts and ensure legal compliance.</p>
Asset Disposal & Information Security Alliance (“ADISA”) Certification (IT Asset Disposal Standard)	Since 2012	Procurri UK	ADISA Certification (IT Asset Disposal Standard) is an industry standard that focuses on best practices for handling data carrying assets.

## OUR BUSINESS

Award/Accreditation	Year	Awardee	Criteria/Significance
bizSAFE Level 3 Accreditation for Workplace Health and Safety	Since 2015	Procurri Singapore	bizSAFE accreditation is Singapore's leading workplace health and safety standard. The bizSAFE Level 3 accreditation by Singapore's Workplace Safety and Healthy Council focuses in particular on management commitment to workplace health and safety, the acquisition of risk management capability and the implementation of risk management.
Top Workplaces (Atlanta, US) Award	Since 2015	Procurri LLC	The Top Workplaces program was set up by WorkplaceDynamics in 2006 and recognises good employers on thirty (30) regional lists and one (1) national list. The evaluations for the list are based purely on employee opinions, which are gathered through the WorkplaceDynamics employee survey. Over 4,000 organisations and a million employees participate in the program.
Cyber Essentials	Since 2016	Procurri UK	Cyber Essentials is a UK Government-backed cyber security standard, which organisations can be assessed and certified against. It identifies the security controls that an organisation must have in place within their IT systems in order to have confidence that they are addressing cyber security effectively and mitigating the risk from Internet-based threats.

### MAJOR CUSTOMERS

Our customers include OEMs, VARs, hardware brokers, cloud companies and IT companies, who may, depending on their requirements, also be our suppliers.

The following table shows our customers who accounted for 5.0% or more of our Group's net revenue in the last three (3) financial years.

## OUR BUSINESS

	FY2013	FY2014	FY2015
	%	%	%
QCM Technologies Inc.	–	–	5.8
Sutherland Asbill & Brennan LLP	8.1	2.3	0.5
Corporate Innovations (S) Pte Ltd	5.7	–	–

The changes above reflect the nature of our business. IT expenditure is generally needs-based and undertaken in scale on an ad-hoc basis. The need for IT hardware and equipment does not always arise on a yearly basis. Thus, we are not reliant on any one customer as our customers change from year to year.

To the best of our Directors' knowledge, we are not aware of any information or arrangement which would lead to a cessation or termination of our relationship with any of our major customers.

None of our Directors or Substantial Shareholders has any interest, direct or indirect, in any of our major customers.

Save as disclosed above, there is no other customer who accounted for 5.0% or more of our revenue during the Period Under Review.

### MAJOR SUPPLIERS

As a multi-vendor provider of IT hardware and equipment and a vendor-agnostic aggregator, we purchase our IT hardware and equipment from diverse channels. As such, we are not restricted to any one supplier and are able to source from diverse channels based on the needs of our customers, and the quality and prices of the IT hardware and equipment.

The following table shows our suppliers who accounted for 5.0% or more of our Group's purchases in the last three (3) financial years.

	FY2013	FY2014	FY2015
	%	%	%
IBM de Mexico, S de R.L. de C.V.	–	–	12.2
Compagnie IBM France SAS	–	4.6	7.5
Avago Technologies International Sales Pte. Ltd.	–	–	5.3
Cisco Systems Capital Corporation	7.0	0.8	–

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## OUR BUSINESS

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The changes above reflect our flexibility as a vendor-agnostic aggregator who is not restricted to any one supplier and is able to source from diverse channels based on the competitiveness of commercial terms offered (such as price, product availability and the quality of the customer service provided). For example, the purchases from IBM de Mexico, S de R.L. de C.V. were for large orders from US customers; pursuant thereto, our Company requested for 680 blade centres and 93 blade centre chassis to be manufactured. We are not materially dependent on any one of our major suppliers as we are not restricted to any one supplier and are able to source from diverse channels.

None of our Directors or Substantial Shareholders has any interest, direct or indirect, in any of our major Suppliers.

Save as disclosed above, there is no other supplier which accounted for 5.0% or more of our purchases in the last three (3) financial years.

### ORDER BOOK

As at the Latest Practicable Date, our Group had an order book amounting to approximately S\$8.2 million, of which approximately S\$6.8 million is expected to be delivered or completed within the next twelve (12) months.

As our order book may be subject to cancellation and deferral, our order books as at any particular date may not be indicative of our revenue for the succeeding period.

### SEASONALITY

Based on our past experiences, we have observed that demand for our products and services is generally strongest during the last two (2) months of the year due to our customers utilising the remainder of their annual IT budgets. Similarly, we also experience lower demand during the first two (2) months of the year due to the festive season and that many of our customers generally would not have finalised their annual IT budgets.

### INVENTORY MANAGEMENT

Our inventory mainly comprises IT hardware and equipment held for resale to support our IT Distribution business. Additionally, we also have fixed assets that are at the end of their lease or rental, and are thus added back to inventory.

We adopt the first-in first-out method of inventory management and costing, and maintain our inventory based on (a) current and anticipated sales trends; and (b) opportunistic purchases that present good value.

We have put in place a computerised inventory management system, which tracks the movement of inventory items on a real-time basis, and is linked to our financial, sales and customer service functions.

We continually assess the value and usefulness of inventory. Where necessary, allowance is provided for damaged, obsolete and slow-moving items, to adjust the carrying value of inventory to lower the costs and net realisable value.

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## OUR BUSINESS

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Our average inventory turnover during the Period Under Review is as follows:

	FY2013	FY2014	FY2015
Average inventory turnover days <sup>(1)</sup>	43	45	50

**Note:**

(1) Average inventory turnover days is computed as follows: (average inventories/purchases of IT hardware and equipment) x number of days

Where:

“**Average Inventories**” is defined as the average of the opening and closing inventories of the relevant financial year/period.

“**Number of Days**” is defined as the number of calendar days in the relevant financial year/period.

### CREDIT MANAGEMENT

#### Credit Terms to Our Customers

Our finance department manages and administers our credit policies and oversees the collection from our debtors on a regular basis. In our assessment of the credit terms and credit limits to be extended to each of our customers, we take into consideration factors such as their financial background and creditworthiness, transaction volume, payment history and length of their relationship with us.

Our credit limits specify the maximum outstanding amount that may be owed by our customers at any time and the length of the credit period provided. The majority of our sales are transacted on open accounts, under credit terms of up to thirty (30) days. However, we may grant credit terms of up to ninety (90) days to some of our more established customers, depending on their payment history and financial strength, as well as the size of the relevant transaction. Conversely, where circumstances require, we may request payment upon delivery.

We require customers who exceed their credit limit to settle their outstanding amounts before accepting new orders and, on a case by case basis, we may grant them a temporary increase of their credit limit.

Specific allowance or write-off is made when we are of the view that the collectability of an outstanding debt is highly improbable or the debt is uncollectible.

To ensure timely payment by our customers, we have implemented standard guidelines for our finance, as well as sales and marketing, departments, with regard to the monitoring and collection of payment. Should payment remain outstanding from a customer beyond the credit terms granted, reminders will be sent to the customers for payment. At the same time, steps will be taken to discover the reason for the delay.

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## OUR BUSINESS

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Our average trade receivables turnover during the Period Under Review is as follows:

	FY2013	FY2014	FY2015
Average trade receivables turnover days <sup>(1)</sup>	48	57 <sup>(2)</sup>	63 <sup>(2)</sup>

**Notes:**

- (1) Average trade receivables turnover days is computed as follows: (average trade receivables/revenue) x number of days  
Where:  
“**Average Trade Receivables**” is defined as the average of the opening and closing trade receivables (excluding bills receivable) of the relevant financial year/period.  
“**Number of Days**” is defined as the number of calendar days in the relevant financial year/period.
- (2) Excludes a large billing issued in December 2014 as the same is non-recurring and its inclusion does not reflect the true nature of our average trade receivables in the ordinary course of business. The payment was received in the first quarter of 2015.

Our average trade receivables’ turnover days increased from FY2013 to FY2015 mainly due to increased trade and longer credit terms granted to customers and was within the range of average credit terms extended to our customers.

### Credit Terms from Our Suppliers

Payment terms granted by our suppliers vary from supplier to supplier and are also dependent, amongst other things, on our relationship with the relevant supplier and the size of the transaction. Generally, our suppliers grant us credit terms of up to thirty (30) days.

Our average trade payable turnover during the Period Under Review is as follows:

	FY2013	FY2014	FY2015
Average trade payables turnover days <sup>(1)</sup>	27	41 <sup>(2)</sup>	51 <sup>(2)</sup>

**Notes:**

- (1) Average trade payables turnover days is computed as follows: (average trade payables/costs of sales) x number of days  
Where:  
“**Average Trade Payables**” is defined as the average of the opening and closing trade payables of the relevant financial year/period.  
“**Number of Days**” is defined as the number of calendar days in the relevant financial year/period.
- (2) Excludes a large supplier invoice received in December 2014 as the same is non-recurring and its inclusion does not reflect the true nature of our average trade payables in the ordinary course of business. The invoice was settled in the first quarter of 2015.






### INTELLECTUAL PROPERTY

We believe that our brands are one of the key elements of the success of our business operations, and we depend on the increased recognition thereof for branding and marketing our services to our customers. To protect our intellectual property rights including our internet domain names, trademarks and logos, as at the Latest Practicable Date, we have applied for certain intellectual property rights.



## OUR BUSINESS

As at the Latest Practicable Date, we have applied for the following trademarks:

Trademark	Country	Class	Application Number	Application Date
 PROCURRI	Singapore	35 <sup>(1)</sup>	40201603973R	4 March 2016
		37 <sup>(2)</sup>	40201601966S	3 February 2016
 PROCURRI	Hong Kong Special Administrative Region of the PRC	35 <sup>(3)</sup>	303703086	4 March 2016
		37 <sup>(4)</sup>	303678797	3 February 2016
 PROCURRI	Malaysia	35 <sup>(1)</sup>	2016002471	10 March 2016
		37 <sup>(2)</sup>	2016002469	10 March 2016
 PROCURRI	Kingdom of Thailand	35 <sup>(1)</sup>	1032555	16 March 2016
		37 <sup>(2)</sup>	1032554	16 March 2016
 PROCURRI	Republic of Indonesia	35 <sup>(1)</sup>	J002016014228	28 March 2016
		37 <sup>(2)</sup>	J002016014231	28 March 2016

**Notes:**

- (1) Retail services; wholesale services; intermediary business services relating to the commercialising of goods (wholesaling); retail sale of computers, computer hardware and computer software; retail or wholesale services for computers, computer hardware and computer software; the bringing together, for the benefit of others, of a variety of goods (excluding the transport thereof), enabling customers to conveniently view and purchase those goods; such services may be provided by retail stores, wholesale outlets, distribution outlets, through mail order catalogues or by means of electronic media, for example, through websites or television shopping programmes.
- (2) Repair services; installation services; computer support services (installation, repair and maintenance of computer hardware and peripherals); IT services (computer and computer peripherals installation and maintenance); installation, repair and maintenance of computer systems; installation, repair and maintenance of computer hardware; installation, repair and maintenance of computers and computer peripherals; installation, repair and maintenance of communications systems; installation, repair and maintenance of communications network apparatus and instruments; installation, repair and maintenance of data communications networks; installation, repair and maintenance of data processing apparatus and installations; installation, repair and maintenance of data network apparatus; installation, repair and maintenance of electronic apparatus; installation, repair and maintenance of telecommunications networks, machines and apparatus; upgrading of computer hardware; installation, repair and maintenance advisory services; installation, repair and maintenance consultancy services.
- (3) Commercial management in respect of wholesaling; retail sale of computers; retail sale of computers, computer hardware and computer software; retail or wholesale services for computers, computer hardware and computer software; the bringing together, for the benefit of others, of a variety of goods (excluding the transport thereof), enabling customers to conveniently view and purchase those goods; all of the above are provided by retail stores, wholesale outlets, distribution outlets, through mail order catalogues or by means of electronic media, through websites or television shopping programmes.

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## OUR BUSINESS

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- (4) Repair services; installation services; installation, repair and maintenance of computer hardware and peripherals; computer and computer peripherals installation and maintenance; installation, repair and maintenance of computer systems; installation, repair and maintenance of computer hardware; installation, repair and maintenance of computers and computer peripherals; installation, repair and maintenance of communications systems; installation, repair and maintenance of communications network apparatus and instruments; installation, repair and maintenance of data communications networks; installation, repair and maintenance of data processing apparatus and installations; installation, repair and maintenance of data network apparatus; installation, repair and maintenance of electronic apparatus; installation, repair and maintenance of telecommunications networks, machines and apparatus; upgrading of computer hardware; installation, repair and maintenance advisory services; installation, repair and maintenance consultancy services.

Our Directors are not aware of any reason which would cause or lead to non-registration of the foregoing trademarks. To the best of our Directors' knowledge and belief, there is no third party that is currently using a trademark that is similar to the foregoing trademarks.

As at the Latest Practicable Date, our Group owns the following domain name:

Domain Name	Registration Date	Expiry Date
www.procurri.com	26 December 2012	26 December 2018

Barring any unforeseen circumstances, we do not foresee any issues with the future renewal of domain names which are material to our Group's business and operations.

Save as disclosed above, we do not use or own any other registered patents, trademarks or intellectual property which are material to our business. Our business and profitability are also not materially dependent on any other patent or licence or any other intellectual property rights.

### RESEARCH AND DEVELOPMENT

While the nature of our business does not require us to carry out any research and development, we routinely provide continual education and training to our technical professionals so that they may keep pace with changes in technology and evolving customer preferences.

### MARKETING

We market our brand, products and services through the following means:

- *Personal and professional referrals*

Our approach to our business, which adds value to our partners and customers, has cultivated much brand loyalty and goodwill. Our partners and customers routinely refer new business to us by "word of mouth", and the resulting customers have confidence in our products and services. We will continue to cultivate brand loyalty and goodwill amongst our existing customers.

- *Trade and industry conferences and associations*

Our Group actively participates in trade and industry conferences and associations in Singapore and overseas. These events and forums provide opportunities for us to establish ourselves as a thought leader in the IT industry, network with other industry players and raise awareness of our brand, products and services. These events and forums also allow us to earmark promising IT professionals, and identify potential acquisition opportunities in line with our mergers and acquisitions, joint ventures and partnerships strategy. Most recently, our Group co-chaired the Service Industry Association's ("SIA") Asia-Pacific Executive

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## OUR BUSINESS

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Roundtable 2014, and led the Asia-Pacific discussion at its Annual Summit 2015. We have also been appointed as SIA's first Asia-Pacific board member, and to the technology committee of the United Network Equipment Dealers Association (“**UNEDA**”). SIA is a leading trade association for companies engaged in the repair of electronic hardware and support of the high tech service industry, while UNEDA is an alliance of more than three hundred (300) used network equipment dealers worldwide. We are also a member of: (a) AscdiNatd, a worldwide association representing companies that provide business solutions, technical support and value added services; and (b) Data Centre Alliance, a not-for-profit international industry association representing the interests of the data centre infrastructure sector.

- *Corporate website*

Our corporate website details our products and services, and is also an avenue for us to educate the public on our Group's brand, awards, accreditations, value-added solutions, as well as our Group's environmentally-friendly approach to sustainability and contributions to the community. We routinely publish case studies, industry insights and other marketing materials such as press releases on our corporate website. **Information contained in our corporate website does not constitute part of this Prospectus.**

- *Media campaigns and advertising*

Although we are an IT company, our Group adopts a complete approach to media campaigns and advertising. Pursuant to this, we routinely conduct campaigns that disseminate information through a variety of traditional and novel platforms, including but not limited to company events, press coverage, telemarketing, direct marketing mailers, product promotions, print media and social media. As testament to our ability to successfully conduct such campaigns, our Group's LinkedIn page, which serves as one of our main social media marketing platforms, has in the short span of five (5) months since its establishment, garnered more than 1,000 followers.

- *Marketing overseas*

In line with our Company's vision to be the global market leader in Data Centre Equipment and Lifecycle Services, we intend to set up more representative offices overseas and/or form strategic relationships and partnerships with local partners in overseas markets. Such offices will provide us with a local base from which we can conduct our marketing operations, and such partners will provide us with intimate market knowledge of their respective jurisdictions vital to the success our marketing operations.

## OUR BUSINESS

### PROPERTIES AND FIXED ASSETS

#### Properties

As at the Latest Practicable Date, our Group does not own any property. Our Group leases the following properties:

Lessor	Location	Tenure	GFA (sq ft)	Use of Property
Natural Cool Investments Pte Ltd	29 Tai Seng Avenue, #01-02 Natural Cool Lifestyle Hub, Singapore 534119	9 May 2016 – 8 May 2019	13,111	Headquarters/ Singapore Office and Warehouse
Natural Cool Investments Pte Ltd	29 Tai Seng Avenue, #02-01 Natural Cool Lifestyle Hub, Singapore 534119	9 May 2016 – 8 May 2019	9,410	Headquarters/ Singapore Office and Warehouse
RHB Trustees Berhad	Unit L3-2 3rd Floor Infinite Centre No. 1, Jalan 13/6, 46200 Petaling Jaya Malaysia	16 June 2015 – 15 June 2018	12,056	Malaysia Office and Warehouse
Cobalt Industrial REIT	5825 Peachtree Corners East, Suite 5825 A and B Norcross, Georgia 30092, US	1 April 2016 – 31 March 2019	46,070	US Office and Warehouse
Bell Acquisition, LLC	79W, Monroe Street, Chicago, Illinois 60603, US	16 December 2015 – 30 April 2017 <sup>(1)</sup>	1,947	US Office
Regus Management Group, LLC	100 West Road, Suite 300, Towson, Maryland 21204, US	8 February 2016 – 28 February 2017 <sup>(1)</sup>	140	US Office
IZAMCO, S.A. DE C.V.	Bulevard Gustavo Diaz Ordaz, 130-1023, Rincon de Santa María, Monterrey, México 64650	1 March 2016 – 28 February 2017 <sup>(1)</sup>	172	Mexico Office
Lunar Holding S.A.R.L	Units O and P, 15 Bankside Trade Park, Love Lane, Cirencester, GL7 1YG, UK	5 October 2007 – 4 October 2017	30,000	UK Headquarters/ Gloucestershire Office and Warehouse
HSBC Bank Pension Trust (UK) Limited	Unit 5, The Griffin Centre, Staines Road, Feltham, TW14 0HS, UK	3 March 2009 – 2 March 2019	5,500	Middlesex Office and Warehouse

## OUR BUSINESS

Lessor	Location	Tenure	GFA (sq ft)	Use of Property
NW UK (2010) Pure Offices Ltd	Suite 62 to 63, Lake View House, Wilton Drive, Warwick CV34 6RG, UK	4 January 2016 – Indefinite (may be terminated on one (1) month's notice)	1,250	Warwick Office
Beijing Taiyanggongshang wufuwu Co., Ltd.	12 Taiyangongzhong Road Chaoyang District Beijing PRC	2 March 2016 – 31 December 2016	417	PRC Office

**Note:**

- (1) As at the Latest Practicable Date, we intend to renew this lease upon its expiry. However, non-renewal of such lease will not have any material impact on the Group's business or operations.

### Fixed Assets

As at 31 December 2015, we had fixed assets with net book values as follows:

Description	(\$'000)
Leasehold improvement	778
Restoration costs	30
Plant and equipment	8,198
Motor vehicles	16
Total	9,022

There are no major encumbrances on the use of all our major equipment.

There are no regulatory or environmental requirements that may materially affect the utilisation of the above properties and fixed assets.

### INSURANCE

As at the Latest Practicable Date, our Group has taken the following insurance coverage:

- (a) insurance policies for our properties, fixed assets, inventory and vehicles in relation to damage or loss caused by fire, perils and burglary; and
- (b) insurance policies covering, amongst others, general liability, employment practices, errors and omissions, directors and officers liability, death and disability for employees and travel.

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## OUR BUSINESS

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Our Directors are of the opinion that the above insurance policies are adequate for our existing business and operations and we will review and procure the necessary additional insurance coverage as and when the need arises. However, significant disruption to our operations or damage to our properties or assets, whether as a result of fire and/or other causes, may still have a material adverse impact on our results of operations or financial condition. There is no assurance that any claims made or decided against us will be covered by insurance, or if covered, will not exceed the limits of our coverage. Please refer to the sections entitled “*Risk Factors – Risks Relating to our Industry, Business and Operations – We may not be able to comply with customers’ specifications and may be affected by customer complaints and negative publicity*” and “*Risk Factors – Risks Relating to our Industry, Business and Operations – We may not have adequate insurance coverage for our operations*” of this Prospectus for more information.

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## INDUSTRY OVERVIEW

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This Prospectus includes market and industry data and forecasts that have been obtained from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such information.

Our Company has commissioned Frost & Sullivan to conduct independent market research (please refer to Appendix I of this Prospectus for more information). While our Directors have taken reasonable steps to ensure that the information is extracted accurately and in its proper context, our Directors have not independently verified any of the data from third-party sources or ascertained the underlying economic assumptions relied upon therein. Consequently, none of our Company, the Issue Manager, Bookrunner and Underwriter, or their respective officers, agents, employees and advisers makes any representation as to the accuracy or completeness of such information and shall not be obliged to provide any updates on the same.

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## PROSPECTS, BUSINESS STRATEGIES AND PLANS

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### PROSPECTS

According to Frost & Sullivan, the Hardware Resale market, Independent Maintenance Services market and ITAD services market are three (3) interconnected segments which are experiencing healthy double-digit growth rates.

Frost & Sullivan expects global spending on Data Centre Equipment to grow from US\$168.4 billion in 2015 to an estimated US\$292.9 billion in 2020 at a compound annual growth rate (“CAGR”) of 11.7%. Within the Data Centre Equipment market, Frost & Sullivan expects the share of the Hardware Resale market to continue to increase in the coming years, which will result in the outpacing of growth of the Hardware Resale market over the overall Data Centre Equipment market. Frost & Sullivan expects the Hardware Resale market to grow at a CAGR of 16.9% from US\$15.9 billion in 2015 to an estimated US\$34.8 billion in 2020, which translates to more than doubling of its market size within five (5) years.

Frost & Sullivan also expects global spending on IT maintenance to grow from US\$26.5 billion in 2015 to an estimated US\$41.9 billion in 2020 at a CAGR of 9.6%. Within the IT maintenance market, Frost & Sullivan expects the share of the independent IT maintenance market to continue to increase in the coming years, which will result in the growth of the independent IT maintenance market outpacing that of the overall IT maintenance market. Frost & Sullivan expects the independent IT maintenance market to grow at a CAGR of 15.7% from US\$2.1 billion in 2015 to an estimated US\$4.4 billion in 2020, which translates to more than doubling of its market size within five (5) years.

The global demand for ITAD services is expected to grow at an even higher CAGR of 21.5%, from US\$6.4 billion in 2015 to an estimated US\$17.1 billion in 2020, which translates to almost tripling of its market size within five (5) years.

Geographically, the Americas and Europe are currently the largest markets for all three (3) segments. For the next five (5) years, Frost & Sullivan expects Asia-Pacific to grow at the highest rate, driven mainly by the higher rate of growth of outsourced data centre industry in countries such as Singapore, Australia, Japan, Indonesia, India and China. The higher growth rate is also contributed by the comparatively lower adoption of such services in the Asia-Pacific currently, in comparison with the Americas and Europe.

Frost & Sullivan expects the growth in all three (3) segments to be driven mainly by (a) high growth in the cloud services and outsourced data services markets; (b) changing IT needs and priorities of enterprises; and (c) enhanced cost and value proposition of independent providers. In addition, we believe that the growth of electronic commerce (e-commerce) and big data are also driving demand for Data Centre Equipment.

#### **High Growth in the Cloud Services and Data Centre Industry**

According to Frost & Sullivan, the cloud services market is expected to grow at a CAGR of 32.4% from US\$8.9 billion in 2015 to an estimated US\$36.3 billion in 2020, while the outsourced data centre services market is expected to grow at a CAGR of 13.8% from US\$21.5 billion in 2015 to an estimated US\$41.1 billion in 2020. An increasing number of companies are beginning to see the value in outsourcing their data centre operations to third parties and are decommissioning their existing captive data centres. Companies and data centre operators are also purchasing new Data Centre Equipment in a bid to boost their current data centre capabilities, leading to the decommissioning of their existing data centre infrastructure. This reflects a growing demand for Data Centre Equipment and services to support the IT infrastructure of cloud and data centre service providers. Frost & Sullivan expects Asia-Pacific to be the fastest growing market in the world.



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## PROSPECTS, BUSINESS STRATEGIES AND PLANS

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### **Changing IT Needs and Priorities of Enterprises**

Enterprises and cloud providers are increasingly brand agnostic, with a strong preference towards good quality and cost-efficient IT hardware and equipment regardless of their usage and brand. They typically do not require the latest features or new original equipment from OEMs to support their IT infrastructure as they merely require cost-effective, quality hardware which they are then able to engineer and modify to conform to their architecture needs. Similarly, for end-users, they are not concerned about the brand or model of IT hardware and equipment they are renting, as they place more emphasis on the service levels and ability of the providers to ensure smooth IT operations of their business.

In the Hardware Resale market, approximately 30.0% to 50.0% of available IT hardware and equipment is New Resale Equipment, hence guaranteeing a certain level of quality and assurance for enterprises. Furthermore, Hardware Resale vendors with their global network of partners increasingly have the ability to source and supply enterprises with any particular piece of IT hardware and equipment they are looking for in a quick and reliable manner. This has boosted the perception of resale equipment in the minds of customers.

Enterprises are also increasingly attracted to independent maintenance providers, who are able to provide them with a single point of contact. Compared to traditional OEMs, independent maintenance providers have the capabilities to provide services for IT hardware and equipment originating from multiple OEMs, thereby eliminating the need for IT managers to manage multiple maintenance contracts. In addition, most enterprises have very unique requirements for their maintenance needs which are often unmet by the standardised service level agreements offered by OEMs. As such, they turn to independent maintenance providers are able to provide for customisation in their service contracts.

With increasing data breaches highlighting the potentially dire consequences of inappropriate asset disposal, many companies have chosen to outsource their asset disposal services to ITAD vendors, who can help to ensure the confidentiality of their data during data destruction process.

### **Enhanced Cost and Value Propositions of Independent Providers**

According to Frost & Sullivan, while there are overall increases in the global spending on IT hardware by enterprises, each enterprise is actually experiencing a constraint in its IT budget, with management and IT teams often pressured to lower their CAPEX. ITAD vendors provide valuable services in the form of refurbishment to maximise the recovery of value from surplus and/or unnecessary IT hardware and equipment, improving their customers' asset utilisation rates and inducing cost savings.

In addition, Hardware Resale vendors typically offer attractive terms including extended or limited lifetime warranties, leasing and rental arrangements, to encourage enterprises to adopt the use of resale equipment. This allows enterprises to extend the use and life of their IT hardware and equipment, with fewer replacements, further increasing cost savings for them.

Furthermore, unlike OEMs, independent vendors do not charge a premium for their service contracts, thus providing the same standard of services at a much lower price and helping enterprises enjoy up to 60.0% cost savings.

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## PROSPECTS, BUSINESS STRATEGIES AND PLANS

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### TREND INFORMATION

Barring unforeseen circumstances, we have observed the following trends:

- (a) the demand for our IT Distribution and Lifecycle Services businesses is likely to increase with the growth in the cloud services and data centre industry;
- (b) the demand for our Hardware Resale, Independent Maintenance and ITAD services is likely to increase with the changing perceptions of the providers thereof; and
- (c) the demand for our Hardware Resale, Independent Maintenance and ITAD services is likely to increase with the increased demand for cost savings on Data Centre Equipment and services.

Save as disclosed above and under the sections entitled “*Risk Factors*” and “*Management Discussion and Analysis of Results of Operations and Financial Condition*” of this Prospectus and barring unforeseen circumstances, our Directors are not aware of any other known recent trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on our net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Prospectus to be not necessarily indicative of our future operating results or financial condition. Please also refer to the section entitled “*Cautionary Note on Forward-Looking Statements*” of this Prospectus.

### BUSINESS STRATEGIES AND FUTURE PLANS

Our mission is to be the global aggregator of enterprise hardware and services to our channels, offering a converged network that combines the technology, finance and logistics domains. To achieve our mission, we have adopted the following business strategies and future plans.

#### **Expand our Geographic Reach and Grow our Business via Mergers and Acquisitions, Joint Ventures and Partnerships**

The Hardware Resale market is highly fragmented and comprises mainly local players who have limited geographical reach. We see room for further consolidation in this niche industry.

We are a global player today following our successful execution of acquisitions in the Asia-Pacific, the Americas and EMEA over the last few years. We believe that our global presence and offerings allow us to seize new opportunities from a position of strength and create further value through economies of scale. We intend to build on our strong execution track record and expand our geographic reach by entering new markets and/or expanding our footprints in the Asia-Pacific, the Americas and EMEA through mergers and acquisitions. We also expect to have more joint venture and/or partnership opportunities with non-Asian players who seek to collaborate with us to grow in the Asia-Pacific.

For example, a large majority of our revenue from the Americas and EMEA is derived mainly from IT Distribution and we will look out for inorganic growth opportunities to grow our Lifecycle Services business in these regions. Conversely, our revenue from Asia-Pacific tends to be derived mainly from Lifecycle Services and we target to grow our IT Distribution business in these markets.

We intend to set aside S\$17.0 million from the net proceeds of the issuance of the New Shares for our inorganic growth strategy mentioned above.

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## PROSPECTS, BUSINESS STRATEGIES AND PLANS

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### **Enhance our Infrastructure to Drive Business Growth**

To drive our business expansion, we intend to acquire and/or lease larger premises in Atlanta, Georgia (US) to establish an operations centre which will comprise our corporate office, warehouse and engineering facilities.

The new operations centre will be designed in a way that gives us the flexibility to handle high volume orders or orders involving highly specialised equipment, depending on the needs of our customers. In addition, we will further streamline the processes in the new operations centre to allow us to be more responsive to customer needs and requirements, and to allow us to enjoy greater cost savings to maintain our competitiveness. We plan to subsequently roll out similar operation centres in Singapore and the UK to drive growth in the Asia-Pacific and EMEA, respectively.

To further enhance our capabilities to support our customers on a global basis, we are currently implementing a single front-end and back-end global IT system to increase our productivity and efficiency while also achieving cost rationalisation. The standardisation and enhancement of our global IT systems on a single platform will allow our sales personnel and technical professionals from different continents to access customer and supplier records, transaction details and inventory levels on a global basis, driving our up-selling and cross-selling across continents.

We intend to develop a mobile application and an internet portal which will allow our channels to make purchasing decisions on-the-go. This increased convenience that we offer will help to enhance the lifecycle experience for our channels, further cementing our strong partnership network and driving demand for our products and services.

We intend to set aside S\$5.0 million from the net proceeds of the issuance of the New Shares for the enhancement of our infrastructure in the US and our global IT capabilities.

### **Expand our Business by Pursuing New Opportunities with Key Customers and Acquiring New Customers**

As a global aggregator, we see further opportunities to cross-sell and up-sell our products and services to our key customers as well as to new customers across geographies.

The businesses we acquired in the Americas and EMEA have traditionally been strong in IT Distribution capabilities, and they complement our expertise in the Lifecycle Services in our Asia-Pacific offices. We plan to build our capabilities in IT Distribution in the Asia-Pacific through our IT Distribution expertise in the Americas and EMEA, so as to expand our product offering to existing customers in the Asia-Pacific, and acquire new customers in the fast-growing IT Distribution market in the Asia-Pacific. Likewise, we plan to cross-sell Lifecycle Services to customers in the Americas and EMEA.

In addition, we plan to grow our ITAD business offering, which is in its infancy. Customers value ITAD services for their ability to help maximise the recovery of value from surplus and/or unnecessary IT hardware and equipment (especially Data Centre Equipment), improve asset utilisation rates and save costs. We believe that we will be well-positioned to further grow our customer base and make further entry into emerging markets, once we establish a reputation and presence in the ITAD market.

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## PROSPECTS, BUSINESS STRATEGIES AND PLANS

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For each of our IT Distribution business, Lifecycle Services business and ITAD business, we plan to widen our brand coverage and introduce new premium service level agreements, so as to deepen and widen our reach to customers.

### **Build Income Resilience and Increase Profitability**

Approximately 18.3%, 18.6% and 18.9% of our revenue was derived from our Lifecycle Services business in FY2013, FY2014 and FY2015, respectively. We plan to grow our Lifecycle Services business which typically enjoys higher margin and recurring revenue streams. This should also help increase our profitability and earnings visibility.

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## GOVERNMENT REGULATIONS AND LICENSING

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Save as disclosed in this section and in the section entitled “*Risk Factors*” of this Prospectus, as at the Latest Practicable Date, our business operations are not subject to any special legislation or regulatory controls which have a material effect on our business and operations, other than those generally applicable to companies and businesses incorporated and/or operating in the jurisdictions in which we operate. We have thus far not experienced any adverse effect on our business in complying with these regulations.

### SINGAPORE

#### Personal Data Protection Act (“PDPA”)

Pursuant to our business and operations, particularly our Lifecycle Services, our Group has access to, and stores personal data belonging to individuals. The PDPA governs the collection, use and disclosure of individuals’ personal data by organisations.

An organisation is required to comply with, amongst other things, the following obligations prescribed by the PDPA:

- (a) an organisation must obtain the consent of the individual before collecting, using or disclosing his personal data, for purposes that a reasonable person would consider appropriate in the circumstances;
- (b) an organisation must notify the individual of the purposes of collecting his personal data and use it only for purposes consented to by him, and must put in place mechanisms for individuals to withdraw their consent;
- (c) an organisation must take reasonable efforts to ensure that personal data collected is accurate and complete if the personal data is likely to be used to make a decision that affects the individual, or is likely to be disclosed to another organisation, and must correct any error or omission thereof when requested;
- (d) upon request, an organisation must provide an individual with his personal data in its possession and control, as well as information about the ways in which it was used or disclosed in the past year;
- (e) an organisation must protect personal data by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks;
- (f) an organisation must cease to retain personal data as long as it is reasonable to assume that the purpose for which it was collected is no longer being served by retaining it, and the retention is no longer necessary for business or legal purposes;
- (g) an organisation must not transfer any personal data out of Singapore except in accordance with the requirements of the PDPA; and
- (h) an organisation must implement policies and practices in order to meet its obligations under the PDPA and make information about the same available on request.

## GOVERNMENT REGULATIONS AND LICENSING

### THE UNITED KINGDOM

#### Environmental Permitting (England and Wales) Regulations 2010

In the UK, environmental permits are required under the Environmental Permitting (England and Wales) Regulations 2010 to undertake certain activities involving waste management. However, in the case of exempt activities, provided always that a business registers the necessary exemptions with the Environment Agency, a business may undertake such exempt activities without obtaining environmental permits. We undertake a number of exempt activities involving management and storage of waste electrical and electronic equipment and certain wastes associated with our business, and as such are subject to the requirement to register such exempt activities with the Environment Agency.

We are also required to register with the Environment Agency as:

- (a) a producer of hazardous waste under the Hazardous Waste Regulations 2005, in relation to such waste produced in the course of our business activities;
- (b) a small producer of electrical and electronic equipment under the Waste Electrical and Electronic Equipment Regulations 2013, in relation to the production of electrical and electronic equipment in the course of our business activities;
- (c) a small producer of batteries under the Waste Batteries Regulations 2009, in relation to the production of waste batteries in the course of our business activities; and
- (d) a waste carrier under the Waste Regulations 2011 in relation to the transport of waste in the course of our business activities.

#### REGULATORY LICENCES, PERMITS AND APPROVALS

Our Group has obtained the following licences, permits and approvals in relation to our business:

Type of Licence, Permit or Approval	Issued to	Purpose	Issuing/Licensing Body	Date of Issue
<i>United Kingdom</i>				
European Union General Export Authorisation EU GEA 001 No. GBOGE2015/00004	Procurri UK  Exports from: Unit P, Unit 15 Bankside Trade Park Love Lane, Cirencester, GL7 1YG UK	EU001 permits exports of dual-use items (for either civil or military purposes) to Australia, Canada, Japan, New Zealand, Norway, Switzerland (including Liechtenstein) and the US. It contains a specific list within it of items that may be exported to the above destinations and a specific set of general conditions of use, which must be adhered to when exporting under this general authorisation.	UK Government's Department for Business Innovation & Skills, Export Control Organisation	12 January 2015 (No expiry date)

## GOVERNMENT REGULATIONS AND LICENSING

Type of Licence, Permit or Approval	Issued to	Purpose	Issuing/Licensing Body	Date of Issue
Open General Export Licence (International Non-Proliferation Regime Decontrols: Dual-Use Items) No. GBOGE2015/00005	Procurri UK  Exports from: Unit P, Unit 15 Bankside Trade Park Love Lane, Cirencester, GL7 1YG UK	This is a licence allowing the export of items where the international non-proliferation and arms regimes (in which the UK participates) have agreed to remove controls from their export control lists.	UK Government's Department for Business Innovation & Skills, Export Control Organisation	12 January 2015  (No expiry date)
Open Individual Export Licence No. GBOIE2015/00250	Procurri UK  Exports from: Unit P, Unit 15 Bankside Trade Park Love Lane, Cirencester, GL7 1YG UK	This licence permits the export of specified information security hardware or software and certain specified technology to a specific list of permitted destinations.	UK Government's Department for Business Innovation & Skills, Export Control Organisation	5 October 2015  Expires 5 October 2020
The Environmental Permitting (England and Wales) Regulations 2010  Registered exemption NCC/060454/2015 from waste management licensing  T11 – Exemption to treat	Procurri UK  Unit P, Unit 15 Bankside Trade Park Love Lane, Cirencester, GL7 1YG UK	Exemption from requirement for environmental permit for certain activities involving waste.  The exemption is T11 exemption for the treatment of WEEE (Waste Electrical and Electronic Equipment).	Environment Agency	27 April 2015  Expires 26 April 2018
The Environmental Permitting (England and Wales) Regulations 2010  Registered exemption EPR/RF0705VD from waste management licensing  T4 – Exemption to treat	Procurri UK  Unit P, Unit 15 Bankside Trade Park Love Lane, Cirencester, GL7 1YG UK	Exemption from requirement for environmental permit for certain activities involving waste.  The exemption is T4 exemption for preparatory treatments (baling, sorting, shredding etc.).	Environment Agency	8 February 2016  Expires 9 February 2019
The Environmental Permitting (England and Wales) Regulations 2010  Registered exemption EPR/RF0705VD from waste management licensing  S2 – Exemption to store	Procurri UK  Unit P, Unit 15 Bankside Trade Park Love Lane, Cirencester, GL7 1YG UK	Exemption from requirement for environmental permit for certain activities involving waste.  The exemption is S2 exemption for Storage of Waste in a Secure Place.	Environment Agency	8 February 2016  Expires 9 February 2019
Hazardous Waste Producer Registration No. NGN868	Procurri UK  Unit P, Unit 15 Bankside Trade Park Love Lane, Cirencester, GL7 1YG UK	Registration of premises which produce hazardous waste	Environment Agency	17 January 2016  Expires 16 January 2017

## GOVERNMENT REGULATIONS AND LICENSING

Type of Licence, Permit or Approval	Issued to	Purpose	Issuing/Licensing Body	Date of Issue
Waste Carrier & Dealer Registration No. CBDU102326	Procurri UK Unit P, Unit 15 Bankside Trade Park Love Lane, Cirencester, GL7 1YG UK	Registration of business as waste carrier, broker or dealer	Environment Agency	13 April 2016 Expires 7 May 2019
Registration as a Small Producer No. BPRN04824	Procurri UK Unit P, Unit 15 Bankside Trade Park Love Lane, Cirencester, GL7 1YG UK	Registration as battery producer	Environment Agency	9 January 2015 (No expiry date)
Registration as a Small Producer of EEE (Electrical and Electronic Equipment) No. WEE/CF0209WR	Procurri UK Unit P, Unit 15 Bankside Trade Park Love Lane, Cirencester, GL7 1YG UK	Registration as producer of EEE (electrical and electronic equipment)	Environment Agency	14 January 2016 Expires 31 January 2017
<i>Malaysia</i>				
Trade, business and industry license No. L950000183565	Procurri Malaysia	To operate business activity in Unit L3-2, 3rd Floor, Infinite Centre, No.1, Jalan 13/6, 46200 Petaling Jaya, a local area of the Petaling Jaya City Council	Petaling Jaya City Council	25 March 2016 Expires 31 December 2016
Trade distribution approval No. KPDNKK.600-12/1/181(7)	Procurri Malaysia	To conduct trade distribution activities for all kinds of computer systems and hardware	Malaysia's Ministry of Domestic Trade, Co-operatives and Consumerism	26 April 2016 Expires 25 April 2018

Save as disclosed above, the relevant material business licences, certificates and approvals necessary for our business operations generally do not need to be renewed.

Our Directors confirm after having made all reasonable enquiries, that as at the Latest Practicable Date, our Group has obtained all relevant business licences, certificates and approvals necessary for our business operations and we have complied with all relevant laws and regulations that would materially affect our business operations. Save as disclosed herein and in the section entitled "*Risk Factors*" of this Prospectus, we do not require any other material licences, registrations, permits or approvals in respect of our operations apart from those pertaining to general business registration requirements. As at the Latest Practicable Date, none of the aforesaid licences, permits and approvals have been suspended, revoked or cancelled and to the best of our knowledge and belief, we are not aware of any facts or circumstances which would cause such licences, permits and approvals to be suspended, revoked or cancelled as the case may be, or for any applications for, or renewal of any of these licences, permits and approvals to be rejected by the relevant authorities.



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## GOVERNMENT REGULATIONS AND LICENSING

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### OTHER EXEMPTIONS

Our Group also falls under certain exemptions in relation to our business:

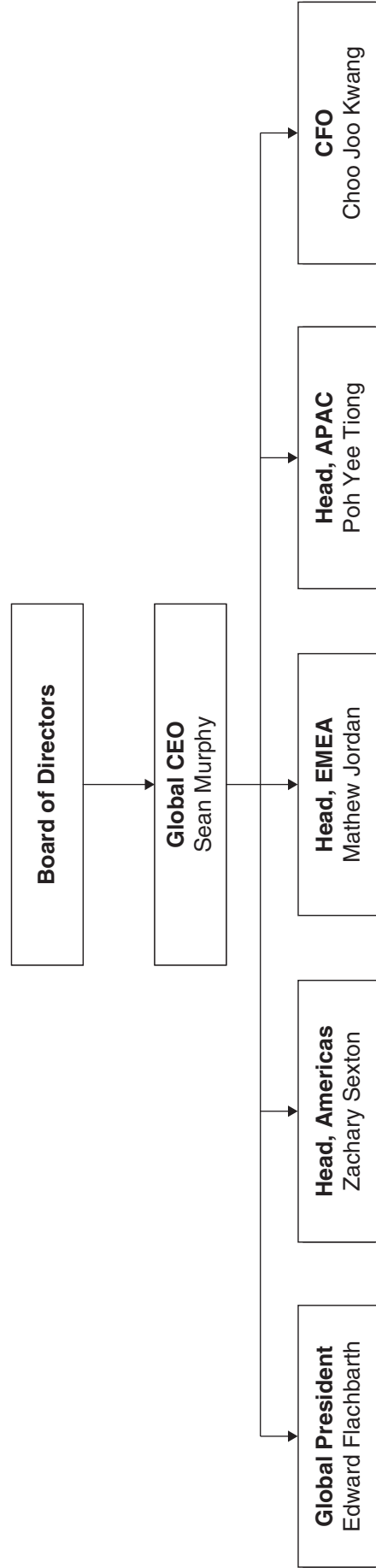
Exemption	Issued to	Purpose	Regulatory Authority	Date of Issue
The Environmental Permitting (England and Wales) Regulations 2010	–	In the UK, environmental permits are required for certain activities involving waste. However, certain activities involving waste are exempt from this requirement, with no obligation on the party carrying out the activity to register it with the Environment Agency.	Environment Agency	–
Non-registered exemptions from waste management licensing				
NWFD2 (storage)				
NWFD3 (storage)				
NWFD4 (storage)				

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## DIRECTORS, MANAGEMENT AND STAFF

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### MANAGEMENT REPORTING STRUCTURE



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## DIRECTORS, MANAGEMENT AND STAFF

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### DIRECTORS

Our Board is entrusted with the responsibility for the overall management of our Group. The particulars of our Directors are as follows:

Name	Age	Address	Position
Wong Kok Khun	50	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	Non-Executive Chairman
Sean Murphy	49	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	Executive Director and Global CEO
Lim Swee Yong	36	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	Non-Executive Director
Ho Chew Thim	64	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	Lead Independent Director
Ng Loh Ken Peter	62	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	Independent Director
Wong Quee Quee, Jeffrey	40	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	Independent Director

None of our Independent Directors sits on the board of any of our principal subsidiaries that are based in jurisdictions other than Singapore.

Information on the business and working experience of our Directors is set out below:

**Mr. Wong Kok Khun** is our Non-Executive Chairman. Mr. Wong was appointed to our Board on 1 April 2013. Mr. Wong has more than twenty (20) years of management experience in the IT industry.

Mr. Wong began his career in 1990 with IBM Singapore Pte. Ltd. as a Customer Service Representative and then an Advisory Customer Engineer, where he was responsible for break fix and product support. In 1995, Mr. Wong assisted in the founding of Vanda Systems (Singapore) Pte Ltd as the Southeast Asia regional headquarters of its then listed parent in Hong Kong, Vanda Systems & Communications Holdings Limited, and subsequently directed its regional operations as its country general manager. In 2000, Mr. Wong founded Cavu Corp Pte. Ltd., an IT infrastructure service provider offering enterprise solutions, which was subsequently, in 2007, acquired by MediaRing Ltd (now known as Si2i Limited), a company listed on the Main Board of the SGX-ST. Following this, Mr. Wong remained as a member of Cavu Corp Pte. Ltd.'s senior management team until 2009. In 2011, Mr. Wong founded DeClout, and he has been overseeing its business development and operations since. DeClout was subsequently, in 2012, listed on the Catalist Board of the SGX-ST. Mr. Wong is currently the Chairman and Group CEO of DeClout.

Mr. Wong obtained his Diploma in Electronics & Communication Engineering from Singapore Polytechnic in 1987.

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## DIRECTORS, MANAGEMENT AND STAFF

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**Mr. Sean Murphy** is our Executive Director and our Global CEO. Mr. Sean Murphy was appointed to our Board on 2 January 2014. As our Global CEO, Mr. Sean Murphy is responsible for overseeing the entire overall management of our Group.

Mr. Sean Murphy began his career in 1988 with Sun Data Systems, Inc. where he worked until 1998 in a variety of sales roles before eventually being promoted to Vice-President of International Wholesale. In 1998, Mr. Sean Murphy became a Partner at Canvas Systems LLC responsible for sales management. In 2012, Mr. Sean Murphy joined Avnet, Inc. as a Vice-President, where he was also responsible for sales management. In 2013, Mr. Sean Murphy joined Procurri LLC as interim Chief Executive Officer. Further to our acquisition of Procurri LLC, we appointed Mr. Sean Murphy to our Board in 2014 and Global CEO in 2016.

Mr. Sean Murphy graduated with a Bachelor of Arts in Economics from Emory University in 1988.

**Mr. Lim Swee Yong** is our Non-Executive Director. Mr. Lim brings with him more than ten (10) years of experience in corporate transactional work.

Mr. Lim began his career in 2005 with Stamford Law Corporation as an Associate specialising in mergers and acquisitions and capital markets. In 2007, Mr. Lim joined Morrison and Foerster as an Associate specialising in mergers and acquisitions, venture capital and private equity. Mr. Lim thereafter, in 2009, re-joined Stamford Law Corporation as a Senior Associate, and was promoted to Director in 2011. In 2015, Mr. Lim joined Fullerton Fund Management Company Ltd as Vice-President, Legal. Mr. Lim was appointed by DeClout to head its corporate office in 2015, and is currently responsible for providing leadership to business development and growth strategies, and to drive strategic plans including mergers and acquisitions, joint ventures and other corporate initiatives. Mr. Lim also oversees the legal and corporate secretarial functions of DeClout.

Mr. Lim graduated with a Bachelor of Laws (Honours) from the National University of Singapore in 2004. He was admitted to act as an advocate and solicitor of the Supreme Court of Singapore in 2005 and as a solicitor of the Supreme Court of England and Wales in 2007.

**Mr. Ho Chew Thim** is our Lead Independent Director. Mr. Ho is an accountant by vocation and has more than thirty-five (35) years of financial and accounting work experience in various industries.

Mr. Ho began his career in 1976 with Straits Shipping Pte Ltd as a Management Accountant. In 1978, he joined Maersk Line (S) Pte Ltd as Chief Accountant. He then joined United Overseas Bank Limited in 1979, where he worked until 1987 as its Deputy Financial Controller. In 1987, he joined First Capital Corporation (a subsidiary of United Industrial Corporation Limited (“UIC”)) as Group Financial Controller, before moving to UIC in 1989. In 1991, he was promoted to General Manager, Corporate Planning and Group Internal Auditor of UIC. In 1993, Mr. Ho joined L&M Group Investments Ltd as its Chief Financial Officer and Executive Director. He then joined Deutsche Bank (Singapore Branch) as its Financial Controller in 1995, where he worked until 1997, when he joined DBS Bank Ltd. as its Vice-President (Finance). In 1998, Mr. Ho joined China-Singapore Suzhou Industrial Park Development Co., Ltd. as its Financial Controller before moving to China World Trade Centre Ltd (an associate of Shangri-La Asia Limited) in 1999 to be its Financial Controller. Mr. Ho then joined Poh Tiong Choon Logistics Ltd, where he worked as Financial Controller from 1999 to 2004. In 2004, Mr. Ho joined Achieva Limited where he was its Chief Financial Officer and Executive Director. In 2006, Mr. Ho joined CNA Group Ltd as Chief Financial Officer. Mr. Ho then joined China Water Holdings Pte Ltd (an associate of CNA Group Ltd) in 2008 as its Chief Financial Officer, before retiring in 2009.

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## DIRECTORS, MANAGEMENT AND STAFF

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Mr. Ho graduated with a Bachelor of Accountancy (First Class Honours) from The University of Singapore in 1976. Mr. Ho has been a Fellow of CPA Australia since 2004 and a Fellow of the Institute of Singapore Chartered Accountants since 2005.

**Mr. Ng Loh Ken Peter** is our Independent Director. Mr. Ng has been in fund management and direct investments for over twenty-nine (29) years, and has held senior positions in several large institutions.

Mr. Ng began his career with Arthur Andersen & Co in 1977 where he advanced to the position of Senior Manager before leaving in 1986. Mr. Ng joined The Great Eastern Life Assurance Co Ltd in 1987 where he held senior positions including Head of Treasury, Investments and Corporate divisions. Mr. Ng then joined Hong Leong Assurance Bhd as General Manager, Investments in 1996 where he worked until 2000. He then established Peterson Asset Management Pte Ltd, a fund management firm, and has since 2000, been its Managing Director. From 2009 to 2010, Mr. Ng also served as a member on the Accounting and Corporate Regulatory Authority's Investment Committee.

Mr. Ng graduated with a Bachelor of Accountancy (Honours) Degree from the National University of Singapore in 1977 and is a Chartered Financial Analyst charterholder. Mr. Ng completed the Advanced Management Program at Harvard Business School in 1993.

**Mr. Wong Quee Quee, Jeffrey** is our Independent Director. Mr. Wong has more than fifteen (15) years of experience in corporate transactional work, initially as a lawyer and later as an investment banker.

Mr. Wong began his career as a lawyer at Allen and Gledhill LLP in 2001, advising on, amongst others, equity and debt capital markets transactions. In 2004, Mr. Wong joined UBS AG as transactions legal, advising on, amongst others, investment banking transactions, in South-East Asia and India. In 2009, Mr. Wong moved to the Equity Capital Markets team in UBS AG as Executive Director, covering South-East Asia. Subsequently, Mr. Wong joined Religare Capital Markets Corporate Finance Pte. Limited in 2010 as its Chief Operating Officer for Investment Banking, before being promoted to Chief Operating Officer for the Religare Capital Markets group globally. In 2012, Mr. Wong moved back to focusing on front office work as Managing Director in the Investment Banking team before becoming the Head of Investment Banking in 2014, with responsibility for the investment banking business of the Religare Capital Markets group outside India. Mr. Wong was awarded Singapore In-house Lawyer of the Year in the Asian Legal Business South-East Asia Law Awards 2009 and was a member of the Auditing and Assurance Standards Committee in the Institute of Certified Public Accountants of Singapore (now known as the Institute of Singapore Chartered Accountants) for the 2009/2010 term.

Mr. Wong graduated with a Bachelor of Laws (Honours) from the National University of Singapore in 2000. He was admitted to act as an advocate and solicitor of the Supreme Court of Singapore in 2001 and as a solicitor of Supreme Court of England and Wales in 2005.

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## DIRECTORS, MANAGEMENT AND STAFF

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The list of present and past directorships held by our Directors in the last five (5) years preceding the Latest Practicable Date (excluding those held in our Company) are as follows:

Name	Present Directorships	Past Directorships
Wong Kok Khun	<u>Group Companies</u>	<u>Group Companies</u>
	<ul style="list-style-type: none"> <li>• ASVIDA UK Limited</li> <li>• Tinglobal Holdings Limited</li> </ul>	Nil
	<u>Other Companies</u>	<u>Other Companies</u>
	<ul style="list-style-type: none"> <li>• Acclivis Technologies and Solutions Pte. Ltd.</li> <li>• Asia Wiring Systems Pte Ltd</li> <li>• Beaqon Pte. Ltd.</li> <li>• Corous360 Pte. Ltd.</li> <li>• DeClout Limited</li> <li>• Epicsoft Asia Pte. Ltd.</li> <li>• Intelledox Australia Pty Ltd</li> <li>• Pacific Wave Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Intelledox Asia Pte. Ltd.</li> </ul>
Sean Murphy	<u>Group Companies</u>	<u>Group Companies</u>
	Nil	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
	<u>Other Companies</u>	<u>Other Companies</u>
	<ul style="list-style-type: none"> <li>• FMS Investors Inc</li> <li>• Irrucorp Pte. Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Corus 360 Ltd</li> <li>• Canvas Systems UK Ltd</li> <li>• Corus Solutions Ltd</li> <li>• OS UK Ltd</li> <li>• Solis Systems Ltd</li> </ul>
Lim Swee Yong	<u>Group Companies</u>	<u>Group Companies</u>
	Nil	Nil
	<u>Other Companies</u>	<u>Other Companies</u>
	<ul style="list-style-type: none"> <li>• Asia Wiring Systems Pte Ltd</li> </ul>	Nil

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## DIRECTORS, MANAGEMENT AND STAFF

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Name	Present Directorships	Past Directorships
Ho Chew Thim	<u>Group Companies</u>	<u>Group Companies</u>
	Nil	Nil
	<u>Other Companies</u> <ul style="list-style-type: none"> <li>• China Kunda Technology Holdings Limited</li> <li>• DeClout Limited</li> <li>• Hengyang Holding Pte. Ltd.</li> <li>• Hengyang Petrochemical Logistics Limited</li> <li>• Manulife US Real Estate Management Pte. Ltd.</li> <li>• Mencast Holdings Ltd.</li> <li>• Unoterra Advisory Services Pte. Ltd.</li> <li>• Yongmao Holdings Limited</li> </ul>	<u>Other Companies</u> <ul style="list-style-type: none"> <li>• R H Energy Ltd (now known as Chiwayland International Limited)</li> </ul>
Ng Loh Ken Peter	<u>Group Companies</u>	<u>Group Companies</u>
	Nil	Nil
	<u>Other Companies</u> <ul style="list-style-type: none"> <li>• iFAST Corporation Ltd.</li> <li>• iFAST Financial Pte. Ltd.</li> <li>• Peterson Asset Management Pte Ltd</li> <li>• OWW Investments III Limited</li> </ul>	<u>Other Companies</u> <ul style="list-style-type: none"> <li>• OWW Investments V Limited</li> </ul>
Wong Quee Quee, Jeffrey	<u>Group Companies</u>	<u>Group Companies</u>
	Nil	Nil
	<u>Other Companies</u> <ul style="list-style-type: none"> <li>• Honestbee Pte. Ltd.</li> <li>• Religare Bartleet Capital Markets (Private) Limited</li> <li>• Religare Capital Markets Corporate Finance Pte. Limited</li> <li>• Solum Capital Limited</li> <li>• The Cub SG Pte. Ltd.</li> </ul>	<u>Other Companies</u> <ul style="list-style-type: none"> <li>• HH1803.com Limited</li> <li>• Hichens, Harrison (Ventures) Limited</li> <li>• Hichens Harrison (Middle East) Limited</li> <li>• Kyte Management Limited</li> <li>• London Wall Nominees Limited</li> <li>• Noah Capital Markets (EMEA) Limited</li> <li>• Religare Capital Markets (Europe) Limited</li> <li>• Religare Capital Markets (Hong Kong) Limited</li> <li>• Religare Capital Markets (Pty) Limited</li> <li>• Religare Capital Markets (UK) Limited</li> </ul>

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## DIRECTORS, MANAGEMENT AND STAFF

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Three (3) of our Directors, Mr. Wong Kok Khun, Mr. Ho Chew Thim and Mr. Ng Loh Ken Peter, have prior and current experience as a director of a public listed company in Singapore, and they are familiar with the roles and responsibilities of a director of a public listed company in Singapore. Our three (3) remaining Directors do not have prior experience as directors of public listed companies in Singapore but have received relevant training to familiarise themselves with the roles and responsibilities of a director of a public listed company in Singapore.

### EXECUTIVE OFFICERS

Our Executive Directors are assisted by a team of experienced Executive Officers who are responsible for the various functions of our Group. The particulars of our Executive Officers are as follows:

Name	Age	Address	Position
Edward Flachbarth	49	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	Global President
Choo Joo Kwang	44	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	CFO
Poh Yee Tiong	49	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	Head, APAC
Zachary Sexton	38	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	Head, Americas
Mathew Jordan	42	29 Tai Seng Avenue #02-01 Natural Cool Lifestyle Hub Singapore 534119	Head, EMEA

Information on the business and working experience of our Executive Officers is set out below:

**Mr. Edward Flachbarth** is our Global President. As our Global President, Mr. Edward Flachbarth is responsible for setting the strategic direction of our Group together with our Board.

Mr. Edward Flachbarth began his career in 1990 with Sun Data Systems, Inc. where he worked until 1998 in a variety of roles before eventually being promoted to Wholesale Manager. In 1998, Mr. Edward Flachbarth became a Partner at Canvas Systems LLC responsible for channel sales. In 2012, Mr. Edward Flachbarth joined Avnet, Inc. as a Channel Manager and Operations Manager, where he was also responsible for channel sales. In 2013, Mr. Edward Flachbarth joined Procurri LLC as interim Global President. Further to our acquisition of Procurri LLC, we appointed Mr. Edward Flachbarth as our Global President in 2014.

Mr. Edward Flachbarth graduated with a Bachelor of Industrial Engineering from The Georgia Institute of Technology in 1990.

**Mr. Choo Joo Kwang** is our CFO and joined us in December 2013. As our CFO, Mr. Choo is responsible for our Group's financial and accounting matters. Mr. Choo has almost twenty (20) years of experience in auditing, accounting, taxation and financial management.



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## DIRECTORS, MANAGEMENT AND STAFF

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Mr. Choo began his career in 1996 with Deloitte and Touche LLP as an Audit Assistant. He then joined IBM Singapore Pte. Ltd. as a Sector/Cost Controller in 1997. In 2005, Mr. Choo joined IMS Health Asia Pte Ltd as Finance Director, where he remained until 2012. In 2010, he was concurrently appointed as Finance Director of IMS Market Research Consulting (Shanghai) Co., Ltd. In 2013, Mr. Choo joined Elsevier (Singapore) Pte. Ltd. as Business Controller before joining our Company as FC. We appointed Mr. Choo as our CFO in 2016.

Mr. Choo graduated with a Bachelor of Accountancy (Honours) from Nanyang Technological University in 1996. Mr. Choo is a Chartered Accountant of Singapore and a Chartered Financial Analyst.

**Mr. Poh Yee Tiong** is our Head of Asia-Pacific and joined our Group in 2015. As our Head of Asia-Pacific, Mr. Poh is responsible for overseeing our Group's operations in the Asia-Pacific. Mr. Poh brings with him more than twenty-five (25) years of experience in the IT industry, and has extensive experience across sales, strategy, operations and delivery.

Mr. Poh started his career in 1990 with IBM Singapore Pte. Ltd. ("**IBM**") as a Field Support Engineer. Mr. Poh worked at IBM in a variety of roles, and held various business development portfolios and regional management roles, before being promoted to Services Delivery Director, Technical Support and Services in 2010. In 2015, Mr. Poh joined our Group as Senior Vice President. We appointed Mr. Poh as our Head of Asia-Pacific in 2016.

Mr. Poh graduated from The Open University (Singapore Institute of Management) with a Bachelor of Science in Computer Science in 1999.

**Mr. Zachary Sexton** is our Head of the Americas and joined our Group in 2013. As our Head of the Americas, Mr. Zachary Sexton is responsible for overseeing our Group's operations in the Americas region. Mr. Zachary Sexton brings with him fifteen (15) years of experience in product sales.

Mr. Zachary Sexton began his career in 2001 with Canvas Systems LLC as an IBM hardware broker. Mr. Zachary Sexton worked in a variety of roles before being promoted to Strategic Account Manager at Canvas Systems LLC, and then at Avnet, Inc. following its acquisition of Canvas Systems LLC in 2012. Mr. Zachary Sexton joined Procurri LLC in 2013. Further to our acquisition of Procurri LLC, we appointed Mr. Zachary Sexton as our Head of the Americas in 2016.

Mr. Zachary Sexton graduated with a Bachelor of Science in Business Administration from the University of North Carolina in 2000.

**Mr. Mathew Jordan** is our Head of EMEA. As our Head of EMEA, Mr. Mathew Jordan is responsible for overseeing our Group's operations in EMEA. Mr. Mathew Jordan brings with him almost twenty (20) years of experience in product sales.

Mr. Mathew Jordan began his career in 1997 with APEX Computers International Ltd ("**APEX Computers**"), part of the Global Computer Holdings Ltd group, as a Junior Broker. In 2000, when the brokerage arm of APEX Computers broke out to form Tindirect Ltd., Mr. Mathew Jordan was appointed as Broker Manager responsible for overseeing its international trader team. Mr. Mathew Jordan was subsequently appointed Sales Director in 2002. In 2005, Mr. Mathew Jordan participated in a management buyout, following which he became an owner of the holding company, Global Computer Holdings Ltd, which was subsequently renamed Tinglobal Holdings

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## DIRECTORS, MANAGEMENT AND STAFF

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Limited. Mr. Mathew Jordan was appointed Sales Director of Procurri UK in 2014. Following our acquisition of Tinglobal Holdings Limited, we appointed Mr. Mathew Jordan as our Sales Director of EMEA. Further to the same, we appointed him as our Head of EMEA in 2016.

Mr. Mathew Jordan graduated with a Bachelor of Arts (Honours) in Business Studies from Southampton Institute (now known as Southampton Solent University) in 1996.

The list of present and past directorships held by our Executive Officers in the last five (5) years preceding the Latest Practicable Date (excluding those held in our Company) are as follows:

Name	Present Directorships	Past Directorships
Edward Flachbarth	<u>Group Companies</u>	<u>Group Companies</u>
	Nil	Nil
	<u>Other Companies</u>	<u>Other Companies</u>
Choo Joo Kwang	• Irrucorp Pte. Ltd.	Nil
	<u>Group Companies</u>	<u>Group Companies</u>
	Nil	Nil
Poh Yee Tiong	<u>Other Companies</u>	<u>Other Companies</u>
	Nil	• IMS Market Research Consulting (Shanghai) Co. Ltd.
		• IMS Health Taiwan Ltd
Zachary Sexton		• IMS Health Hong Kong
	<u>Group Companies</u>	<u>Group Companies</u>
	Nil	Nil
Mathew Jordan	<u>Other Companies</u>	<u>Other Companies</u>
	• Allied Knights Pte. Ltd.	Nil
	<u>Group Companies</u>	<u>Group Companies</u>
Mathew Jordan	Nil	Nil
	<u>Other Companies</u>	<u>Other Companies</u>
	• Procurri UK Limited	• Powercore Holdings Limited
• Tinglobal Holdings Limited	• Powercore International Limited	
• Tinglobal Limited		
<u>Other Companies</u>	<u>Other Companies</u>	
• Bright Green Investments Ltd	Nil	

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## DIRECTORS, MANAGEMENT AND STAFF

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Save as disclosed above in this section, none of our Directors and/or Executive Officers is related to any of our Directors, Executive Officers or Substantial Shareholders.

Save as disclosed above in the section entitled “*Directors, Management and Staff – Directors*” of this Prospectus, there is no arrangement or understanding with any of our Substantial Shareholders, customers, suppliers or any other person, pursuant to which any of our Directors or Executive Officers was appointed.

### LEGAL REPRESENTATIVE

Our wholly-owned subsidiary, Procurri Beijing, is incorporated in the PRC. As at the Latest Practicable Date, Procurri Beijing has not engaged in any business and as such, is not a principal subsidiary of our Group. It is contemplated that Procurri Beijing will only commence business after the Listing.

Mr. Tan Wei Meng, our employee, is the legal representative of Procurri Beijing, and is, in accordance with PRC law, empowered to act as its representative and execute contracts on its behalf.

He has been appointed as the legal representative of Procurri Beijing following our Board’s assessment of the following factors:

- the qualifications and experience of the person;
- the person’s knowledge of the market;
- his ability to dedicate sufficient time and resources to the business and operations Procurri Beijing; and
- whether there are any potential conflicts of interest with his appointment.

Our Board has noted that there are risks in relation to the appointment of Mr. Tan Wei Meng as the legal representative of Procurri Beijing, including concentration of authority. Although our Company has applied to amend the articles of association of Procurri Beijing to allow its sole shareholder to, amongst other things, remove the legal representative of Procurri Beijing, there remains the risk that Procurri Beijing will be held liable should its legal representative perform any unauthorised actions on its behalf.

In this regard, the following measures will be implemented to mitigate such a risk:

- an internal control system of checks and balances to ensure that there is proper authorisation as to disbursements and delegation of authority before the performance of corporate actions;
- safeguarding controls over all the company seals and cheque books, where the company seal of Procurri Beijing is not kept in the possession of the legal representative;
- ensuring segregation of duties in the cash management process including receipts and disbursements;
- Mr. Tan Wei Meng has undertaken to seek the approval from the board of Procurri Beijing to assume any executive roles other than in Procurri Beijing; and

## DIRECTORS, MANAGEMENT AND STAFF

- a register to be kept in relation to the legal representatives of Procurri Beijing reflecting all other appointments and/or business interests (e.g. directorship, sole proprietorship, partnership, or shareholding above 5.0%) of the legal representative outside of Procurri Beijing.

Our Board is of the view that the processes and procedures to be put in place will be adequate to mitigate the risks in relation to the appointment of Mr. Tan Wei Meng as the legal representative of Procurri Beijing. Our Company will monitor and periodically review the processes and procedures in relation to the appointment and removal and the avoidance of concentration of authority of the legal representatives of Procurri Beijing, to ensure their effectiveness and robustness.

### DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

The compensation (which includes salary, bonus, benefits-in-kind, CPF contributions and directors' fees) paid or payable to our Directors and Executive Officers for services rendered to us in all capacities for FY2014 and FY2015, as well as the estimated compensation for FY2016, were or are as follows:

	FY2014 <sup>(1)</sup>	FY2015 <sup>(2)</sup>	FY2016 <sup>(3)(4)</sup>
<b>Directors</b>			
Wong Kok Khun <sup>(5)</sup>	N.A.	N.A.	A
Sean Murphy <sup>(6)</sup>	B	B	C
Lim Swee Yong <sup>(7)</sup>	N.A.	N.A.	A
Ho Chew Thim <sup>(7)</sup>	N.A.	N.A.	A
Ng Loh Ken Peter <sup>(7)</sup>	N.A.	N.A.	A
Wong Quee Quee, Jeffrey <sup>(7)</sup>	N.A.	N.A.	A
<b>Executive Officers</b>			
Edward Flachbarth <sup>(8)</sup>	B	B	B
Choo Joo Kwang	A	A	B
Poh Yee Tiong	N.A.	A	C
Zachary Sexton	B	D	C
Mathew Jordan <sup>(9)</sup>	B	C	B

**Notes:**

- (1) Based on year end exchange rates for FY2014, which are GBP1:S\$2.06 and US\$1:S\$1.32.
- (2) Based on year end exchange rates for FY2015, which are GBP1:S\$2.09 and US\$1:S\$1.41.
- (3) Based on exchange rates as at the Latest Practicable Date, which are GBP1:S\$2.02 and US\$1:S\$1.38.
- (4) The estimated amount of remuneration paid and to be paid for FY2016.
- (5) Mr. Wong Kok Khun was appointed to our Board on 1 April 2013 but did not receive any remuneration for FY2014 and FY2015.
- (6) Mr. Sean Murphy receives his remuneration in USD.
- (7) Mr. Lim Swee Yong, Mr. Ho Chew Thim, Mr. Ng Loh Ken Peter and Mr. Wong Quee Quee, Jeffrey were each appointed to our Board on 27 June 2016.
- (8) Mr. Edward Flachbarth receives his remuneration in USD.
- (9) Mr. Mathew Jordan receives his remuneration in GBP.

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## DIRECTORS, MANAGEMENT AND STAFF

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Remuneration bands:

- “A” refers to remuneration of less than S\$250,000 per annum.
- “B” refers to remuneration between S\$250,000 and S\$499,999 per annum.
- “C” refers to remuneration between S\$500,000 and S\$749,999 per annum.
- “D” refers to remuneration between S\$750,000 and S\$999,999 per annum.

Save for contributions made for our employees by our Company for CPF contributions (or equivalent), no amounts have been set aside or accrued by our Company or our subsidiaries to provide for pension, retirement or similar benefits for our Directors and Executive Officers.

### EXECUTIVE DISCRETIONARY INCENTIVE BONUS

We have previously entered into various contracts of employment with our Executive Officers. Such contracts typically provide, amongst other things, the salaries payable, working hours, annual leave and other employment terms. Pursuant to the terms of such contracts of employment, our Executive Officers and some of our senior staff are also entitled to certain pre-determined cash bonuses calculated based on the profit before tax of the Group where the same exceeds certain pre-determined dollar figures (the “**Executive Discretionary Incentive Bonus**”).

We may offer such Executive Discretionary Incentive Bonus to such other employees as we may from time to time determine. Our Executive Director and Global CEO, Mr. Sean Murphy, is not entitled to the Executive Discretionary Incentive Bonus as his employment is subject to the terms of the Service Agreement set out below.

### SERVICE AGREEMENT

#### Mr. Sean Murphy’s Service Agreement

The services of our Executive Director and Global CEO, Mr. Sean Murphy, to our Company are based on a Service Agreement concluded with our Company.

#### *Appointment and Duration*

The appointment of Mr. Sean Murphy is deemed to have commenced on 1 July 2016 and shall continue for a period of three (3) years from the commencement date.

Unless either our Company or Mr. Sean Murphy notifies the other party in writing of a contrary intention at least three (3) months prior to the last day of the Term, the Service Agreement shall be renewed for a further period of three (3) years on such terms as may be agreed to by our Remuneration Committee and Mr. Sean Murphy.

#### *Termination*

During the Term, the appointment of Mr. Sean Murphy may be terminated without cause at any time by either our Company or Mr. Sean Murphy giving to the other party six (6) months’ notice in writing of such intended termination, or in lieu of the said six (6) months’ notice, an amount equivalent to six (6) months’ basic salary based on Mr. Sean Murphy’s last drawn monthly salary.

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## DIRECTORS, MANAGEMENT AND STAFF

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The Service Agreement may be terminated by our Company forthwith upon notice in writing to Mr. Sean Murphy if Mr. Sean Murphy:

- (a) becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (b) is convicted of any criminal offence (save for an offence under any road traffic legislation for which he is not sentenced to any term of immediate or suspended imprisonment) and sentenced to any term of immediate or suspended imprisonment;
- (c) is or may be suffering from a mental disorder; or
- (d) by reason of ill health or injury caused by his own default becomes unable to perform any of his duties under the Service Agreement for a period of 120 days or more.

Upon such termination, Mr. Sean Murphy shall not be entitled to claim any compensation, incentive bonus or damages for or in respect or by reason of such termination.

At any time during his appointment, our Company may also terminate Mr. Sean Murphy's appointment forthwith without any notice or payment in lieu of notice if Mr. Sean Murphy, in the reasonable opinion of our Board, shall:

- (a) be guilty of any wilful misconduct in the discharge of his duties; or
- (b) breach any material provision of the Service Agreement.

Upon such termination, Mr. Sean Murphy shall not be entitled to claim any compensation, profit sharing bonus or damages for or in respect or by reason of such termination.

Our Company, without prejudice to any remedy which it may have against Mr. Sean Murphy for the breach or non-performance of any of the provisions of the Service Agreement, may by notice to Mr. Sean Murphy forthwith terminate the Service Agreement if:

- (a) he commits any act that is reported in general or trade press or otherwise achieves general notoriety which involves conduct that is likely to be regarded as illegal, immoral or scandalous and which, in the reasonable opinion of our Board, following a hearing between him and our Board, is likely to discredit him to a degree which materially reduces the value of his services to our Group or may discredit our Group through association with him; or
- (b) he is in the reasonable opinion of our Board incompetent in the performance of his duties.

### *Remuneration*

During Mr. Sean Murphy's appointment, our Company shall pay him:

- (a) a basic salary at the rate of S\$37,000 per calendar month payable in arrears on the last working day of every month; and

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## DIRECTORS, MANAGEMENT AND STAFF

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- (b) an annual incentive bonus to be determined as follows:

<u>Profit Before Tax (“PBT”)</u>	<u>Incentive Bonus</u>
Where PBT is less than S\$13 million	Nil
Where PBT equals or exceeds S\$13 million but does not exceed S\$19 million	S\$120,000 plus an additional 3.0% of the PBT over and above S\$13 million
Where PBT equals or exceeds S\$19 million but does not exceed S\$25 million	S\$340,000 plus an additional 6.0% of the PBT over and above S\$19 million
Where PBT equals or exceeds S\$25 million	S\$650,000 plus an additional 9.0% of the PBT over and above S\$25 million, subject to a maximum of S\$1.5 million

Our Board (as recommended by our Remuneration Committee) may in its absolute discretion, in addition to the payments and benefits referred to in the Service Agreement, make such other payments, allowances or benefits to Mr. Sean Murphy.

Our Remuneration Committee shall review Mr. Sean Murphy’s basic salary at the end of the period of one (1) year from the commencement date and thereafter on an annual basis.

### *Non-Competition*

Mr. Sean Murphy shall not during his employment and within a period of twelve (12) months upon his ceasing to be Executive Director and Global CEO of our Company, in all territories where our Company or any of its subsidiaries operates directly or indirectly, except with our Company’s prior written consent:

- (a) either on his own account or for any other person directly or indirectly solicit, interfere with or endeavour to entice away from any Group Company any person who to his knowledge is now or has been a client, customer or employee of, or in the habit of dealing with, any Group Company;
- (b) save for his current interests either alone or jointly with or as a manager, agent for or employee of any person, directly or indirectly carry on or be engaged or concerned or interested in any business which shall be in competition with the business carried on by any Group Company as at the date hereof or as at the time of cessation of employment (as the case may be) (the “**Relevant Business**”);
- (c) act as a director or otherwise of any other person, firm or company engaging directly or indirectly in the Relevant Business which is in competition with the business of any Group Company; and
- (d) cause or permit any person or entity directly or indirectly under his control or in which he has any beneficial interests to do any of the foregoing acts or things.

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## DIRECTORS, MANAGEMENT AND STAFF

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Mr. Sean Murphy further agrees that he shall not during his employment and upon his ceasing to be an executive of our Company without limit in point of time, directly or indirectly, except with our Company's prior written consent:

- (a) use the name "Procurri" or any colourable imitation thereof in connection with any business; and
- (b) use any trade mark of any Group Company in connection with any business.

Mr. Sean Murphy also agrees that he shall not during his employment and upon his ceasing to be an executive of our Company directly or indirectly, except with our Company's prior written consent, disclose to any person, or himself use for any purpose, and shall use his best endeavours to prevent the publication or disclosure of, and information concerning the business, accounts or finances of any Group Company or any of its clients' or customers' transactions or affairs, which may, or may have, come to his knowledge.

### OUR EMPLOYEES

As at the Latest Practicable Date, we have 251 full-time employees<sup>(1)</sup>. A breakdown of our full-time staff by job functions and geographic locations as at 31 December 2013, 31 December 2014, 31 December 2015 and as at the Latest Practicable Date is as follows:

Job Function	As at 31 December			As at the Latest Practicable Date
	2013	2014	2015	
Management	8	10	11	13
Sales – Hardware	53	50	56	59
Sales – Services	20	22	29	35
Finance	15	15	16	17
Operational Support – Sales Admin/HR/Marketing	10	20	29	33
Logistics/Warehouse/Quality Control	25	31	34	35
Engineering/Service Delivery	47	75	59	59
<b>Total</b>	<b>178</b>	<b>223</b>	<b>234</b>	<b>251</b>



## DIRECTORS, MANAGEMENT AND STAFF

Geographic Location	As at 31 December			As at the Latest Practicable Date
	2013	2014	2015	Date
Singapore	31	28	38	47
The US	25	54	63	74
The UK	88	84	92	97
Malaysia	34	57	41	33
<b>Total</b>	178	223	234	251

**Note:**

(1) Excludes outsourced employees.

We do not employ a significant number of temporary staff and do not experience any significant seasonal fluctuation in the number of employees. All our employees in our Group are not unionised. We believe that the relationship and cooperation between our management and employees have been good and this is expected to continue. There has not been any incidence of work stoppages or labour disputes. Except for contributions to CPF in Singapore, National Employment Savings Trust in the UK, and Employee's Provident Fund and Social Security Organisation in Malaysia, we have not set aside or accrued any amounts for our employees to provide for pension, retirement or similar benefits.

### RELATED EMPLOYEES

Save for Mr. Mitchel Richard Saunders, our Sales Manager, who is the nephew of our Global President, Mr. Edward Flachbarth, as at the Latest Practicable Date, we do not have employees who are related to our Directors or Substantial Shareholders ("**Related Employees**").

Any new employment of Related Employees and the proposed terms of their employment will be subject to the review and approval of our Nominating Committee and Remuneration Committee. In the event that a member of our Nominating Committee and/or Remuneration Committee is related to the Related Employee, he will abstain from the review. The remuneration of Related Employees will be reviewed annually by our Remuneration Committee to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and levels of responsibilities. Any bonuses, pay increases and/or promotions for Related Employees will also be subject to the review and approval of our Remuneration Committee.

### STAFF TRAINING

We are guided by the principle that employees need to continuously upgrade their skills for both their own benefit and our long-term prospects. In order to ensure that our employees are competent in their roles and responsibilities, staff training plays an important role in our operations, and comprises on-the-job training, as well as in-house and external training.

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## **DIRECTORS, MANAGEMENT AND STAFF**

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Our sales leads routinely conduct on-the-job training for our sales staff and coach them on sales methods and product knowledge in connection with our IT Distribution and Lifecycle Services businesses. Our technical employees on the other hand receive on-the-job training by our technical specialists, and this covers the technical aspects of our products and services. We also organise annual internal conferences during which our global management personnel congregate to exchange knowledge, strategies, expertise and best practices. Additionally, to widen and deepen our employees' exposure, we provide them with mobility opportunities by relocating them to our various offices across the world.

We also send our employees for courses conducted by external parties to equip them with the necessary skills for their respective areas of responsibilities. The recipients of such external training in turn conduct on-the-job training to impart their knowledge and skills to our other staff.

During the Period Under Review, our expenses incurred in relation to staff training were not significant.

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## CORPORATE GOVERNANCE

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Our Directors recognise the importance of good corporate governance and the offering of high standards of accountability to our Shareholders, and will follow closely the best practices outlined in the Best Practices Guide issued by the SGX-ST. Our Board of Directors has formed three (3) committees: (a) our Audit Committee, (b) our Remuneration Committee; and (c) our Nominating Committee.

Mr. Ho Chew Thim is our Lead Independent Director. As the Lead Independent Director, he is the contact person for our Shareholders where there are concerns or issues which remain unresolved despite communication with our Global CEO, Mr. Sean Murphy, or where such communication is inappropriate. Mr. Ho will however, abstain from participating in any proceedings involving the DeClout Group, and he will refer such matter to our Audit Committee chairman. Please refer to the section entitled “*Corporate Governance – Nominating Committee – Nominating Committee’s view of our Independent Directors*” for more information.

Our business and operations are presently under the management and close supervision of our Executive Directors who are assisted by a team of Executive Officers. The overall management is overseen by our Executive Director and Global CEO, Mr. Sean Murphy.

### AUDIT COMMITTEE

Our Audit Committee comprises Mr. Ng Loh Ken Peter, Mr. Ho Chew Thim, Mr. Wong Quee Quee, Jeffrey and Mr. Lim Swee Yong. Our Audit Committee is chaired by Mr. Ng Loh Ken Peter.

Our Audit Committee will meet at least four (4) times a year (to coincide with key dates in our Company’s financial reporting cycle) to discuss and carry out the duties set out below:

- (a) assisting our Board of Directors in discharging its statutory responsibilities on financing and accounting matters;
- (b) reviewing significant financial reporting issues and judgments to ensure the integrity of the financial statements and any formal announcements relating to financial performance;
- (c) reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors;
- (d) reviewing the external auditor’s audit plan and audit report, and the external auditor’s evaluation of the system of internal accounting controls, including financial, operational, compliance and information technology controls as well as reviewing the Group’s implementation of any recommendations to address any control weaknesses highlighted by the external auditor;
- (e) reviewing the key financial risk areas, including the Group’s hedging policy in respect of its exposure to fluctuations in foreign exchange and raw material costs;
- (f) reviewing the risk management structure and any oversight of the risk management process and activities to mitigate and manage risk at acceptable levels determined by our Board of Directors, including that in connection with compliance with environmental laws and regulations;
- (g) reviewing the statements to be included in the annual report concerning the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance controls, and information technology controls;

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## CORPORATE GOVERNANCE

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- (h) reviewing all interested person transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the latest audited NTA of our Group every quarter, and monitoring the procedures established to regulate interested person transactions, including ensuring compliance with our Company's internal control system and the relevant provisions of the Listing Rules, as well as all conflicts of interest to ensure that proper measures to mitigate such conflicts of interest have been put in place, and approving all interested person transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% of the value of the latest audited NTA of our Group, prior to such transactions being entered into;
- (i) reviewing the scope and results of the internal audit procedures, the implementation of recommendations by internal auditors, and at least annually, the adequacy and effectiveness of the internal audit function;
- (j) approving the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced;
- (k) appraising and reporting to our Board of Directors on the audits undertaken by the external auditors and internal auditors, and the adequacy of disclosure of information;
- (l) making recommendations to our Board of Directors on the proposals to Shareholders on the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor;
- (m) undertaking such other reviews and projects as may be requested by our Board of Directors, and report to our Board of Directors its findings from time to time on matters arising and requiring the attention of our Audit Committee; and
- (n) undertaking generally such other functions and duties as may be required by law or the Listing Rules, and by amendments made thereto from time to time.

Apart from the duties listed above, our Audit Committee will ensure that arrangements are in place for employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. Our Audit Committee will commission and review the findings of internal investigations into such matters or matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on our Group's operating results and financial position. Our Audit Committee will also ensure that the appropriate follow-up actions are taken.

### **Audit Committee's Opinion of our CFO**

Mr. Choo Joo Kwang has served as our Group's financial controller and now, CFO, since joining us in December 2013. In considering the suitability of Mr. Choo Joo Kwang as our CFO, our Audit Committee has considered his qualifications and past working experience and his years of service with our Group (as described in the section entitled "*Directors, Management and Staff — Executive Officers*" of this Prospectus) and has noted his abilities, familiarity and diligence in relation to financial matters and information of our Group. In addition, our Audit Committee has also interacted with him in his capacity as our Group's financial controller and with other members of our Group's finance team, and considered the views of and feedback from the executive management team of our Group.

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## CORPORATE GOVERNANCE

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Based on the foregoing, our Audit Committee is satisfied and is of the opinion that Mr. Choo Joo Kwang has the relevant knowledge, expertise and experience to be appointed as the CFO of our Group. Further, after making all reasonable enquiries, and to the best of their knowledge and belief, nothing has come to the attention of our Audit Committee to cause them to believe that Mr. Choo Joo Kwang does not have the competence, character and integrity expected of the CFO of our Group.

### **Internal Controls**

Notwithstanding the duties of our Audit Committee, we have an internal control department (shared with DeClout; please refer to the section entitled “*Interested Person Transactions and Conflicts of Interest – Present and Ongoing Interested Person Transactions – Provision of Shared Services by the DeClout Group to our Group*” of this Prospectus for more information) which works with external-internal audit professionals (i.e. third party internal audit professionals) for reviewing and implementing appropriate internal controls, including financial, operational, compliance and information technology controls, and risk management systems, for our Group. While the internal control department is shared with DeClout, the internal control department takes guidance independently and separately from and is accountable to each of the audit committees of DeClout and Procurri, respectively. The internal control department assists us and reports to our Audit Committee who will approve the internal audit controls. Our Audit Committee will review the effectiveness of the internal control function and, where deemed necessary, expand or streamline the internal control function to ensure its effectiveness within our Group. Notwithstanding this, our Board retains the responsibility for the review of the effectiveness of the system of internal control, and must form its own opinion despite aspects of internal control review being delegated to our Audit Committee.

Based on the internal controls established and maintained by our Group, work performed by the internal and external auditors, and reviews performed by the management, various Board Committees and our Board, our Audit Committee and our Board are of the opinion that our Group’s risk management and internal control systems, including financial, operational, compliance and information technology controls are adequate and effective. Our Board notes that all internal controls systems contain inherent limitations and no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision making, human error, losses, fraud or other irregularities.

### **REMUNERATION COMMITTEE**

Our Remuneration Committee comprises Mr. Ho Chew Thim, Mr. Ng Loh Ken Peter, Mr. Wong Quee Quee, Jeffrey and Mr. Lim Swee Yong. Our Remuneration Committee is chaired by Mr. Ho Chew Thim.

Our Remuneration Committee will recommend to our Board a framework of remuneration for our Directors and Executive Officers, and determine specific remuneration packages for each of them. The recommendations of our Remuneration Committee shall be submitted for endorsement by our entire Board. All aspects of remuneration, including but not limited to Directors’ fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by our Remuneration Committee. Each member of our Remuneration Committee shall abstain from voting on any resolutions in respect of his remuneration package.

Our Remuneration Committee will also perform an annual review of the remuneration of employees related to our Directors and Substantial Shareholders to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with

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## CORPORATE GOVERNANCE

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their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of our Remuneration Committee. In the event that a member of our Remuneration Committee is related to the employee under review, he will abstain from participating in the review.

If necessary, our Remuneration Committee will seek expert advice inside and/or outside our Company on remuneration matters. Our Remuneration Committee will ensure that existing relationships, if any, between our Company and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.

Additionally, it should also be noted that the Procurri ESOS and the Procurri PSP will be administered by our Remuneration Committee.

Our Remuneration Committee will meet at least once a year and otherwise as required to properly discharge its duties as set out below.

### **NOMINATING COMMITTEE**

Our Nominating Committee comprises Mr. Wong Quee Quee, Jeffrey, Mr. Ho Chew Thim, Mr. Ng Loh Ken Peter, and Mr. Lim Swee Yong. Our Nominating Committee is chaired by Mr. Wong Quee Quee, Jeffrey.

Our Nominating Committee will meet at least once a year to discuss and carry out the duties set out below:

- (a) reviewing and recommending the nomination or re-nomination of our Directors having regard to our Director's contribution and performance;
- (b) reviewing the composition of the Board, having regard to the future requirements of our Group, as well as the need for directors who, as a group, provide an appropriate balance and diversity of skills, experience, gender and knowledge of our Group;
- (c) developing a process for evaluation of the performance of our Board, its committees and our Directors;
- (d) determining on an annual basis whether or not a Director is independent;
- (e) in respect of a Director who has multiple board representations on various companies, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as Director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;
- (f) deciding whether or not a Director is able to and has been adequately carrying out his duties as a director;
- (g) reviewing and approving any new employment of related persons and the proposed terms of their employment; and
- (h) reviewing board succession plans, as well as training and professional development programmes for our Board.

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## CORPORATE GOVERNANCE

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Our Directors do not have fixed terms of office. At each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation. Our Directors to retire in every year shall be those who have been longest in office since their last re-election or appointment. All Directors shall retire from office at least once every three (3) years. A retiring Director shall be eligible to stand for re-election.

Each member of our Nominating Committee will not take part in determining his own re-nomination or independence.

### **Nominating Committee's view of our Independent Directors**

Our Nominating Committee, having taken into consideration the following:

- (a) the number of listed company directorships by each of our Independent Directors;
- (b) the principal commitments of our Independent Directors;
- (c) the confirmations by our Independent Directors stating that they are each able to devote sufficient time and attention to the matters of our Company;
- (d) the confirmations by our Independent Directors that each of them is not accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of any Controlling Shareholder, has no relationship with our Company, its related corporations or with any directors of these corporations, its 10.0% Shareholders or its officers that could interfere or be reasonably perceived to interfere, with the exercise of his or her independent business judgment with a view to the best interests of our Company;
- (e) our Independent Directors' working experience and expertise in different areas of specialisation; and
- (f) the composition of our Board,

is of the view that (i) each of our Independent Directors is collectively and individually able to devote sufficient time to the discharge of their duties and are suitable and possess relevant experience as Independent Directors of our Company; and (ii) our Independent Directors, as a whole, represent a strong and independent element on our Board which is able to exercise objective judgment on corporate affairs independently from our Controlling Shareholders.

It should also be noted that our Board has determined that our Lead Independent Director, Mr. Ho Chew Thim, be considered independent notwithstanding that he is also the lead independent director of DeClout, as (i) we are independently and separately managed from the DeClout Group, with no sharing or overlapping of any key staff; (ii) he will not participate in any discussions in relation to any interested person transactions between our Group and the DeClout Group, and he will abstain from voting on any such proposals at any of either our or DeClout's board of directors meetings and refer such matter to our Audit Committee chairman; and (iii) he will abstain from participating in any proceedings involving transactions with the DeClout Group (excluding our Group) or where there would be conflicts of interest with the DeClout Group (excluding our Group). Mr. Ho has demonstrated independence in character and judgment in the discharge of his responsibilities as our Director and, there are no other relationships or circumstances that are likely to affect, or could appear to affect, his judgment.

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## CORPORATE GOVERNANCE

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### CORPORATE SOCIAL RESPONSIBILITY

We are committed to sustainable development and making a positive impact on our investors, Shareholders, customers, suppliers, employees, competitors and the communities and environments in which we operate. We view corporate social responsibility to be our responsibility and a key competitive advantage.

Much of our business is premised on the maximisation of value for our customers, including but not limited to the extension of the utility of end-of-life assets, and the conversion of the same, or unutilised IT hardware, into revenue. Additionally, our innovative Hardware-as-a-Service solutions (which provide to our customers on-demand, computing resources through a pay-as-you-use model) enable customers to avoid resource over-provisioning, thus minimising waste and maximising resource efficiency. Internally, we have also implemented environmentally-friendly business practices, such as recycling and video conferencing (which reduces the need for travel despite our global operations) to reduce our carbon footprint. These in turn minimises the overall footprint of the IT industry on the environment, and positively impacts the community. We hold ourselves to the highest standards in the industry, and we have received the ISO 9001 and ISO 14001 certifications for our processes, which are internationally recognised standards for the design and implementation of quality management and effective environmental management systems respectively.

Our approach to our business, which adds value to our partners and customers, has cultivated much brand loyalty and goodwill, and our partners and customers routinely refer new business to us by “word of mouth”. We believe our reputation, together with the trust and confidence of our partners and customers, is one of our most valuable assets. In order to maintain this, we demand and seek standards, and accordingly, we provide relevant training to our staff (please refer to the section entitled “*Directors, Management and Staff – Staff Training*” of this Prospectus for more information) and our staff are provided with an employees handbook which sets out our code of ethics.

Separate from our business, we routinely contribute to, and engage with, our local communities. As part of our community development efforts and outreach, we have participated in and supported various fundraising projects and charities. Most recently, we contributed to the United Nations’ appeal for help with the relief efforts for those affected by typhoon Haiyan in the Philippines.

### WHISTLEBLOWING POLICY

We are committed to maintaining high standards of honesty and accountability. As such, we have adopted a whistleblowing policy that is disseminated to our employees, agents and consultants. In addition to having a physical box which our employees, agents and consultants can drop their feedback into, the contact details of our Lead Independent Director, Mr. Ho Chew Thim, is made known to all our employees for the express purpose of whistleblowing. Any information received will be examined carefully and if it has merit, will be acted upon. The whistleblower can be assured that our Group intends to protect our business and reputation.



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## PROCURRI PSP

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On 27 June 2016, our Shareholders approved a share scheme which is known as the Procurri Corporation Performance Share Plan (the “**Procurri PSP**”), the rules of which are set out in Appendix E of this Prospectus. The Procurri PSP complies with the relevant rules as set out in Chapter 8 of the Listing Manual.

The Procurri PSP will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The Procurri PSP, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain executive directors, non-executive directors and employees whose services are vital to our well-being and success.

The Procurri PSP shall be administered by our Remuneration Committee. As at the Latest Practicable Date, no awards have been granted under the Procurri PSP.

### **Rationale for the Procurri PSP**

The Procurri PSP allows our Company to target specific performance objectives and to provide an incentive for participants to achieve these targets. Our Directors believe that the plan will provide our Company with a flexible approach to provide performance incentives to our staff and non-executive directors and, consequently, to improve performance and achieve sustainable growth for our Company in the changing business environment, and to foster a greater ownership culture amongst key senior management, senior executives and non-executive directors.

Unlike the options granted under the Procurri ESOS (as detailed in the section entitled “*Procurri ESOS*”), the Procurri PSP is designed to reward eligible participants with awards comprising fully paid Shares, or the equivalent in cash or a combination of both. The reason for having the Procurri PSP in addition to the Procurri ESOS is to give our Company greater flexibility in structuring the compensation packages of eligible participants and providing an additional tool to motivate and retain staff members through the offering of compensation packages that are market competitive.

### **Share Awards under the Procurri PSP**

Awards granted under the Procurri PSP are principally performance-based with performance targets to be set over a performance period and may vary from one performance period to another performance period and from one grant to another grant. The performance targets are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. Such performance targets and performance periods will be set according to the specific roles of each participant, and may differ from participant to participant. The performance targets are stretched targets aimed at sustaining long-term growth. These targets will be tied in with our Company’s corporate key performance indicators.

The Procurri PSP uses methods fairly common among major local and multi-national companies to incentivise and motivate senior executives and key senior management to achieve predetermined targets which create and enhance economic value for Shareholders. Our Company believes that the Procurri PSP will be an effective tool in motivating senior executives, key senior management and non-executive directors to work towards stretched goals.

The Procurri PSP contemplates the award of fully paid Shares, when and after pre-determined performance or service conditions are accomplished.

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## PROCURRI PSP

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A participant's award under the Procurri PSP will be determined at the sole discretion of our Remuneration Committee. In considering an award to be granted to a participant who is an employee, our Remuneration Committee may take into account, amongst other things, the participant's rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development. In considering an award to be granted to a participant who is a non-executive director, our Remuneration Committee may take into account, amongst other things, the services and contributions made to the success and development of our Group, attendance and participation in meetings and the years of service.

Currently, it is envisaged that directors and employees of our Group may be granted awards under the Procurri PSP.

Under the Procurri PSP, participants are encouraged to continue serving our Group beyond the achievement date of the pre-determined performance targets. Our Remuneration Committee has the discretion to impose a further vesting period after the performance period to encourage the participant to continue serving our Group for a further period of time.

### **Maximum Limits on Shares**

In order to reduce the dilutive impact of the Procurri PSP, the maximum number of Shares issuable or to be transferred by our Company under the Procurri PSP, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of our Company, will be 15.0% of our Company's total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time.

### **Summary of Procurri PSP**

A summary of the rules of the Procurri PSP is set out as follows:

#### **1. Eligibility**

Executive directors and confirmed employees of our Group and our associated companies who have attained the age of twenty-one (21) years as of the award date, and who hold such rank as may be designated by our Remuneration Committee from time to time, and non-executive directors (including independent directors) of our Group, shall be eligible to participate in the Procurri PSP. For this purpose, a company is our "associated company" if we and/or our subsidiaries hold at least 20.0% but not more than 50.0% of the issued shares in that company and our Company has control (as defined in the Listing Manual) over the company.

#### **2. Awards**

Awards represent the right of a participant to receive fully paid Shares free of charge, provided that certain prescribed performance targets (if any) are met upon expiry of the prescribed performance period.

Shares which are allotted and issued or transferred to a participant pursuant to the release of an award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during a specified period (as prescribed by our Remuneration Committee in the award letter), except to the extent approved by our Remuneration Committee.

The Remuneration Committee may, in its absolute discretion, make a release of an award, wholly or partly, in the form of cash rather than Shares.

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## PROCURRI PSP

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### 3. *Participants*

The selection of a participant and the number of Shares (which are the subject of each award) to be granted to a participant in accordance with the Procurri PSP shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account criteria such as his rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his contribution to the success and development of our Group and, if applicable, the extent of effort and resourcefulness required to achieve the performance target(s) within the performance period.

### 4. *Details of Awards*

Our Remuneration Committee shall decide, in relation to each award to be granted to a participant:

- (a) the date on which the award is to be granted;
- (b) the number of Shares which are the subject of the award;
- (c) the performance target(s) and the performance period during which such performance target(s) are to be satisfied, if any;
- (d) the extent to which Shares, which are the subject of that award, shall be released on each prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period; and
- (e) any other condition which our Remuneration Committee may determine in relation to that award including but not limited to the vesting period (if any).

### 5. *Timing*

While our Remuneration Committee has the discretion to grant awards at any time in the year, it is currently anticipated that awards would in general be made once a year. An award letter confirming the award and specifying (amongst other things) the number of Shares which are the subject of the award, the prescribed performance target(s), the performance period during which the prescribed performance target(s) are to be attained or fulfilled and the schedule setting out the extent to which Shares will be released on satisfaction of the prescribed performance target(s), will be sent to each participant as soon as reasonably practicable after the making of an award.

Our Remuneration Committee will take into account various factors when determining the method to arrive at the exact number of Shares comprised in an award. Such factors include, but are not limited to, the current price of the Shares, the total issued share capital of our Company and the pre-determined dollar amount which our Remuneration Committee decides that a participant deserves for meeting his performance targets.

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## PROCURRI PSP

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### 6. *Events Prior to Vesting*

Special provisions for the vesting and lapsing of awards apply in certain circumstances including the following:

- (i) the misconduct on the part of a participant as determined by our Remuneration Committee in its discretion;
- (ii) the participant ceasing to be in the employment of our Group (or associated companies) for any reason whatsoever (other than as specified in paragraph (v) below);
- (iii) an order being made or a resolution passed for the winding-up of our Company on the basis, or by reason, of its insolvency;
- (iv) the bankruptcy of a participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of the award;
- (v) the participant ceases to be in the employment of our Group (or associated companies) by reason of:
  - (1) ill health, injury or disability (in each case, evidenced to the satisfaction of our Remuneration Committee);
  - (2) redundancy;
  - (3) retirement at or after the legal retirement age;
  - (4) retirement before the legal retirement age with the consent of our Remuneration Committee;
  - (5) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within our Group (or associated companies), or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within our Group (or associated companies), as the case may be; or
  - (6) any other event approved by our Remuneration Committee;
- (vi) any other event approved by our Remuneration Committee; or
- (vii) a take-over, reconstruction or amalgamation of our Company or an order being made or a resolution passed for the winding-up of our Company (other than as provided in paragraph (iii) above or for amalgamation or reconstruction).

Upon the occurrence of any of the events specified in paragraphs (i), (ii) and (iii), an award then held by a participant shall, subject as provided in the rules of the Procurri PSP and to the extent not yet released, immediately lapse without any claim whatsoever against our Company.

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## PROCURRI PSP

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Upon the occurrence of any of the events specified in paragraphs (iv), (v) and (vi) above, our Remuneration Committee may, in its absolute discretion, preserve all or any part of any award and decide either to vest some or all of the Shares which are the subject of the award or to preserve all or part of any award until the end of the relevant performance period. In exercising its discretion, our Remuneration Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant and, in the case of performance-related awards, the extent to which the applicable performance targets have been satisfied.

Upon the occurrence of the event specified in paragraph (vii) above, our Remuneration Committee will consider, at its discretion, whether or not to release any award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that participant. If our Remuneration Committee decides to release any award, then in determining the number of Shares to be vested in respect of such award, our Remuneration Committee will have regard to the proportion of the performance period which has elapsed and the extent to which the applicable performance targets have been satisfied.

### **7. *Size and Duration of the Procurri PSP***

The total number of Shares which may be issued or transferred pursuant to awards granted under the Procurri PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of our Company, shall not exceed 15.0% of the total number issued Shares (excluding Shares held by our Company as treasury shares) from time to time.

The Procurri PSP shall continue in force at the discretion of our Remuneration Committee, subject to a maximum period of ten (10) years commencing on the date on which the Procurri PSP is adopted by our Company in general meeting, provided always that the Procurri PSP may continue beyond the above stipulated period with the approval of Shareholders in general meeting and of any relevant authorities which may then be required.

Notwithstanding the expiry or termination of the Procurri PSP, any awards made to participants prior to such expiry or termination will continue to remain valid.

### **8. *Operation of the Procurri PSP***

Subject to the prevailing legislation, our Company will deliver Shares to participants upon vesting of their awards by way of either (i) an issuance of new Shares; or (ii) a transfer of Shares then held by our Company in treasury.

In determining whether to issue new Shares, or to purchase existing Shares for delivery, or the payment of the aggregate Market Value (as defined in the rules of the Procurri PSP) in cash, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

New Shares allotted and issued and existing Shares procured by our Company for transfer on the release of an award shall be eligible for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which is on or after the relevant date of issue or, as the case may be, delivery, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

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## PROCURRI PSP

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Our Remuneration Committee shall have the discretion to determine whether the performance target(s) has been satisfied (whether fully or partially) or exceeded, and in making any such determination, our Remuneration Committee shall have the right to make computational adjustments to the audited results of our Company or our Group (including associated companies), to take into account such factors as our Remuneration Committee may determine to be relevant, such as changes in accounting methods, taxes and extraordinary events, and further, the right to amend the performance target(s) if our Remuneration Committee decides that a changed performance target would be a fairer measure of performance.

### **9. *Abstention from Voting***

Shareholders who are eligible to participate in the Procurri PSP are to abstain from voting on any Shareholders' resolution relating to the Procurri PSP.

We have made an application to the SGX-ST for permission to deal in and for quotation of the Award Shares which may be issued upon the release of the share awards to be granted under the Procurri PSP. The approval of the SGX-ST is not to be taken as an indication of the merits of the Offering, our Company, our subsidiaries, our existing issued Shares, the New Shares, the Option Shares and the Award Shares.

### **Adjustments and Alterations to the Procurri PSP**

The following describes the adjustment events under, and provisions relating to alterations of, the Procurri PSP.

#### **1. *Adjustment Events***

If a variation in the issued ordinary share capital of our Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation or distribution, or otherwise) shall take place, then:

- (i) the class and/or number of Shares which are the subject of an award to the extent not yet vested; and/or
- (ii) the class and/or number of Shares over which future awards may be granted under the Procurri PSP,

shall be adjusted in such manner as our Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the participant receives a benefit that a Shareholder does not receive.

The issuance of securities as consideration for an acquisition or a private placement of securities or the cancellation of issued Shares purchased or acquired by our Company by way of a market purchase of such Shares undertaken by our Company on the SGX-ST during the period when a share purchase mandate granted by Shareholders (including any renewal of such mandate) is in force shall not normally be regarded as a circumstance requiring adjustment, unless our Remuneration Committee considers an adjustment to be appropriate.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by our Company's auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

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## PROCURRI PSP

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### **2. Modifications or Alterations to the Procurri PSP**

The Procurri PSP may be modified and/or altered from time to time by a resolution of our Remuneration Committee subject to the prior approval of the SGX-ST and such other regulatory authorities as may be necessary.

However, no modification or alteration shall adversely affect the rights attached to awards granted prior to such modification or alteration except with the written consent of such number of participants under the Procurri PSP who, if their awards were released to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued or transferred in full satisfaction of all outstanding awards under the Procurri PSP.

No alteration shall be made to particular rules of the Procurri PSP to the advantage of the holders of the awards except with the prior approval of Shareholders in general meeting.

### **Rationale for participation of executive directors and employees of our associated companies and non-executive directors (including independent directors) of our Group in the Procurri PSP**

The extension of the Procurri PSP to executive directors and employees of our associated companies and non-executive directors (including independent directors) of our Group allows our Group to have a fair and equitable system to reward directors and employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the Procurri PSP will also enable us to attract, retain and provide incentives to its participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Although the non-executive directors are not involved in the day-to-day running of our Group's business, they, nonetheless, play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by the non-executive directors in the Procurri PSP will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

### **Financial Effects of the Procurri PSP**

The Procurri PSP is considered a share-based payment that falls under Financial Reporting Standards ("FRS") 102 where participants will receive Shares and the awards will be accounted for as equity-settled share-based payment transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the awards will be recognised as a charge to profit or loss over the period between the date of grant and the vesting date of an award. The total amount of the charge over the vesting period is determined by reference to the fair value of each award granted at the date of grant and the number of Shares vested at the vesting date, with a corresponding increase in equity. Vesting conditions, other than market conditions, shall be taken into account by adjusting the number of Shares included in the measurement of the transaction amount. During the vesting period, charge to profit or loss will be

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## PROCURRI PSP

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recognised based on the best estimate of the number of shares expected to vest and such estimate shall be revised, if necessary. After the vesting date, no adjustment to the charge to profit or loss is made.

The amount charged to profit or loss also depends on whether or not the performance target attached to an award is measured by reference to the market price of the Shares. This is known as a market condition. If the performance target is a market condition, the estimate of the length of the expected vesting period shall be consistent with the assumptions used in estimating the fair value of the award granted, and shall not be subsequently revised. However, if the performance target is not a market condition, the fair value per share of the awards granted at the date of grant is used to compute the amount to be charged to profit or loss at each accounting date, based on an assessment by our CFO (or if none, our FC) at that date of whether the non-market conditions would be met to enable the awards to vest. Thus, where the vesting conditions do not include a market condition, there would be no cumulative charge to profit or loss if the awards do not ultimately vest.

In the event that participants receive cash, our Company shall measure the fair value of the liability at the date of grant. Until the liability is settled, our Company shall re-measure the fair value of the liability at each accounting date and at the date of settlement, with changes in the fair value recognised in the income statement.

The following sets out the financial effects of the Procurri PSP.

(a) **Share capital**

The Procurri PSP will result in an increase in our Company's issued share capital when new Shares are issued to participants. The number of new Shares issued will depend on, amongst other things, the size of the awards granted under the Procurri PSP. In any case, the Procurri PSP provides that the number of Shares to be issued or transferred under the Procurri PSP, when aggregated with the aggregate number of Shares over which options are granted under any other share option schemes of our Company, will be subject to the maximum limit of 15.0% of our Company's total number of issued Shares (excluding Shares held by our Company as treasury shares) from time to time. If instead of issuing new Shares to participants, treasury shares are transferred to participants or our Company pays the equivalent cash value, the Procurri PSP will have no impact on our Company's issued share capital.

(b) **NAV**

As described in paragraph (c) below on EPS, the Procurri PSP is likely to result in a charge to our Company's profit or loss over the period from the date of grant to the vesting date of the awards. The amount of the charge will be computed in accordance with FRS 102. When new Shares are issued under the Procurri PSP, there would be no effect on the NAV. However, if instead of issuing new Shares to participants, existing Shares are purchased for delivery to participants or our Company pays the equivalent cash value, the NAV will be impacted by the cost of the Shares purchased or cash value paid. It should be noted that the delivery of Shares to participants under the Procurri PSP will generally be contingent upon the eligible participants meeting prescribed performance targets.



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## PROCURRI PSP

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(c) **EPS**

The Procurri PSP is likely to result in a charge to earnings over the period from the date of grant to the vesting date, computed in accordance with FRS 102.

It should again be noted that the delivery of Shares to participants of the Procurri PSP will generally be contingent upon the participants meeting the prescribed performance targets.

(d) **Dilutive impact**

The issuance of new Shares under the Procurri PSP will have a dilutive impact on our consolidated EPS.

### Reporting Requirements

Under the Listing Manual, an immediate announcement must be made on the date of grant of an award under the Procurri PSP and provide details of the grant, including the following:

- (a) date of grant;
- (b) number of Shares granted under the award;
- (c) market price of the Shares on the date of grant of the award;
- (d) number of Shares granted to Directors or Controlling Shareholders (and each of their Associates) under the award, if any; and
- (e) the vesting period in relation to the award.

### Disclosures in Annual Report

Our Company will make such disclosures in our annual report for so long as the Procurri PSP continues in operation as from time to time required by the Listing Manual including the following (where applicable):

- (a) the names of the members of our Remuneration Committee administering the Procurri PSP;
- (b) in respect of the following participants of the Procurri PSP:
  - (i) Directors of our Company;
  - (ii) Controlling Shareholders and their Associates; and
  - (iii) participants (other than those in paragraphs (i) and (ii) above) who have received Shares pursuant to the release of awards granted under the Procurri PSP which, in aggregate, represent 5.0% or more of the aggregate of the total number of Shares available under the Procurri PSP,

the following information:

- (A) the name of the participant;

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## PROCURRI PSP

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- (B) the aggregate number of Shares comprised in awards which have been granted to such participant during the financial year under review;
  - (C) the aggregate number of Shares comprised in awards granted to such participant since the commencement of the Procurri PSP to the end of the financial year under review;
  - (D) the aggregate number of Shares comprised in awards granted to such participant which have vested during the financial year under review and in respect of such awards, the proportion of new Shares issued and existing Shares transferred (and where existing Shares were purchased for delivery, the range of prices at which such Shares were purchased) upon the release of the vested awards; and
  - (E) the aggregate number of Shares comprised in awards granted to such participant which have not been released as at the end of the financial year under review; and
- (c) in relation to the Procurri PSP:
- (i) the aggregate number of Shares comprised in awards vested since the commencement of the Procurri PSP to the end of the financial year under review;
  - (ii) the aggregate number of new Shares comprised in awards vested during the financial year under review; and
  - (iii) the aggregate number of Shares comprised in awards granted under the Procurri PSP which have not been released as at the end of the financial year under review; and
- (d) such other information as may be required by the Listing Manual and/or the Securities and Futures Act.

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## PROCURRI ESOS

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On 27 June 2016, our Shareholders approved a share option scheme known as the Procurri Employee Share Option Scheme (the “**Procurri ESOS**”), the rules of which are set out in Appendix F of this Prospectus. The Procurri ESOS complies with the relevant rules as set out in Chapter 8 of the Listing Manual.

The Procurri ESOS will provide eligible participants with an opportunity to participate in the equity of our Company and to motivate them towards better performance through increased dedication and loyalty. The Procurri ESOS, which forms an integral and important component of a compensation plan, is designed to primarily reward and retain executive directors, non-executive directors and employees whose services are vital to our well-being and success.

The Procurri ESOS shall be administered by our Remuneration Committee. As at the Latest Practicable Date, no options have been granted under the Procurri ESOS.

### **Rationale for the Procurri ESOS**

The rationale for adopting the Procurri ESOS is to allow our Company:

- (a) to motivate participants to optimise their performance standards and efficiency and to maintain a high level of contribution to our Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and profitability of our Group;
- (c) to instill loyalty to, and a stronger identification by participants with the long-term prosperity of, our Group;
- (d) to attract potential employees with relevant skills to contribute to our Group and to create value for our Shareholders; and
- (e) to align the interests of participants with the interests of our Shareholders.

Unlike the Awards granted under the Procurri PSP (as detailed in the section entitled “*Procurri PSP*” of this Prospectus), the Procurri ESOS is designed to provide eligible participants with an opportunity to participate in the equity of our Company through the grant of options, and to motivate them towards better performance through increased dedication and loyalty. The reason for having the Procurri ESOS in addition to the Procurri PSP is to give our Company greater flexibility in structuring the compensation packages of eligible participants and providing an additional tool to motivate and retain staff members through the offering of compensation packages that are market competitive.

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## PROCURRI ESOS

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### Summary of the Procurri ESOS

A summary of the rules of the Procurri ESOS is set out as follows:

#### 1. *Participants*

Under the rules of the Procurri ESOS, executive directors and confirmed employees of our Group and our associated companies (“**Group Employees**”) and non-executive directors (including independent directors) of our Group, are eligible to participate in the Procurri ESOS. For this purpose, a company is our “associated company” if we and/or our subsidiaries hold at least 20.0% but not more than 50.0% of the issued shares in that company and our Company has control (as defined in the Listing Manual) over the company.

#### 2. *Scheme administration*

The Procurri ESOS shall be administered by our Remuneration Committee (further details of such Committee can be found in the section entitled “*Corporate Governance*” of this Prospectus) with powers to determine, amongst other things, the following:

- (a) persons to be granted options;
- (b) number of options to be granted; and
- (c) recommendations for modifications to the Procurri ESOS.

Our Remuneration Committee may consist of Directors (including Directors or persons who may be participants of the Procurri ESOS). A member of our Remuneration Committee who is also a participant of the Procurri ESOS must not be involved in its deliberation in respect of options granted or to be granted to him.

#### 3. *Size of the Procurri ESOS*

The aggregate number of shares over which our Remuneration Committee may grant options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all options granted under the Procurri ESOS and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of our Company, shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by our Company as treasury shares) on the day immediately preceding the date on which an offer to grant an option is made.

Our Company believes that this 15.0% limit set by the SGX-ST gives our Company sufficient flexibility to decide the number of Option Shares to offer to its existing and new employees. The number of eligible participants is expected to grow over the years. Our Company, in line with its goals of ensuring sustainable growth, is constantly reviewing its position and considering the expansion of its talent pool which may involve employing new employees. The employee base, and thus the number of eligible participants will increase as a result. If the number of options available under the Procurri ESOS is limited, our Company may only be able to grant a small number of options to each eligible participant which may not be a sufficiently attractive incentive. Our Company is of the opinion that it should have sufficient number of options to offer to new employees as well as to existing ones. The number of options offered must also be significant enough to serve as a meaningful reward for contributions to our Group. However, it does not necessarily mean that our Remuneration

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## PROCURRI ESOS

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Committee will definitely issue Option Shares up to the prescribed limit. Our Remuneration Committee shall exercise its discretion in deciding the number of Option Shares to be granted to each employee which will depend on the performance and value of the employee to our Group.

#### 4. **Maximum entitlements**

The aggregate number of Shares comprised in any options to be offered to a grantee shall be determined at the absolute discretion of our Remuneration Committee, which shall take into account (where applicable) criteria such as rank, past performance, years of service and potential for future development of that grantee.

#### 5. **Options, exercise period and exercise price**

The options that are granted under the Procurri ESOS may have exercise prices that are, at our Remuneration Committee's discretion, set at a price (the "**Market Price**") equal to the average of the last dealt prices for a Share on the Official List of the SGX-ST for the five (5) consecutive Market Days immediately preceding the date on which an offer to grant an option is made; or at a discount to the Market Price (subject to a maximum discount of 20.0%). Options which are fixed at the Market Price ("**Market Price Option**") may be exercised after the first anniversary of the date on which an offer to grant that option is made while options exercisable at a discount to the Market Price may be exercised after the second anniversary from the date on which an offer to grant that option is made ("**Incentive Option**"). Options granted under the Procurri ESOS will have a life span of ten (10) years for options granted to Group Employees (other than non-executive directors and/or employees of associated companies) and five (5) years for options granted to non-executive directors and/or employees of associated companies.

#### 6. **Grant of options**

Under the rules of the Procurri ESOS, there are no fixed periods for the grant of options. As such, offers of the grant of options may be made at any time from time to time at the discretion of our Remuneration Committee. However, no option shall be granted during the period of thirty (30) days immediately preceding the date of announcement of our Company's interim or final results (as the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers may only be made on or after the third Market Day from the date on which the aforesaid announcement is made.

#### 7. **Termination of options**

Special provisions in the rules of the Procurri ESOS deal with the lapse or earlier exercise of options in circumstances which include the termination of the participant's employment in our Group, the bankruptcy of the participant, the death of the participant, a take-over of our Company, and the winding-up of our Company.

#### 8. **Acceptance of options**

The grant of options shall be accepted within thirty (30) days from the date of the offer. Offers of options made to grantees, if not accepted before the closing date, will lapse. Upon acceptance of the offer, the grantee must pay our Company a consideration of S\$1.00.

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## PROCURRI ESOS

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### 9. ***Rights of shares arising***

Subject to the prevailing legislation, our Company will deliver Shares to participants upon exercise of their options by way of either (i) an issue of new Shares; or (ii) a transfer of Shares then held by our Company in treasury.

In determining whether to issue new Shares to participants upon exercise of their options, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

The financial effects of the above methods are discussed below.

Shares arising from the exercise of options are subject to the provisions of the Constitution of our Company. Shares allotted and issued, and existing Shares procured by our Company for transfer, upon the exercise of an option shall rank *pari passu* in all respects with the then existing issued Shares, save for any dividends, rights, allotments or distributions, the record date (“**Record Date**”) for which is prior to the relevant exercise date of the option. “**Record Date**” means the date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions (as the case may be).

### 10. ***Duration of the Procurri ESOS***

The Procurri ESOS shall continue in operation for a maximum duration of ten (10) years and may be continued for any further period thereafter with the approval of our Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

### 11. ***Abstention from voting***

Shareholders who are eligible to participate in the Procurri ESOS are to abstain from voting on any Shareholders’ resolution relating to the Procurri ESOS and should not accept nominations as proxy or otherwise for voting unless specific instructions have been given in the proxy form on how the vote is to be cast.

### **Grant of options with a discounted exercise price**

The ability to offer options to participants of the Procurri ESOS with exercise prices set at a discount to the prevailing market prices of the Shares will operate as a means to recognise the performance of participants as well as to motivate them to continue to excel while encouraging them to focus more on improving the profitability and return of our Group above a certain level which will benefit all Shareholders when these are eventually reflected through share price appreciation. The Procurri ESOS will also serve to recruit new group employees whose contributions are important to the long-term growth and profitability of our Group. Discounted options would be perceived in a more positive light by the participants, inspiring them to work hard and produce results in order to be offered options at a discount as only employees who have made outstanding contributions to the success and development of our Group would be granted options at a discount.

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## PROCURRI ESOS

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At present, our Company foresees that options may be granted with a discount principally in the following circumstances:

- (a) Firstly, where it is considered more effective to reward and retain talented employees by way of a discounted price option rather than a market price option. This is to reward the outstanding performers who have contributed significantly to our Group's performance and the discounted price option serves as additional incentives to such group employees. Options granted by our Company on the basis of market price may not be attractive and realistic in the event of an overly buoyant market and inflated share prices. Hence, during such period, the ability to offer such options at a discount would allow our Company to grant options on a more realistic and economically feasible basis. Furthermore, options granted at a discount will give an opportunity to group employees to realise some tangible benefits even if external events cause the share price to remain largely static.
- (b) Secondly, where it is more meaningful and attractive to acknowledge a participant's achievements through a discounted price option rather than paying him a cash bonus. For example, options granted at a discount may be used to compensate employees and to motivate them during economic downturns when wages (including cash bonuses and annual wage supplements) are frozen or cut, or they could be used to supplement cash rewards in lieu of larger cash bonuses or annual wage supplements. Accordingly, it is possible that merit-based cash bonuses or rewards may be combined with grants of market price options or discounted price options, as part of eligible employees' compensation packages. The Procurri ESOS will provide group employees with an incentive to focus more on improving the profitability of our Group thereby enhancing Shareholder value when these are eventually reflected through the price appreciation of the Shares after the vesting period.
- (c) Thirdly, where due to speculative forces and having regard to the historical performance of the Share price, the market price of the Shares at the time of the grant of the options may not be reflective of financial performance indicators such as return on equity and/or earnings growth.

Our Remuneration Committee will have the absolute discretion to grant options where the exercise price is discounted, to determine the level of discount (subject to a maximum discount of 20.0% of the Market Price) and the grantees to whom, and the options to which, such discount in the exercise price will apply provided that our Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of options under the Procurri ESOS at a discount not exceeding the maximum discount as aforesaid.

In deciding whether to give a discount and the quantum of such discount (subject to the aforesaid limit), our Remuneration Committee will have regard to the financial and other performance of our Company and our Group, the years of service and individual performance of the grantee, the contribution of the grantee to the success and development of our Group and the prevailing market conditions.

Our Company may also grant options without any discount to the market price. Additionally, our Company may, if it deems fit, impose conditions on the exercise of the options (whether such options are granted at the market price or at a discount to the market price), such as restricting the number of Shares for which the option may be exercised during the initial years following its vesting.

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## PROCURRI ESOS

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### **Rationale for participation of executive directors and employees of our associated companies and non-executive directors (including independent directors) of our Group in the Procurri ESOS**

The extension of the Procurri ESOS to executive directors and employees of our associated companies and non-executive directors (including independent directors) of our Group allows our Group to have a fair and equitable system to reward directors and employees who have made and who continue to make significant contributions to the long-term growth of our Group.

We believe that the Procurri ESOS will also enable us to attract, retain and provide incentives to its participants to achieve higher standards of performance as well as encourage greater dedication and loyalty by enabling our Company to give recognition to past contributions and services as well as motivating participants generally to contribute towards the long-term growth of our Group.

Although the non-executive directors are not involved in the day-to-day running of our Group's business, they, nonetheless, play an invaluable role in furthering the business interests of our Group by contributing their experience and expertise. The participation by the non-executive directors in the Procurri ESOS will provide our Company with a further avenue to acknowledge and recognise their services and contributions to our Group as it may not always be possible to compensate them fully or appropriately by increasing the directors' fees or other forms of cash payment.

### **Financial Effects of the Procurri ESOS**

Any Options granted under the Procurri ESOS will have a fair value. Where such options are granted at a consideration below their fair value, there will be a cost to our Company, the amount of which will depend on whether the Options are granted with a discounted exercise price or without a discounted exercise price. The cost to our Company of granting Options under the Procurri ESOS will be as follows:

- (i) the grant of an Option at a discounted exercise price will translate into a reduction of the proceeds from the exercise of such options, as compared to the proceeds that our Company would have received from such exercise had the exercise been made at the prevailing market price of our Shares. Such reduction of the exercise proceeds will represent the monetary cost to our Company of granting Options with a discounted exercise price;
- (ii) as the monetary cost of granting Options with a discounted exercise price is borne by our Company, the earnings of our Company will effectively be reduced by an amount corresponding to the reduced interest earnings that our Company would have received from the difference in proceeds from an exercise price with no discount versus the discounted exercise price. Such reduction will, accordingly, result in the dilution of our Company's EPS;
- (iii) the effect of the issue and allotment of new Shares upon the exercise of Options on our Company's NAV per Share will be accretive if the exercise price is above the NAV per Share, but dilutive otherwise; and
- (iv) the grant of Options under the ESOS will have an impact on our Company's reported profit because under FRS 102, share-based payments require the recognition of an expense in respect of Options granted under the ESOS. The expense will be based on the fair value of the Options at the date of grant and will be recognised over the vesting period.



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## PROCURRI ESOS

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The financial effects discussed above in (i), (ii) and (iii) will only materialise upon the exercise of the relevant Options. The cost of granting Options discussed in (iv) above will be recognised in the financial statements even if the Options discussed in (iv) above are not exercised.

Share options have value because the option to buy a company's share for a fixed price during an extended future time period is a valuable right, even if there are restrictions attached to such an option. As our Company is required to account for share-based awards granted to our employees, the cost of granting Options will affect our financial results as this cost to our Company will have to be charged to our Company's profit or loss commencing from the time Options are granted. Subject as aforesaid, as and when Options are exercised, the cash inflow will add to the NTA of our Company and its share capital base will grow. Where Options are granted with subscription prices that are set at a discount to the market prices for our Shares prevailing at the time of the grant of such Options, the amount of the cash inflow to our Company on the exercise of such Options will be diminished by the quantum of the discount given, as compared with the cash inflow that would have been receivable by our Company had the Options been granted at the market price of our Shares prevailing at the time of the grant.

The grant of Options will have an impact on our Company's reported profit under the accounting rules in FRS 102. The cost to our Company in granting an Option will vary depending on the number of Options granted pursuant to the ESOS, whether these Options are granted at Market Price or at a discount to the Market Price and the validity period of the Options. Generally, a greater discount and a longer validity period for an Option will result in a higher potential cost to our Company.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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In general, transactions between our Group and any of its interested persons (namely, our Directors or Controlling Shareholders of our Company or their Associates) are interested person transactions for the purposes of Chapter 9 of the Listing Manual.

Certain terms such as “control” and “interested person” used in this section have the meanings ascribed to them in the Listing Manual and/or the SFR as the context so requires.

Save as disclosed below and in line with Rules 905(3) and 906(2) of Chapter 9 of the Listing Manual which provides that the requirements relating to interested person transactions under Chapter 9 of the Listing Manual do not apply to any transaction below S\$100,000, a transaction below S\$100,000 is not considered material in the context of the Offering and is not taken into account for the purposes of aggregation in this section.

Save as disclosed below and in the sections entitled “*Restructuring Exercise*” and “*Our Business – History and Development*” of this Prospectus, there are no transactions undertaken between our Group and any of its interested persons during the Period Under Review and from 1 January 2016 up to the Latest Practicable Date which are material in the context of the Offering.

### PAST INTERESTED PERSON TRANSACTIONS

Save as disclosed below and in the sections entitled “*Restructuring Exercise*” and “*Our Business – History and Development*” of this Prospectus, there were no past interested person transactions.

We have, in the past three (3) financial years, and from 1 January 2016 to the Latest Practicable Date (the “**Relevant Period**”), entered into the following transactions.

#### **Sale of Membership Interests of Procurri LLC to Procurri**

In April 2013, we expanded our business into the US market through a subscription of new membership interests in Procurri LLC, pursuant to which Procurri LLC became our 50.1% subsidiary. Following this, in January 2014, we acquired the remaining 49.9% membership interests in Procurri LLC from FM Technology Inc., Votum LLC, Mr. Zachary Sexton, Mr. Gerald Louis Jeanguenat, Mr. Logan Toshinga Matsuoka, Mr. Daniel Mark Kedme, Ms. Alissa Tracie Schor and Mr. John Bradley Adams. FM Technology Inc. (which has since been dissolved) was then owned by our Executive Director and Global CEO, Mr. Sean Murphy, and our Global President, Mr. Edward Flachbarth. Neither the Controlling Shareholders of Votum LLC nor Mr. Zachary Sexton, Mr. Gerald Louis Jeanguenat, Mr. Logan Toshinga Matsuoka, Mr. Daniel Mark Kedme, Ms. Alissa Tracie Schor and Mr. John Bradley Adams are related to any of our Directors, Controlling Shareholders or their respective Associates.

The consideration for the acquisition was S\$1,252,090.80, which was satisfied by the issue of 4,990 Shares at an issue price of S\$250.92 per Share to Irrucorp, a company majority-owned by some of our Group’s employees, including our Executive Director and Global CEO, Mr. Sean Murphy, and our Global President, Mr. Edward Flachbarth (for more information on the shareholders of Irrucorp, please refer to the section entitled “*Shareholders*” of this Prospectus). The consideration was not made on an arm’s length basis as it was based on relative valuation with no particular reference to book figures. Our Directors are however of the view that the acquisition was not prejudicial to the interests of our Group.

We do not intend to enter into similar transactions with either Irrucorp or Mr. Sean Murphy in the future.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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### Sale of Shares of ASVIDA Asia to Procurri by DeClout

In April 2014, as part of the Integration Exercise (please refer to section entitled “*Our Business – History and Development*” of this Prospectus for more information) to streamline and consolidate DeClout’s IT Distribution and Lifecycle Services businesses under our Group, we acquired ASVIDA Asia from DeClout. The consideration for the acquisition was approximately S\$6,420,000, which was satisfied by the issue of 11,790 Shares at an issue price of S\$544.53 per Share to DeClout. The consideration was not made on an arm’s length basis as it was based on relative valuation, and the NAV and profitability of ASVIDA Asia, with no particular reference to book figures. Our Directors are however of the view that the acquisition was not prejudicial to the interests of our Group.

We do not intend to enter into similar transactions with DeClout in the future.

### Loans by Mr. Sean Murphy to Procurri LLC

On 1 September 2015, Mr. Sean Murphy, our Executive Director and Global CEO, provided Procurri LLC with a short term loan of US\$500,000 for working capital purposes. Interest was charged at the rate of 0.5% per month for the committed but undrawn portion, and 1.0% per month for the drawn-down portion. The loan and interest was repaid in one (1) bullet repayment on 29 January 2016 and as at the Latest Practicable Date, there are no amounts outstanding pursuant to the loan.

On 21 March 2016, Mr. Sean Murphy further provided Procurri LLC with a short term loan of US\$816,358.50 for working capital purposes. Interest was charged at the rate of 1.0% per month. The loan and interest was repaid in one (1) bullet repayment on 29 April 2016 and as at the Latest Practicable Date, there are no amounts outstanding pursuant to the loan.

Details of the loans during the Relevant Period are as follows:

<b>S\$’000</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>From 1 January 2016 to the Latest Practicable Date</b>	<b>Largest Amount Outstanding during the Relevant Period</b>
Loan from Mr. Sean Murphy to Procurri LLC	–	–	707	1,851	1,851

As the loans were unsecured and did not have a fixed repayment date, it was not made on an arm’s length basis. Our Directors are however of the view that the loans were not prejudicial to the interests of our Group. We do not intend to enter into similar transactions with Mr. Sean Murphy in the future.

## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

### Rental of Premises from DeClout

Our Group had previously shared office and warehouse premises with DeClout and utilised office and warehouse spaces at 29 Tai Seng Avenue, #05-01, Natural Cool Lifestyle Hub, Singapore 534119. Our Group used approximately 10,000 square feet of the entire floor area leased by DeClout from a third party lessor. The rental expenses charged by DeClout to our Group for our usage of such office and warehouse spaces for the Relevant Period are as follows:

S\$'000	FY2013	FY2014	FY2015	1 January 2016 up to the Latest Practicable Date
Office and warehouse rental expense charged by DeClout	269	281	271	131

The rental expense was charged on an arm's length basis. The rental expense was computed, based on a *pro rata* basis, on the actual space used by our Group compared against the entire premises leased by DeClout. We do not intend to enter into similar transactions with DeClout in the future as we have on 9 May 2016 entered into separate lease agreements with the third party lessor for new office and warehouse premises at 29 Tai Seng Avenue, #01-02 and #02-01, Natural Cool Lifestyle Hub, Singapore 534119.

### Other Income Derived from DeClout and its Subsidiaries

Our Group paid for the entire renovation expenses, and incurred renovation loan interest expenses, for the previously shared office and warehouse premises at 29 Tai Seng Avenue, #05-01, Natural Cool Lifestyle Hub, Singapore 534119. Accordingly, we derived certain income which relates mainly to depreciation recharge on renovation costs incurred on behalf of DeClout from DeClout and, to a more limited extent, recovery from DeClout on the interest incurred on the renovation loan taken up by our Group. The other income derived by our Group from DeClout and its subsidiaries for the Relevant Period is as follows:

S\$'000	FY2013	FY2014	FY2015	1 January 2016 up to the Latest Practicable Date
Other income derived from DeClout and its subsidiaries	85	66	77	33

The depreciation recharge on renovation costs incurred on behalf of DeClout was charged by our Group and the recovery from DeClout on the interest on the renovation loan taken up by our Group was made on an arm's length basis. The recharge and recovery were calculated on the basis of the actual depreciation on the renovation costs and interest incurred, and computed based on the actual space used by the DeClout Group (excluding our Group). We do not intend to enter into similar transactions with DeClout in the future.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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### Renovation of Office

In May 2016, we engaged Beaqon Pte. Ltd. (“**Beaqon**”), a wholly-owned subsidiary of DeClout, as the main-contractor for the renovation of our office and warehouse premises at 29 Tai Seng Avenue, #01-02 and #02-01, Natural Cool Lifestyle Hub, Singapore 534119. Beaqon was engaged as it is familiar with our business model and was able to tailor the renovation specifically to suit our operating requirements. Additionally, Beaqon was able to provide the renovation services on short notice and within the timeframe required by us in view of the fact that we were given a rent-free fitting out period from 21 March 2016 to 8 May 2016 and the lease had commenced on 9 May 2016. Accordingly, Beaqon incurred renovation expenses on our behalf which were then charged back to us.

The amount charged back to our Group by Beaqon to our Group for the Relevant Period is as follows:

S\$'000	FY2013	FY2014	FY2015	1 January 2016 up to the Latest Practicable Date
Renovation of office	–	–	–	1,613

The amount charged back to us was on an arm’s length basis as it was calculated on the basis of the actual renovation costs incurred. We do not intend to enter into similar transactions with Beaqon in the future.

### Transfer of Renovation, Furniture and Fittings

In May 2016, we transferred the renovation, furniture and fittings in connection with the previously shared office and warehouse premises at 29 Tai Seng Avenue, #05-01, Natural Cool Lifestyle Hub, Singapore 534119 to DeClout for a consideration of S\$400,000, as a result of our move to our new office and warehouse premises at 29 Tai Seng Avenue, #01-02 and #02-01, Natural Cool Lifestyle Hub, Singapore 534119.

The consideration received by our Group from DeClout in connection with the transfer of renovation, furniture and fittings for the Relevant Period is as follows:

S\$'000	FY2013	FY2014	FY2015	1 January 2016 up to the Latest Practicable Date
Transfer of renovation, furniture and fittings	–	–	–	400

As we determined the selling price based on the net carrying amounts of the fixed assets as at 31 May 2016 (which was the date of transfer), this transaction was not on an arm’s length basis. We do not intend to enter into similar transactions with DeClout in the future.

## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

### PRESENT AND ONGOING INTERESTED PERSON TRANSACTIONS

Details of present and ongoing interested person transactions between our Group and interested persons for the Relevant Period are as follows.

#### Corporate Guarantees for Banking Facilities involving DeClout

On 25 September 2015, we provided a corporate guarantee in favour of DBS Bank in consideration of DBS Bank advancing loan credit and other banking facilities to DeClout (the “**Outstanding Corporate Guarantee**”).

On 12 October 2015, RHB Bank Berhad offered DeClout a revolving credit facility with a total line of credit of S\$1,500,000. The revolving credit facility which was accepted by DeClout was secured by a corporate guarantee provided by us for all moneys owing under the revolving credit facility. We had on 6 May 2016 discharged this corporate guarantee.

Details of the corporate guarantees during the Relevant Period are as follows:

S\$'000	Amount Owing as at 31 December 2013	Amount Owing as at 31 December 2014	Amount Owing as at 31 December 2015	Amount Owing as at the Latest Practicable Date	Largest Amount Guaranteed for the Relevant Period
Corporate guarantee provided by Procurri in favour of DBS Bank in connection with the loan credit and other banking facilities advanced by DBS Bank to DeClout	–	–	10,000	10,086	10,267
Corporate guarantee provided by Procurri in favour of DBS Bank in connection with the revolving credit facility advanced by RHB Bank Berhad to DeClout	–	–	1,500	–	1,529

The largest outstanding amount secured under the corporate guarantees during the Relevant Period was approximately S\$11,796,000.

As no consideration was paid to us, the corporate guarantees were not given on an arm’s length basis. Our Directors are however of the view that the corporate guarantees were not prejudicial to the interests of our Group.

The Outstanding Corporate Guarantee will be discharged in full upon our Listing. Following the discharge thereof, we do not intend to enter into similar transactions with DeClout in the future.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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### Loans by DeClout to our Group

On 1 January 2014, DeClout provided a working capital loan of up to S\$2,000,000 to Procurri Singapore. As DeClout did not receive any benefits in kind, commission or interest payments from Procurri Singapore, the loan was not given on an arm's length basis. As at the Latest Practicable Date, this loan has been fully repaid.

On 13 January 2015, DeClout extended a loan of US\$535,000 to Procurri LLC for working capital purposes. On 5 March 2015, Procurri LLC repaid US\$267,000. As DeClout did not receive any benefits in kind, commission or interest payments from Procurri LLC, the loan was not given on an arm's length basis. As at the Latest Practicable Date, this loan has been fully set off against loans made by our Group to DeClout (please refer to the section entitled "*Interested Person Transactions – Present and Ongoing Interested Person Transactions – Loans by our Group to the DeClout Group*" of this Prospectus for more information) (the "**Loans by our Group to the DeClout Group**").

On 2 February 2015, we acquired 51.0% of Procurri Asia Pacific (please refer to the section entitled "*Our Business – History and Development*" of this Prospectus for more information) for a consideration of S\$2,700,000, which was satisfied by way of the allotment and issue of fully-paid ordinary shares in the capital of DeClout. The price of the shares issued by DeClout for the acquisition of the shares in Procurri Asia Pacific was captured in our books as a loan from DeClout to us. As DeClout did not receive any benefits in kind, commission or interest payments from us, the loan was not given on an arm's length basis as between DeClout and us. As at the Latest Practicable Date, this loan has been fully set-off against the Loans by our Group to the DeClout Group.

On 31 July 2015, we exercised our call option over the remaining shares in Tinglobal, with completion of that acquisition subsequently taking place on 4 September 2015. Tinglobal had, before the exercise of our call option over the remaining shares in Tinglobal, been our 51.0% subsidiary (please refer to the sections entitled "*Restructuring Exercise*" and "*Our Business – History and Development*" of this Prospectus for more information). The aggregate consideration for the exercise of the call option and acquisition of the remaining 49.0% of the share capital of Tinglobal was S\$9,416,000, of which S\$500,000 was loaned by DeClout to us. As DeClout did not receive any benefits in kind, commission or interest payments from us, the loan was not given on an arm's length basis as between DeClout and us. As at the Latest Practicable Date, this loan has been fully set-off against Loans by our Group to the DeClout Group.

On 23 December 2015, we exercised our call option over and acquired the remaining shares in Procurri Asia Pacific. Procurri Asia Pacific had, before the exercise of our call option over the remaining shares in Procurri Asia Pacific, been our 51.0% subsidiary (please refer to the sections entitled "*Restructuring Exercise*" and "*Our Business – History and Development*" of this Prospectus for more information). The consideration for the exercise of the call option and acquisition of the remaining 49.0% of the share capital of Procurri Asia Pacific was S\$7,000,000, which was satisfied by way of the allotment and issue of fully-paid ordinary shares in the capital of DeClout. The price of the shares issued by DeClout for the acquisition of the remaining shares in Procurri Asia Pacific was captured in our books as a loan from DeClout to us. As DeClout did not receive any benefits in kind, commission or interest payments from us, the loan was not given on an arm's length basis as between DeClout and us. As at the Latest Practicable Date, this loan has been partially set-off against the Loans by our Group to the DeClout Group and S\$6,081,000 remains outstanding.

## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

On 22 January 2016, DeClout extended a loan of S\$200,000 to us for working capital purposes. As DeClout did not receive any benefits in kind, commission or interest payments from us, the loan was not given on an arm's length basis. As at the Latest Practicable Date, this loan has been fully set-off against the Loans by our Group to the DeClout Group.

Details of the amounts owing by our Group to DeClout during the Relevant Period are as follows:

S\$'000	As at 31 December 2013	As at 31 December 2014	As at 31 December 2015	As at the Latest Practicable Date	Largest Amount Outstanding during the Relevant Period
Amount owing by our Group to DeClout under the loans	–	–	3,587	6,081	10,780

Our Directors are of the view that the DeClout Loans are on terms favourable and not prejudicial to the interests of our Group and our minority Shareholders.

Part of the DeClout Loans have been set off against the Loans by our Group to the DeClout Group and the balance thereof, amounting to approximately S\$6,081,000 as at the Latest Practicable Date, will be fully repaid using the proceeds from the issuance of the New Shares. Following the repayment of the loans, we do not intend to enter into similar transactions with DeClout in the future. Please refer to the section entitled "*Use of Proceeds and Offering Expenses*" of this Prospectus for more information.

### Loans by our Group to the DeClout Group

On 1 January 2014, Procurri Singapore provided a short term loan for working capital purposes of up to S\$2,000,000 to DeClout. As Procurri Singapore did not receive any benefits in kind, commission or interest payments from DeClout, the loan was not given on an arm's length basis.

Procurri Singapore had, during the Relevant Period, provided loans to DeClout for working capital purposes. On 1 September 2015, Procurri Singapore and DeClout entered into a loan agreement to formalise and document the outstanding loan of S\$2,273,000, as at 1 September 2015, to DeClout at an interest rate equal to the prevailing bank revolving loan rate of 4.5% per annum. As the interest rate charged was based on the then prevailing interest rate for loans obtained from financial institutions in Singapore, our Directors believe that the loan was on an arm's length basis.

Procurri had, during the Relevant Period, provided loans to DeClout for working capital purposes. On 1 September 2015, Procurri and DeClout entered into a loan agreement to formalise and document the outstanding loan of S\$624,000, as at 1 September 2015, to DeClout for a period of twelve (12) months at an interest rate equal to the prevailing bank fixed deposit rate of 2.0% per annum. As the interest rate charged was based on the then prevailing interest rate for loans obtained from financial institutions in Singapore, our Directors believe that the loan was on an arm's length basis. Further loans were made by Procurri to DeClout following the entry to the loan agreement on similar terms to that specified in the loan agreement.



## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

On 26 September 2014, Procurri Singapore extended a trade line of US\$1,000,000 that it received from UOB Bank Ltd to the Corous360 Pte. Ltd. (a wholly-owned subsidiary of DeClout) group of companies (the “**Corous360 Group**”), for working capital purposes. The trade line was for a period of 120 days at an interest rate equal to the prevailing bank trust receipt rate of 2.82% per annum. As Procurri Singapore would nevertheless be liable in the event of default by Corous360 Group, the extension of the trade line was not on an arm’s length basis.

On 13 November 2014, Procurri Singapore extended a trade line of US\$1,080,053 that it received from UOB Bank Ltd to the Corous360 Group for working capital purposes. The trade line was for a period of 120 days at an interest rate equal to the prevailing bank trust receipt rate of 2.84% per annum. As Procurri Singapore would nonetheless be liable in the event of default by the Corous360 Group, the extension of the trade line was not on an arm’s length basis.

On 15 June 2015, Procurri Asia Pacific provided a short term loan for working capital purposes of US\$50,000 to a wholly-owned subsidiary of DeClout, PT Acclivis Technologies and Solutions (“**PT Acclivis**”). As Procurri Asia Pacific did not receive any benefits in kind, commission or interest payments from PT Acclivis, the loan was not given on an arm’s length basis.

On 9 September 2015, Procurri Singapore extended a trade line of US\$2,400,000 that it received from UOB Bank Ltd to the Corous360 Group for working capital purposes. The trade line was for a period of twelve (12) months at an interest rate equal to the prevailing bank trust receipt rate of 2.93% per annum. As Procurri Singapore would nevertheless be liable in the event of default by the Corous360 Group, the extension of the trade line was not on an arm’s length basis.

Details of the amounts owing by the DeClout Group to our Group during the Relevant Period are as follows:

S\$’000	As at 31 December 2013	As at 31 December 2014	As at 31 December 2015	As at the Latest Practicable Date	Largest Amount Outstanding during the Relevant Period
Amount owing by DeClout to Procurri Singapore under short term loan for working capital purposes	–	1,980	2,134	–	2,334
Amount owing by DeClout to Procurri under short term loan for working capital purposes	–	1,000	3,633	–	5,233
Amount owing by the Corous360 Group under the trade lines extended by Procurri Singapore	–	2,751	2,889	–	3,369

## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

S\$'000	As at 31 December 2013	As at 31 December 2014	As at 31 December 2015	As at the Latest Practicable Date	Largest Amount Outstanding during the Relevant Period
Amount owing by PT Acclivis to Procurri Asia Pacific for working capital purposes	–	–	67	–	67

The above loans have been set off against the DeClout Loans (please refer to the sections entitled “*Capitalisation and Indebtedness – The DeClout Loans*” and “*Interested Person Transactions – Present and Ongoing Interested Person Transactions – Loans by DeClout to our Group*” of this Prospectus for more information) and the balance thereof, amounting to approximately S\$6,081,000, will be fully repaid using the proceeds from the issuance of the New Shares.

We do not intend to enter into similar transactions with DeClout in the future.

### Share-based Payment Expense Charged by DeClout

DeClout issues shares to certain of our key executives pursuant to its performance share plan. The share-based payment expense charged by DeClout to our Group following the issuance of shares of DeClout for the Relevant Period is as follows:

S\$'000	FY2013	FY2014	FY2015	1 January 2016 up to the Latest Practicable Date
Share-based payment expense charged by DeClout	–	280	789	110 <sup>(1)</sup>

#### Note:

- (1) On 13 January 2015 and 24 March 2015, certain of our key executives were granted awards under DeClout’s performance share plan which will be released upon the satisfaction of certain performance conditions. The share-based payment expense is charged monthly on a *pro rata* basis. The share-based payment expense charged from 1 January 2016 up to the Latest Practicable Date is accordingly S\$110,000. Our Group shall be charged share-based payment expense of S\$130,000 for the period from the Latest Practicable Date to 31 December 2016 in respect of the aforementioned grant of awards.

The share-based payment expense is charged on an arm’s length basis as the costs of such issuance are calculated in accordance with DeClout’s performance share plan and are captured in our books as an expense.

Upon admission of our Company to the Official List of the SGX-ST, our employees will not be entitled to participate in any of DeClout’s share option schemes and/or share plans.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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### Services Rendered by Key Executives of our Group to the DeClout Group (Excluding our Group)

Certain of our key executives (namely, Mr. Sean Murphy, Mr. Poh Yee Tiong, Mr. Zachary Sexton and Mr. Mathew Jordan, who are our Executive Director and Global CEO, Head, APAC, Head, Americas and Head, EMEA, respectively) render to the DeClout Group strategic investment and corporate advice, and facilitate integration amongst the DeClout Group entities, and accordingly, our Group charges DeClout for the same. The service fees charged by our Group to the DeClout Group (excluding our Group) for the Relevant Period are as follows:

SS'000	FY2013	FY2014	FY2015	1 January 2016 up to the Latest Practicable Date
Services rendered to the DeClout Group (excluding our Group)	–	280	789	110

The above service fees charged to the DeClout Group (excluding our Group) were charged on an arm's length basis as the fees take into account all personnel-related costs of the key executives assigned to perform the services, including remuneration and its attendant costs such as CPF contributions and insurance.

It is envisaged that we may continue some of the above transactions with the DeClout Group in the ordinary course of our business in the future. Accordingly, we have put in place a Shareholders' Mandate (as defined in the section entitled "*Interested Person Transactions and Conflicts of Interest – General Mandate for Interested Person Transactions*" of this Prospectus) in respect of our Group's transactions with the DeClout Group. Upon the admission of our Company to the Official List of the SGX-ST, such services rendered shall be subject to the review procedures set out in the abovementioned section.

### Purchases of IT Hardware and Equipment and Lifecycle Services from the DeClout Group

As a multi-vendor provider of IT hardware and equipment and a vendor-agnostic aggregator, we purchase our IT hardware and equipment from diverse channels. As such, we are not restricted to any one supplier and are able to source from diverse channels based on the needs of our customers, and the quality and prices of the IT hardware and equipment. Our Group purchases certain IT hardware and equipment and Lifecycle Services (such as data centre switches, production servers, system management products and associated software) from the DeClout Group. The aggregate value of purchases from the DeClout Group for the Relevant Period is as follows:

## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

S\$'000	FY2013	FY2014	FY2015	1 January 2016 up to the Latest Practicable Date
Purchases of IT hardware and equipment and Lifecycle Services from the DeClout Group	609	105	225	655

The above purchases were not made on an arm's length basis as they were based on the best estimates of the fair value of the IT hardware and equipment and Lifecycle Services purchased, without reference to market prices. Our Directors are however of the view that the purchases were not prejudicial to the interests of our Group.

It is envisaged that we may continue some of the above transactions with the DeClout Group in the ordinary course of our business in the future. Accordingly, we have put in place a Shareholders' Mandate (as defined in the section entitled "*Interested Person Transactions and Conflicts of Interest – General Mandate for Interested Person Transactions*" of this Prospectus) in respect of our Group's transactions with the DeClout Group. Upon the admission of our Company to the Official List of the SGX-ST, such services rendered shall be subject to the review procedures set out in the abovementioned section.

### Provision of IT Hardware and Equipment and Lifecycle Services to the DeClout Group

Our Group provides certain IT hardware and equipment and Lifecycle Services to the DeClout Group. The aggregate value of provisions to the DeClout Group for the Relevant Period is as follows:

S\$'000	FY2013	FY2014	FY2015	1 January 2016 up to the Latest Practicable Date
Provision of IT hardware and equipment and Lifecycle Services to the DeClout Group	1,588	1,104	745	552

The above provisions were made on an arm's length basis as they were made upon rates comparable with those charged to third party customers procuring similar goods and services.

It is envisaged that we may continue some of the above transactions with the DeClout Group in the ordinary course of our business in the future. Accordingly, we have put in place a Shareholders' Mandate (as defined in the section entitled "*Interested Person Transactions and Conflicts of Interest – General Mandate for Interested Person Transactions*" of this Prospectus) in respect of our Group's transactions with the DeClout Group. Upon the admission of our Company to the Official List of the SGX-ST, such services rendered shall be subject to the review procedures set out in the abovementioned section.

## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

### Provision of Shared Services by the DeClout Group to our Group

DeClout provides human resource, corporate, legal and internal control services (the “**Shared Services**”) to our Group. The amount paid by our Group to DeClout takes into account the apportionment of employee benefits expense and time spent to provide the Shared Services to our Group.

The aggregate amounts paid for the Shared Services by our Group to DeClout for the Relevant Period are as follows:

S\$'000	FY2013	FY2014	FY2015	1 January 2016 up to the Latest Practicable Date
Provision of Shared Services by the DeClout Group	1,415	580	73	–

The above provisions were not made on an arm’s length basis as they were not made with reference to market prices for the Shared Services. Our Directors are however of the view that the provisions were not prejudicial to the interests of our Group.

It is envisaged that we may continue some of the above transactions with the DeClout Group in the ordinary course of our business in the future. Accordingly, we have put in place a Shareholders’ Mandate (as defined in the section entitled “*Interested Person Transactions and Conflicts of Interest – General Mandate for Interested Person Transactions*” of this Prospectus) in respect of our Group’s transactions with the DeClout Group. Upon the admission of our Company to the Official List of the SGX-ST, such services rendered shall be subject to the review procedures set out in the abovementioned section.

### Back-end IT Support Services from Acclivis Technologies and Solutions Pte. Ltd. (“Acclivis”)

Our Group obtains back-end IT support services comprising, amongst other things, service helpdesk support, enterprise IT servers, hosting of SAP accounting system and other miscellaneous IT support services (the “**IT Support Services**”) from Acclivis, which is a subsidiary of DeClout. The aggregate amounts paid for such IT Support Services to Acclivis for the Relevant Period are as follows:

S\$'000	FY2013	FY2014	FY2015	1 January 2016 up to the Latest Practicable Date
Procurement of IT Support Services from Acclivis	69	69	69	41

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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The above procurement of IT Support Services was not made on an arm's length basis as it was based on best estimates of the fair value of the IT Support Services procured, without reference to market prices. Our Directors are however of the view that such procurement was not prejudicial to the interests of our Group.

It is envisaged that we may continue some of the above transactions with the DeClout Group in the ordinary course of our business in the future. Accordingly, we have put in place a Shareholders' Mandate (as defined in the section entitled "*Interested Person Transactions and Conflicts of Interest – General Mandate for Interested Person Transactions*" of this Prospectus) in respect of our Group's transactions with the DeClout Group. Upon the admission of our Company to the Official List of the SGX-ST, such services rendered shall be subject to the review procedures set out in the abovementioned section.

### Operational Support Services from PT Acclivis

Our Group obtains operational support services (the "**Operational Support Services**") from certain personnel of PT Acclivis, which is a wholly-owned subsidiary of DeClout. The amount paid by our Group to PT Acclivis takes into account the apportionment of employee benefits expense and time spent to provide the Operational Support Services to our Group.

The aggregate amounts paid for such Operational Support Services to PT Acclivis for the Relevant Period are as follows:

S\$'000	FY2013	FY2014	FY2015	1 January 2016 up to the Latest Practicable Date
Procurement of Operational Support Services from PT Acclivis	–	–	–	46

The above procurement of Operational Support Services was not made on an arm's length basis as no reference was made to market prices. Our Directors are however of the view that such procurement was not prejudicial to the interests of our Group.

It is envisaged that we may continue some of the above transactions with the DeClout Group in the ordinary course of our business in the future. Accordingly, we have put in place a Shareholders' Mandate (as defined in the section entitled "*Interested Person Transactions and Conflicts of Interest – General Mandate for Interested Person Transactions*" of this Prospectus) in respect of our Group's transactions with the DeClout Group. Upon the admission of our Company to the Official List of the SGX-ST, such services rendered shall be subject to the review procedures set out in the abovementioned section.

### Corporate Guarantees by DeClout for Banking Facilities involving Procurri

DeClout has provided corporate guarantees to secure credit facilities granted to our Group from various banks.

## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

Details of the corporate guarantees provided by DeClout during the Relevant Period are as follows:

\$'000	Amount Owing as at 31 December 2013	Amount Owing as at 31 December 2014	Amount Owing as at 31 December 2015	Amount Owing as at the Latest Practicable Date	Largest Amount Guaranteed for the Relevant Period
Corporate guarantee to DBS Bank for term loans, letter of credit, trust receipts, bill receivables purchase, shipping and air waybill guarantees provided to Procurri	–	S\$5,000	S\$9,800 & US\$1,000	S\$7,632	S\$14,800 & US\$1,000
Corporate guarantee to DBS Bank for letter of credit, trust receipts, bill receivables purchase, shipping and air waybill guarantees provided to Procurri Asia Pacific	–	–	US\$1,000	US\$2,110 & S\$64	US\$5,000
Corporate guarantee to United Overseas Bank Limited for hire purchase facility provided to Procurri Singapore	S\$2,454	S\$2,454	S\$2,454	S\$194	S\$3,454
Corporate guarantee to United Overseas Bank Limited for letter of credit and trust receipts, term loan and corporate credit card facility provided to Procurri Singapore	S\$1,650	S\$3,071	S\$3,071	S\$2,000	S\$3,071
Corporate guarantee to Australia and New Zealand Banking Group Limited for documentary credit, trade finance loan facility and shipping guarantee and short-term revolving credit facilities provided to Procurri Singapore and Acclivis	S\$300	S\$300	S\$300	–	S\$3,250
Corporate guarantee to The Hongkong and Shanghai Banking Corporation Limited for revolving credit facility provided to Procurri and Procurri Singapore	–	S\$2,500	S\$2,500	S\$2,500	S\$2,500
Corporate guarantee to EMC Corporation for line of credit provided to Procurri LLC	–	–	–	US\$1,000	US\$1,000

## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

\$'000	Amount Owing as at 31 December 2013	Amount Owing as at 31 December 2014	Amount Owing as at 31 December 2015	Amount Owing as at the Latest Practicable Date	Largest Amount Guaranteed for the Relevant Period
Corporate guarantee to The Hongkong and Shanghai Banking Corporation Limited for treasury and trade facilities provided to Procurri Singapore, Acclivis and Beaqon Pte. Ltd.	–	–	–	–	S\$4,000

The largest outstanding aggregate amount secured under the corporate guarantees during the Relevant Period was approximately S\$40,567,000 and the outstanding aggregate amount secured under the corporate guarantees as at the Latest Practicable Date is approximately S\$16,607,000.

The provision of the corporate guarantees was not made on an arm's length basis. However, as no fees were paid to DeClout in relation to the provision of the corporate guarantees, our Directors are of the view that such corporate guarantees were not prejudicial to the interests of our Group and our minority Shareholders. The existing corporate guarantees in place will either be discharged upon our Listing or remain until the maturity of the loans to which they relate.

Upon admission of our Company to the Official List of the SGX-ST, we intend to continue with the above present and ongoing interested person transactions. This will be subject to the procedures for interested person transactions as set out in the section entitled "*Interested Person Transactions and Conflicts of Interest – Review Procedures for Future Interested Person Transactions*", as well as the Shareholders' Mandate (as defined in the section entitled "*Interested Person Transactions and Conflicts of Interest – General Mandate for Interested Person Transactions*" of this Prospectus) and the review procedures set out in the aforementioned section, and the applicable listing rules under Chapter 9 of the Listing Manual.

### REVIEW PROCEDURES FOR FUTURE INTERESTED PERSON TRANSACTIONS

Save for the interested persons transactions that are subject to the Shareholders' Mandate (as defined and set out in the section entitled "*Interested Person Transactions and Conflicts of Interest – General Mandate for Interested Person Transactions*" of this Prospectus), all future interested person transactions will be reviewed and approved in accordance with the threshold limits set out under Chapter 9 of the Listing Manual, to ensure that they are carried out on normal commercial terms and are not prejudicial to our interests and the interests of our minority Shareholders. In the event that such interested person transactions require the approval of our Board and our Audit Committee, relevant information will be submitted to our Board and our Audit Committee for review.

In the event that such interested person transactions require the approval of Shareholders, additional information may be required to be presented to Shareholders and an independent financial adviser may be appointed for an opinion.



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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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In the review of all future interested person transactions the following procedures will be applied:

- (a) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding S\$100,000 in value but below 3.0% of the latest audited NTA of our Group will be subject to review by our Audit Committee at quarterly intervals;
- (b) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% but below 5.0% of the latest audited NTA of our Group will be subject to the review and prior approval of our Audit Committee. Such approval shall only be given if the transactions are on arm's length commercial terms and are consistent with similar types of transactions made with non-interested parties; and
- (c) transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 5.0% of the latest audited NTA of our Group will be reviewed and approved by our Audit Committee, prior to such transactions being entered into, which may, as it deems fit, request advice on the transaction from independent sources or advisers, including the obtaining of valuations from independent professional valuers.

A register will be maintained to record all interested person transactions (including the bases on which they are entered into, amount and nature). Our Audit Committee will review all interested person transactions at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by our Audit Committee. Our Audit Committee may request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers as it deems fit.

In addition, our Board will also ensure that all disclosures, approvals and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual (in particular, Chapter 9 thereof) and relevant accounting standards, are complied with. We will also endeavour to comply with the recommendations set out in the Code of Corporate Governance.

Our Audit Committee will from time to time review such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between us and our interested persons are conducted on arm's length basis and on normal commercial terms.

In the event that a member of our Audit Committee is interested in any interested person transaction, he will abstain from reviewing that particular transaction. It should also be noted that our Lead Independent Director, Mr. Ho Chew Thim, who is also the lead independent director of DeClout, will not participate in any discussions in relation to any interested person transactions between our Group and the DeClout Group, and he will abstain from voting on any such proposals at any of either our or DeClout's board of directors meetings and refer such matter to our Audit Committee chairman. We will also disclose the aggregate value of interested person transactions conducted during the current financial year in our annual report.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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### GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

We anticipate that we would, on and after the Listing Date, in the ordinary course of business, continue to enter into certain transactions with our interested persons, including but not limited to those categories of transactions described below. It is likely that such transactions will occur with some degree of frequency and may arise at any time. In view of the time-sensitive and/or recurrent nature of commercial transactions, it would be advantageous for us to obtain a Shareholders' mandate to enter into certain interested person transactions in our normal course of business, provided that all such interested person transactions are carried out on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders.

Chapter 9 of the Listing Manual allows a listed company to obtain a mandate from its shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of our day-to-day operations.

Pursuant to Rule 920(2) of the Listing Manual, our Company may treat a general mandate as having been obtained from our Shareholders ("**Shareholders' Mandate**") for us to enter into interested person transactions with our interested persons, if the information required under Rule 920(1)(b) of the Listing Manual is included in this Prospectus. In relation to us, the information required by Rule 920(1)(b) is as follows:

- (a) the class of interested persons with which the Entity At Risk (as defined below) will be transacting;
- (b) the nature of the transactions contemplated under the mandate;
- (c) the rationale for, and benefit to, the Entity At Risk;
- (d) the methods or procedures for determining transaction prices;
- (e) the independent financial adviser's opinion on whether the methods or procedures in (d) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and the interests of our minority Shareholders;
- (f) an opinion from our Audit Committee if it takes a different view to the independent financial adviser; and
- (g) a statement from us that we will obtain a fresh mandate from our Shareholders if the methods or procedures in (d) above become inappropriate.

By subscribing for the New Shares, new Shareholders are deemed to have approved the Shareholders' Mandate.

### Entities At Risk

For the purposes of the Shareholders' Mandate, an "**Entity At Risk**" means:

- (a) our Company;
- (b) a subsidiary of our Company that is not listed on the SGX-ST or an approved exchange; or

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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- (c) an associated company of our Company that is not listed on the SGX-ST or an approved exchange, provided that our Group, or our Group and our interested person(s), has control over the associated company.

### Classes of Mandated Interested Persons

The Shareholders' Mandate will apply to our transactions with the DeClout Group (excluding our Group) (the "**Mandated Interested Persons**" and each a "**Mandated Interested Person**", all being "interested persons" as defined in the Listing Manual). For the avoidance of doubt, such Mandated Interested Persons would include such persons who may, during such period while such Shareholders' Mandate is effective, become Mandated Interested Persons where previously they were not so. As at the date of this Prospectus, the Mandated Interested Persons are:

- (a) Acclivis Technologies and Solutions Pte. Ltd.;
- (b) PT Acclivis Technologies and Solutions;
- (c) OSINet Communications Pte Ltd;
- (d) Corous360 Pte. Ltd.;
- (e) Corous360 Sdn. Bhd.;
- (f) Epicsoft Asia Pte. Ltd.;
- (g) Netipay Pte. Ltd.;
- (h) Play-E Pte. Ltd.;
- (i) Playworks Pte. Ltd.;
- (j) Beaqon Pte. Ltd.;
- (k) Asia Wiring Systems Pte. Ltd.;
- (l) Pacific Wave Pte. Ltd.; and
- (m) TJ Systems (S) Pte. Ltd..

Transactions with Mandated Interested Persons which do not fall within the ambit of the Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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### **Mandated Transactions under the General Mandate**

The transactions with the Mandated Interested Persons which will be covered by the Shareholders' Mandate (the "**Mandated Transactions**") relate to the provision to, or the obtaining from, Mandated Interested Persons of recurrent transactions (such as the purchase and sale of products and services in the normal course of our business) of a revenue or trading nature or which are necessary for our day-to-day operations (but not in respect of the purchase or sale of assets, undertakings or businesses which are not part of our day-to-day operations) comprising the following:

- (a) services rendered by key executives of our Group to the DeClout Group;
- (b) purchases of IT hardware and equipment and Lifecycle Services from the DeClout Group;
- (c) provision of IT hardware and equipment and Lifecycle Services to the DeClout Group;
- (d) provision of Shared Services by the DeClout Group to our Group;
- (e) back-end IT Support Services from Acclivis; and
- (f) operational support services from PT Acclivis.

Transactions with other interested persons (other than the classes of Mandated Interested Persons) that do not fall within the ambit of the Shareholders' Mandate will be subject to the relevant provision of Chapter 9 of the Listing Manual and/or applicable provisions of the Listing Manual and/or any applicable law. Transactions conducted under the Shareholders' Mandate are not subject to Rule 905 and 906 of Chapter 9 of the Listing Manual pertaining to threshold and aggregation requirements.

### **Rationale for and Benefits of the Shareholders' Mandate**

The Shareholders' Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential interested person transactions with a specific class of Mandated Interested Persons arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to us.

The Shareholders' Mandate is intended to facilitate transactions in the normal course of our business which are entered into from time to time with the specified classes of Mandated Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to our Company and our minority Shareholders.

### **Review Procedures for the Mandated Transactions with Mandated Interested Persons**

We have established procedures to ensure that the Mandated Transactions with the Mandated Interested Persons are undertaken on normal commercial terms and are not prejudicial to the interests of our Company and our minority Shareholders.

- (a) Services Rendered by Key Executives of our Group to the DeClout Group

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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In connection with the provision of strategic investment and corporate advice, and facilitating integration amongst the DeClout Group, by the key executives of our Group to the DeClout Group, we will charge the DeClout Group a fee to be determined on a cost recovery basis, for the personnel-related costs, including the remuneration and its attendant costs such as CPF contributions and insurance, of the key executives assigned to perform the services.

Our CFO or a senior finance staff in our Group (both of whom must have no interest, direct or indirect in the transaction) shall review the time cost entries recorded by the key executives on a quarterly basis to determine whether the personnel-related costs charged to the Mandated Interested Person are fair and reasonable.

(b) Purchases of IT Hardware and Equipment and Lifecycle Services from the DeClout Group

All contracts entered into or transactions with Mandated Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two (2) other unrelated third party suppliers for similar quantities and/or quality of services or products, prior to the entry into of the contract or transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, availability of IT hardware and equipment and Lifecycle Services in the open market, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

In the event that such competitive quotations from unrelated third party suppliers cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), we will obtain two (2) quotations (wherever possible or available) from DeClout for similar quantities and/or quality of services or products provided by DeClout to their unrelated third party customers, prior to the entry into the contract or transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable and comparable to those offered by DeClout to other unrelated third party customers for the same or substantially similar type of services or products. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, availability of IT hardware and equipment and Lifecycle Services in the open market, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

In the event that such quotations from DeClout's unrelated third party customers cannot be obtained (for instance, if there are no unrelated third party customer of DeClout of similar products or services, or if the product is a proprietary item), the regional head of sales of our relevant Group Company (who must have no interest, direct or indirect in the transaction) will determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable in accordance with the Group's usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, the availability of IT hardware and equipment and Lifecycle Services in the open market, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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Any transaction exceeding an amount of S\$100,000 must be approved by our CFO (who must have no interest, direct or indirect in the transaction), and transactions exceeding an amount of S\$500,000 must be approved by our Audit Committee (whose members must have no interest, direct or indirect in the transaction) prior to entry into the transaction.

(c) Provision of IT Hardware and Equipment and Lifecycle Services to the DeClout Group

All contracts entered into or transactions with Mandated Interested Persons are to be carried out at the prevailing market rates or prices of third-party service or product providers for similar transactions, on terms which are no more favourable to the Mandated Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms. We will make comparisons with at least two (2) other contracts or invoices issued to unrelated third parties for the same or substantially similar types of transactions.

Where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, our regional head of sales of the relevant Group Company (who must have no interest, direct or indirect in the transaction) will determine whether our Group's pricing for such services to be provided or products to be sold to the Mandated Interested Person are fair and reasonable in accordance with the Group's usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, the availability of IT hardware and equipment and Lifecycle Services in the open market, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases.

Any transaction exceeding an amount of S\$100,000 must be approved by our CFO (who must have no interest, direct or indirect in the transaction), and transactions exceeding an amount of S\$500,000 must be approved by our Audit Committee (whose members must have no interest, direct or indirect in the transaction) prior to entry into the transaction.

(d) Provision of Shared Services by the DeClout Group to our Group

In connection with the provision of the Shared Services by the DeClout Group to our Group, the DeClout Group and our Group have entered into a shared services agreement (the "**Shared Services Agreement**"). Under the terms of the Shared Service Agreement, our Group shall pay to the DeClout Group fees for the Shared Service to be determined based on a cost recovery basis, taking into account all personnel-related costs of personnel assigned to perform the Shared Services comprising remuneration and its attendant costs such as CPF contributions and insurance.

Our CFO or a senior finance staff in our Group (both of whom must have no interest, direct or indirect in the transaction) shall review DeClout's time costs of DeClout's personnel providing such Shared Services on a quarterly basis to determine whether the personnel-related costs charged by the Mandated Interested Person are fair and reasonable.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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(e) Back-end IT Support Services from Acclivis

Our Group will make comparisons against the quotations obtained from at least two (2) other comparative offers from unrelated third parties that are reasonably contemporaneous in time, to ensure that the cost of procuring similar back-end IT Support Services is no less favourable to the cost of procuring the back-end IT Support Services from Acclivis. Comparisons will be made taking into consideration, amongst other things, the price, standard of services, convenience of procurement, experience and expertise.

In the event that such competitive quotations from unrelated third party service providers cannot be obtained (for instance, if there are no unrelated third party suppliers of similar services), we will obtain two (2) quotations (wherever possible or available) from Acclivis for similar quantities and/or quality of services provided by Acclivis to their unrelated third party customers, prior to the entry into the contract or transaction with the Mandated Interested Person, as a basis for comparison to determine whether the price and terms offered by the Mandated Interested Person are fair and reasonable and comparable to those offered by Acclivis to other unrelated third party customers for the same or substantially similar type of services. In determining whether the price and terms offered by the Mandated Interested Person are fair and reasonable, factors such as, but not limited to, availability of the back-end IT Support Services in the open market, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or loyalty discounts, will also be taken into account.

In the event that such quotations from Acclivis's unrelated third party customers cannot be obtained (for instance, if there are no unrelated third party customer of Acclivis of similar services), our Global CEO (who must have no interest, direct or indirect in the transaction) will determine whether the pricing for such services to be procured from the Mandated Interested Person is fair and reasonable in accordance with the Group's usual business practices and pricing policies or industry norms, and taking into account factors such as, but not limited to, the availability of such back-end IT support services in the open market, specification compliance, track record, experience and expertise. In the event that our Global CEO has an interest in the transaction, our Global President (who must have no interest, direct or indirect in the transaction) will be responsible for such determination.

Any transaction exceeding an amount of S\$100,000 must be approved by our CFO (who must have no interest, direct or indirect in the transaction), and transactions exceeding an amount of S\$500,000 must be approved by our Audit Committee (whose members must have no interest, direct or indirect in the transaction) prior to entry into the transaction.

(f) Operational Support Services from PT Acclivis

In connection with the provision of operational support services from PT Acclivis to our Group, PT Acclivis will charge our Group, on a cost recovery basis, all personnel-related costs, comprising remuneration and its attendant costs such as insurance, of personnel assigned to perform the operational support services.

Our CFO or a senior finance staff in our Group (both of whom must have no interest, direct or indirect in the transaction) shall review the time cost entries recorded by PT Acclivis' personnel on a quarterly basis to determine whether the personnel-related costs charged by the Mandated Interested Person are fair and reasonable.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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### Approval Threshold

In addition to the review procedures, the following thresholds will apply to the Mandated Transactions:

- (a) where the aggregate value of the Mandated Transactions is of an amount of more than 5.0% and less than 10.0% of the latest audited consolidated net tangible assets of the Company, any Mandated Transaction thereafter will be reviewed and approved by our Global CEO; and
- (b) where the aggregate value of the Mandated Transactions is of an amount of more than 10.0% of the latest audited consolidated net tangible assets of our Company, any Mandated Transaction thereafter will be reviewed and approved by our Audit Committee.

For the avoidance of doubt, transactions below S\$100,000 will be included for the purposes of the aforementioned thresholds.

The above approval thresholds are adopted after taking into account, amongst other things, the nature, volume, recurrent frequency and transaction size as well as the Group's day-to-day operations, administration and businesses. The approval thresholds act as an additional safeguard to supplement the review procedures to be implemented for the Mandated Transactions.

Any of the persons referred to above may, as he deems fit, request for additional information pertaining to the transaction from independent sources or advisers.

If any of the persons referred to above:

- (a) is an interested person in respect of that particular Mandated Transaction to be reviewed;
- (b) has an interest, whether direct or indirect, in relation to that particular Mandated Transaction; and/or
- (c) is otherwise not considered independent in relation to that particular Mandated Transaction,

he will, and will undertake to ensure that his Associates will, abstain from any decision-making in respect of that particular Mandated Transaction.

### Other Review Procedures

The Group has implemented the following procedures for the identification of interested person transactions (including the Mandated Transactions) and interested persons (including the Interested Persons) and the recording of all interested person transactions:

- (a) our Company will maintain a list of Interested Persons (which will be reviewed by a senior finance staff of our Company on a quarterly basis and updated as necessary) and will disclose the list to the relevant staff of our Group to enable the identification of the Interested Persons on a quarterly basis or as and when there are updates;
- (b) the CFO and/or a senior finance officer of our Company (both of whom must have no interest, direct or indirect in the transaction) (the "**IP T Committee**") will maintain two (2) registers of all transactions (including all transactions below S\$100,000) carried out with Interested Persons including the Mandated Interested Persons (recording the basis and the quotations,



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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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if any, obtained to support such basis on which these transactions are entered into, whether mandated or non-mandated). One (1) register shall be maintained to record Mandated Transactions and the other register shall be maintained to record interested person transactions which are not classified as Mandated Transactions. The registers shall be submitted to our Audit Committee for review on a quarterly basis. Any discrepancies or significant variances (as determined by our Audit Committee) from the Group's usual business practices and pricing will be highlighted to our Audit Committee; and

- (c) our Company's annual internal controls plan shall incorporate a review of all interested person transactions (including Mandated Transactions), including the established review procedures for the monitoring of all such transactions.

If during any of the reviews by our Audit Committee, our Audit Committee is of the view that the guidelines and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of our Group or the Mandated Interested Persons are conducted, we will seek a fresh general mandate from our Shareholders based on new guidelines and review procedures so that Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

Our Audit Committee has the overall responsibility for determining the review procedures, with the authority to delegate to individuals within our Company as it deems appropriate. Our Audit Committee will conduct periodic reviews (of not more than quarterly intervals) of the review procedures for the interested person transactions. If, during these periodic reviews, our Audit Committee is of the view that these review procedures are no longer appropriate to ensure that the interested person transactions are transacted on normal commercial terms and will not be prejudicial to the interest of our Company and/or its minority Shareholders, our Company will seek a fresh mandate from our Shareholders based on new review procedures for Interested Person Transactions.

In the event that any member of our Audit Committee has an interest in a transaction, he shall, and shall undertake to ensure that his Associates shall, abstain from participating in the review and approval process in relation to that transaction.

### **Validity Period of the Shareholders' Mandate**

The Shareholders' Mandate will be effective until the earlier of the following: (i) the conclusion of our first annual general meeting following our admission to the Official List of the SGX-ST; or (ii) the first anniversary of the date of our admission to the Official List of the SGX-ST. Thereafter, we will seek the approval of our Shareholders for a renewal of the Shareholders' Mandate at each subsequent annual general meeting or the date by which the next annual general meeting of our Company is required by law to be held, subject to satisfactory review by our Audit Committee of its continued application to the transactions with the Mandated Interested Persons (as defined below).

### **Disclosure in Annual Report**

We will announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the Shareholders' Mandate for the quarterly financial periods which our Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report, in accordance with the requirements of Chapter 7 of the Listing Manual.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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Disclosure will be made in our Annual Report of the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the Shareholders' Mandate during the financial year, and in the Annual Reports for subsequent financial years that the Shareholders' Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

The Board will also ensure that all disclosures, approvals and other requirements on the Mandated Transactions, including those required by prevailing legislation, the Listing Manual and relevant accounting standards, are complied with.

### Opinion of the Independent Financial Adviser

SAC Capital has been appointed as our independent financial adviser to our Audit Committee pursuant to Rule 920(1)(b)(v) of the Listing Manual, to opine on whether the methods or procedures for determining transaction prices of the Mandated Transactions, as set out above, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

Having considered, amongst other things, the rationale for, and benefits of, the Shareholders' Mandate, the methods and review procedures of our Company for determining the transaction prices of the Mandated Transactions covered under the Shareholders' Mandate and the role of our Audit Committee in enforcing the Shareholders' Mandate, and subject to the qualifications and assumptions made in the letter from SAC Capital set out in Appendix H entitled "*Letter from SAC Capital Private Limited to the Audit Committee*" of this Prospectus, SAC Capital is of the opinion that the methods and review procedures of our Company as set out in the section entitled "*Review Procedures for Mandated Transactions with Mandated Interested Persons*" as set out in Appendix H of this Prospectus for determining the transaction prices of the Mandated Transactions, if adhered to, are sufficient to ensure that the Mandated Transactions carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of its Company and its minority Shareholders. Please refer to the section entitled "*Letter from SAC Capital Private Limited to the Audit Committee*" as set out in Appendix H of this Prospectus for more information.

### Audit Committee's Statement

Our Audit Committee is of the view that the methods and review procedures for determining transaction prices and terms of the Mandated Transactions, as set out above, are sufficient to ensure that the Mandated Transactions with the Mandated Interested Persons will be carried out on normal commercial terms and will not be prejudicial to the interests of our Company and our minority Shareholders.

### POTENTIAL CONFLICTS OF INTEREST

Save as disclosed in the sections entitled "*Directors, Management and Staff*" and "*Interested Person Transactions and Conflicts of Interest*" of this Prospectus, none of our Directors, Executive Officers or Controlling Shareholders or their Associates has any interest, direct or indirect, in:

- (a) any company carrying on the same business or dealing in similar products as us;
- (b) any company that is our Group's customer or supplier of goods and services; and
- (c) any material transactions to which our Group was or is a party.

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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### Potential Conflicts of Interest with Acclivis Technologies and Solutions Pte. Ltd.

As at the Latest Practicable Date, Acclivis Technologies and Solutions Pte. Ltd. (“**Acclivis**”), which is a subsidiary of DeClout, presently engages in, amongst other things, a similar but not competing business to that of our IT Distribution business segment.

Our Hardware Resale business offering engages in the provision of IT hardware and equipment, particularly, Data Centre Equipment, across major IT brands such as HP, IBM, Lenovo, Dell, Fujitsu, Oracle Sun Systems, NetApp, Cisco, EMC, Quantum, Brocade, Alcatel Lucent, Aten, APC, and Juniper, by leveraging on our global sourcing network and reverse logistics framework. As such, the process always begins with our independent purchase of New Resale Equipment and Pre-Owned Equipment from diverse channels including but not limited to former end-users, and ends with their resale on the secondary market. This is distinct from Acclivis’ similar offering which involves the sale of new enterprise IT hardware and equipment on the primary market, and begins with Acclivis partnering with vendors such as IBM, Hitachi Data Systems and Cisco as an authorised business partner in Singapore, and then leveraging on the OEM’s forward logistics framework. In other words, our Hardware Resale business offering focuses on the independent resale of New Resale Equipment and Pre-Owned Equipment on the secondary market whereas Acclivis’ offering focuses on becoming an authorised business partner to sell new IT hardware and equipment in the primary market. In addition, our business is global, whereas Acclivis’ business is presently localised to Singapore.

With regard to our Supply Chain Management business offering, while we become a supply chain management partner to OEMs, we do not participate in the sale of the IT hardware and equipment being moved around pursuant thereto. Our Supply Chain Management business offering is a service pursuant to which we assist the OEMs with such stages of the supply chain as they require. This offering leverages on our global sourcing network, reverse logistics framework and our knowledge, experience and capabilities in synchronising supply with demand on a global basis. We assist with the monitoring, planning of movement and storage of goods. This is distinct from Acclivis’ offering which sees it becoming an authorised business partner who participates directly in the sale of the IT hardware and equipment.

Notwithstanding that Acclivis’ offerings are distinct from ours, Acclivis may be asked by their existing clients to provide Pre-Owned Equipment. To mitigate any potential conflicts of interest that may arise, DeClout has provided us with a non-compete undertaking that is effective upon our Listing and until the earlier of DeClout and its subsidiaries ceasing to be, directly or indirectly, our Controlling Shareholder and/or the Controlling Shareholder of Acclivis, or the date on which we cease to be listed on the SGX-ST (the “**Relevant Period**”). Pursuant to the terms of the same, during the Relevant Period, any DeClout Group Company (the “**Grantor**”) may not engage in any competing or similar business save for the provision or procurement of Pre-Owned Equipment (subject to certain conditions thereunder) provided always that such provision or procurement complies with, amongst other things, the following:

- (a) the Grantor shall notify us of any firm intention to provide Pre-Owned Equipment to its customers (such notice, the “**Proposal**”). The Proposal shall provide information on, amongst other things, the type and cost of the Pre-Owned Equipment proposed to be provided to the Grantor’s customers;
- (b) upon such notice, we shall have the right (but not the obligation) to provide such Pre-Owned Equipment on the same terms as set out in the Proposal, and to express our interest to provide such Pre-owned Equipment and enter into a relevant binding agreement within the stipulated timeframes;

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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- (c) if we have not expressed our interest to provide the Pre-owned Equipment and/or entered into a binding agreement within the stipulated timeframes, the Grantor shall be entitled to provide the Pre-Owned Equipment to its customers on terms no more favourable than what was set out in the Proposal; and
- (d) if there are any material changes to the terms of the Proposal as a result of further negotiations on the Proposal (such amended Proposal shall be defined as the “**Revised Proposal**”), the Grantor shall provide us with the right (but not the obligation) to match the terms of the Revised Proposal within a stipulated timeframe.

### MITIGATION OF POTENTIAL CONFLICTS OF INTEREST

In addition to the mitigation of potential conflicts of interest with Acclivis described above, we also believe that any potential conflicts of interest, whether with our Directors, Controlling Shareholders and their respective Associates or otherwise (including those mentioned above), are mitigated as follows:

- (a) our Directors have a duty to disclose their interests in respect of any contract, proposal, transaction or any other matter whatsoever in which they have any personal material interest, directly or indirectly, or any actual or potential conflicts of interest (including conflicts of interest that arise from any of their directorships or executive positions or personal investments in any other corporations) that may involve them. Upon such disclosure, such Directors shall not participate in any proceedings of our Board, and shall in any event abstain from voting in respect of any such contract, arrangement, proposal, transaction or matter in which the conflict of interest arises, unless and until our Audit Committee has determined that no such conflict of interest exists. Hence, each of Mr. Wong Kok Khun, Mr. Lim Swee Yong and Mr. Ho Chew Thim will abstain from participating in any proceedings involving transactions with the DeClout Group;
- (b) our Audit Committee is required to examine the internal control procedures and review procedures put in place by our Company to determine if such procedures put in place are sufficient to ensure that interested person transactions are conducted on normal commercial terms and will not be prejudicial to our Company and our minority Shareholders;
- (c) our Audit Committee will review any actual or potential conflicts of interest that may involve our Directors as disclosed by them to our Board and the exercise of Directors’ fiduciary duties in this respect. Upon disclosure of an actual or potential conflict of interests by a Director, our Audit Committee will consider whether a conflict of interest does in fact exist. A Director who is a member of our Audit Committee will not participate in any proceedings of our Audit Committee in relation to the review of a conflict of interest relating to him. The review will include an examination of the nature of the conflict and such relevant supporting data, as our Audit Committee may deem reasonably necessary;
- (d) upon our listing on the SGX-ST, we will be subject to Chapter 9 of the Listing Manual in relation to interested person transactions. The objective of these rules is to ensure that our interested person transactions do not prejudice the interests of our Shareholders as a whole. These rules require us to make prompt announcements, disclosures in our annual report and/or seek Shareholders’ approval for certain material interested person transactions. Our Audit Committee may also have to appoint independent financial advisers to review such interested person transactions and opine on whether such transactions are fair and reasonable to us, and not prejudicial to our interests and the interests of our minority Shareholders. Under the Listing Manual, our Shareholders’ Mandate is required to be

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## INTERESTED PERSON TRANSACTIONS AND CONFLICTS OF INTEREST

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renewed at each annual general meeting and disclosure must be made in our annual report of the aggregate value of interested person transactions conducted pursuant to such mandate during each financial year, and in the annual reports for the subsequent years during which such mandate is in force. We must also adopt a new mandate if for any reason the review policies and procedures under our current Shareholders' Mandate are inappropriate;

- (e) our Audit Committee will also monitor the investments in our customers, suppliers and competitors made by our Directors, Controlling Shareholders and their respective Associates who are involved in the management of or have shareholding interests in similar or related business of our Company (to the extent as disclosed by them to our Audit Committee) and make assessments on whether there are any potential conflicts of interest;
- (f) our Directors owe fiduciary duties to us, including the duty to act in good faith and in our best interests. In addition, a Director may only disclose information (not otherwise available to him) which he has obtained in his capacity as a director, to the Controlling Shareholder whose interests he represents, if, in accordance with the Companies Act, such disclosure is not likely to prejudice our Company and is made with the authorisation of our Board. In addition, the relevant Director shall abstain from voting in respect of any decision of our Board to authorise him to make such disclosure. Therefore, any non-public information regarding us that any of our Directors wishes to disclose to the Controlling Shareholder whose interests he represents can only be so disclosed if our Board authorises such disclosure and our Board is satisfied that such disclosure will not be likely to prejudice us. Our Directors are also subject to a duty of confidentiality that precludes a Director from disclosing to any third party (including any of our Shareholders or their Associates) information that is confidential; and
- (g) our Audit Committee will, following the listing of our Company on the SGX-ST, undertake the following additional responsibilities:
  - (i) review on a periodic basis the framework and processes established above for the implementation of the terms of reference in order to ensure that such framework and processes remain appropriate;
  - (ii) review and assess from time to time whether additional processes are required to be put in place to manage any material conflicts of interest with our Directors, Controlling Shareholders and their respective Associates and propose, where appropriate, the relevant measures for the management of such conflicts; and
  - (iii) review and propose, where appropriate, the relevant measures for the management of all conflicts of interest matters referred to it.

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## CLEARANCE AND SETTLEMENT

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Upon listing and quotation on the SGX-ST, our Shares will be traded under the book-entry (scripless) settlement system of CDP, and all dealings in and transactions of our Shares through the SGX-ST will be effected in accordance with the terms and conditions for the operation of Securities Accounts with CDP, as amended from time to time.

CDP, a wholly-owned subsidiary of the Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its account holders and facilitates the clearance and settlement of securities transactions between account holders through electronic book-entry changes in the securities accounts maintained by such account holders with CDP.

Our Shares will be registered in the name of CDP or its nominees and held by CDP for and on behalf of persons who maintain, either directly or through Depository Agents, Securities Accounts with CDP. Persons named as direct securities account holders and Depository Agents in the Depository Register maintained by CDP, rather than CDP itself, will be treated, under the laws of Singapore and our Constitution, as members of our Company in respect of the number of our Shares credited to their respective Securities Accounts.

Persons holding our Shares in a securities account with CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will not, however, be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be *prima facie* evidence of title and may be transferred in accordance with our Constitution. A fee of S\$10.00 for each withdrawal of 1,000 Shares or less and a fee of S\$25.00 for each withdrawal of more than 1,000 Shares will be payable to CDP upon withdrawing our Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S\$2.00 (or such other amount as our Directors may decide) will be payable to our Share Registrar for each share certificate issued and stamp duty of S\$10.00 is also payable where our Shares are withdrawn in the name of the person withdrawing our Shares, or S\$0.20 per S\$100.00 or part thereof of the last-transacted price where our Shares are withdrawn in the name of a third party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with CDP their share certificates together with the duly executed and stamped instruments of transfer in favour of CDP, and have their respective securities accounts credited with the number of our Shares deposited before they can effect the desired trades. A fee of S\$10.00, subject to GST at the prevailing rate (currently 7.0%), is payable upon the deposit of each instrument of transfer with CDP. The above fees may be subject to such changes as may be in accordance with CDP's prevailing policies or the current tax policies that may be in force in Singapore from time to time.

Transactions in our Shares under the book-entry settlement system will be reflected by the seller's Securities Account being debited with the number of our Shares sold and the buyer's Securities Account being credited with the number of our Shares acquired. No transfer stamp duty is currently payable for the transfer of our Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in our Shares on the SGX-ST is payable at the rate of 0.0325% of the transaction value. The clearing fee, instrument of transfer deposit fee and share withdrawal fee are subject to GST of 7.0% (or such other rate prevailing from time to time).

Dealings in our Shares will be carried out in Singapore dollars and will be effected for settlement in CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third Market Day following the transaction date, and payment for the securities is generally settled on the following business day. CDP holds securities on behalf of investors in Securities Accounts. An investor may open a direct securities account with CDP or a securities sub-account with a Depository Agent. A Depository Agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

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## PLAN OF DISTRIBUTION

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### THE OFFERING

The Offering consists of: (i) the Placement of 62,000,000 New Shares to investors, including institutional and other investors in Singapore and outside the US in compliance with Regulation S under the US Securities Act, and (ii) the Public Offer of 6,880,000 New Shares in Singapore. The New Shares may be re-allocated between the Placement and the Public Offer by the Issue Manager, Bookrunner and Underwriter, in consultation with the Company (where time permits), in the event of over-subscription in one and under-subscription in the other.

Subject to the terms and conditions contained in the Management and Underwriting Agreement and the Placement Agreement, we have agreed to issue and sell the New Shares and the Issue Manager, Bookrunner and Underwriter has agreed to procure the purchase and/or the subscription of, or failing which, to purchase and/or subscribe for 68,880,000 New Shares at the Offering Price.

The Management and Underwriting Agreement and the Placement Agreement may be terminated at any time prior to delivery of the New Shares pursuant to the terms of the Management and Underwriting Agreement and the Placement Agreement and upon the occurrence of certain events, including, among other things, certain force majeure events. The closing of the Offering is conditional upon certain events, including the fulfilment, or waiver by the SGX-ST, of all conditions contained in the letter of eligibility from the SGX-ST for the listing and quotation of all our Shares (including the New Shares), the Option Shares and the Award Shares on the Official List of the SGX-ST.

The Issue Manager, Bookrunner and Underwriter may make sub-underwriting or sub-placement arrangements in respect of their obligations under the Management and Underwriting Agreement and the Placement Agreement, upon such terms and conditions as it deems fit.

The completion of the Placement and the Public Offer are each conditional upon the completion of the other.

The Offering Price was determined following a book-building process by agreement among us and the Issue Manager, Bookrunner and Underwriter. Among the factors that were taken into account in determining the Offering Price are the demand for the New Shares, the prevailing conditions in the securities market, current market valuations of publicly traded companies that we, and the Issue Manager, Bookrunner and Underwriter believe to be reasonably comparable to us, an assessment of our recent historical performance, estimates of our business potential and earnings prospects, the current state of our development and the current state of our industry and the economy as a whole.

The New Shares are being offered and sold outside the US to non-US persons (including institutional and other investors in Singapore) in reliance on Regulation S under the US Securities Act.

### Commission

Pursuant to the Management and Underwriting Agreement between our Company and the Issue Manager, Bookrunner and Underwriter, our Company appointed the Issue Manager, Bookrunner and Underwriter to manage the Offering. The Issue Manager, Bookrunner and Underwriter will receive a management fee from our Company for services rendered in connection with the Offering.

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## PLAN OF DISTRIBUTION

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We will pay the Issue Manager, Bookrunner and Underwriter:

- (a) as compensation for its services in connection with the offer of New Shares in the Offering, an underwriting and placement commission of 2.75% of the aggregate Offering Price for the New Shares underwritten by the Issue Manager, Bookrunner and Underwriter; and
- (b) at our sole discretion, an additional incentive fee not exceeding 0.5% of the aggregate Offering Price for the New Shares underwritten by the Issue Manager, Bookrunner and Underwriter.

Subscribers of the Placement Shares, may be required to pay to the Issue Manager, Bookrunner and Underwriter a brokerage fee up to 1.0% of the Offering Price at the time of settlement.

### Indemnities

Under the Management and Underwriting Agreement and the Placement Agreement, our Company shall hold the Issue Manager, Bookrunner and Underwriter, its sub-underwriters and sub-placement agents, its affiliates and respective directors, employees and agents (including the directors and employees of such agents) (collectively, the “**Indemnified Persons**”) fully and effectively indemnified against all liabilities, costs and expenses arising out of any claim, investigations, judgments, awards, proceedings, demands or actions which may be brought or threatened to be brought against any of them in relation to the Offering (whether or not compromised or settled) arising out of, amongst others:

- (a) any delay or failure by our Company to comply with any terms of the Management and Underwriting Agreement, the Placement Agreement or requirements of any statute or statutory regulation, the Listing Manual, governmental or ministerial order or decree, or decision, notice, regulation, guidance note or circular of any governmental or quasi-sovereign authority, the SGX-ST, the Authority, the Securities Industry Council or any other governmental or regulatory authority (including without limitation to the foregoing, any directive or order by the Authority pursuant to the Securities and Futures Act);
- (b) this Prospectus not containing or being alleged not to contain all information about our Company which is or might be material in the context of the Offering, or any statement contained herein or in any information which is otherwise supplied by our Company to the Issue Manager, Bookrunner and Underwriter in connection with the Offering being untrue, incorrect or misleading;
- (c) any actual or alleged misrepresentation or omission contained in this Prospectus; and
- (d) any breach or alleged breach of our Company of any of the representations, warranties and undertakings in the Management and Underwriting Agreement and the Placement Agreement,

including in any such case (but without prejudice to the generality of the foregoing) all costs, charges and expenses which the Indemnified Persons may incur or bear in disputing any such claim made against them or in establishing any claim on their part under the foregoing provisions, except in relation to any claim arising out of the wilful default, fraud or gross negligence of the Indemnified Person(s).



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## PLAN OF DISTRIBUTION

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The Management and Underwriting Agreement and the Placement Agreement each contains a contribution clause which provides that where the respective indemnification is unavailable to or insufficient to hold harmless an Indemnified Person in respect of any losses, claims, damages or liabilities referred to therein, then our Company shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (a) in such proportion as is appropriate to reflect the relative benefits received by our Company on the one hand and the Indemnified Person on the other from the Offering, or (b) if the allocation provided by (a) above is not permitted by applicable law, our Company shall contribute to such amount paid or payable by such Indemnified Person in such proportion as is appropriate to reflect not only the relative benefits referred to in (a) above, but also the relative fault of our Company on the one hand and the Indemnified Person on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by our Company on the one hand and the Issue Manager, Bookrunner and Underwriter on the other hand shall be deemed to be in the same proportion as the total net proceeds from the Offering (before deducting total underwriting commissions to be paid to the Issue Manager, Bookrunner and Underwriter) received by our Company, bear to the total underwriting commissions received by the Issue Manager, Bookrunner and Underwriter with respect to the New Shares subscribed for or purchased under the Management and Underwriting Agreement and the Placement Agreement. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by our Company on the one hand or the Issue Manager, Bookrunner and Underwriter on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Issue Manager, Bookrunner and Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the New Shares underwritten by it and distributed to the public were offered to investors in respect of any damages which the Issue Manager, Bookrunner and Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

### INTERESTS OF THE ISSUE MANAGER, BOOKRUNNER AND UNDERWRITER

The Issue Manager, Bookrunner and Underwriter engages in transactions with and performs services for us in the ordinary course of business and have engaged, and may in the future engage, in commercial banking, trading and/or investment banking transactions with our Group, for which it has received, and may in future, receive customary fees. It is also our Principal Banker and Receiving Bank.

In addition, pursuant to the Management and Underwriting Agreement and Placement Agreement, we have appointed the Issue Manager, Bookrunner and Underwriter as the underwriter and the placement agent for the Offering and we will pay the Issue Manager, Bookrunner and Underwriter a fee for providing such services to us. For more details, please refer to the section entitled "*General and Statutory Information – Management, Underwriting and Placement Agreements*" of this Prospectus.

Save as disclosed above in the section entitled "*Shareholders*" of this Prospectus, we do not have any material relationship with the Issue Manager, Bookrunner and Underwriter.

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## PLAN OF DISTRIBUTION

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### DISTRIBUTION AND SELLING RESTRICTIONS

The distribution of this document or any offering material and the offering, sale or delivery of Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this document or any offering material are advised to consult with their own legal advisers as to what restrictions may be applicable to them and to observe such restrictions. This document may not be used for the purpose of an offer or invitation in any circumstances with which such offer or invitation is not authorised.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Shares being offered outside Singapore or the possession, circulation or distribution of this document or any other material relating to us or the Shares in any jurisdiction where action for the purpose is required. Accordingly, the Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Shares may be distributed or published, in or from any country or jurisdiction except under circumstances that will be in compliance with any applicable rules or regulations of any such country or jurisdiction.

#### The US

The Shares have not been and will not be registered under the US Securities Act, and may not be offered or sold within the US except in certain transactions exempt from the registration requirements of the US Securities Act. The Issue Manager, Bookrunner and Underwriter will only sell the Shares outside the US in offshore transactions in reliance on Regulation S under the US Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the US Securities Act.

#### The UK

This Prospectus does not constitute an approved prospectus for the purposes of and as defined in Section 85 of the Financial Services and Markets Act 2000 (as amended) (the “**FSMA**”), has not been prepared in accordance with the prospectus rules issued by the UK Financial Conduct Authority (the “**FCA**”) pursuant to Section 73A of the FSMA and has not been approved by or filed with the FCA or by any other authority which would be a competent authority for the purposes of the Prospectus Directive (as defined below). The Shares may not be offered or sold and will not be offered or sold to the public in the UK (within the meaning of Sections 85 and 102B of the FSMA) save in the circumstances where it is lawful to do so without an approved prospectus (within the meaning of Section 85 of the FSMA) being made available to the public before the offer is made. In addition, no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Shares except in circumstances in which Section 21(1) of the FSMA does not apply to our Company.

This Prospectus is only distributed to and is only directed at persons in the UK who are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive (as defined below): (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the “**Order**”); and/or (ii) who are high net worth bodies corporate, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2)(a) to (d) of the Order; or (iii) who are persons to whom it may otherwise be lawfully communicated (all such persons referred to in (i) to (iii) above together being referred to as “**Relevant Persons**”). The Shares are

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## PLAN OF DISTRIBUTION

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only available to, and an investment activity will only be engaged with, Relevant Persons. Any person that is not a Relevant Person should not act on or rely on this document or any of its contents.

### European Economic Area

This Prospectus is not a prospectus for the purposes of the Prospectus Directive (as defined below).

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a “**Relevant Member State**”) an offer to the public of any Shares which are the subject of the offer contemplated by this Prospectus may not be made in that Relevant Member State except that an offer to the public in that Relevant Member State of any Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity that is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive, subject to obtaining the prior consent of the Issue Manager, Bookrunner and Underwriter nominated by our Company for such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication by our Company or the Issue Manager, Bookrunner and Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

Neither our Company nor the Issue Manager, Bookrunner and Underwriter have authorised, nor do they authorise, the making of any offer of Shares through any financial intermediary, other than offers made by the Issue Manager, Bookrunner and Underwriter which constitute the final offering of Shares contemplated in this Prospectus and pursuant to the Management and Underwriting Agreement and Placement Agreement. Accordingly, no purchaser of Shares, other than the Issue Manager, Bookrunner and Underwriter, is authorised to make any further offer of the Shares on behalf of our Company.

For purposes of this section, the expression an “**offering to the public**” in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression “**Prospectus Directive**” means Directive 2003/71EC (and amendments thereto, including the 2010 PD Amending Directive to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

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## PLAN OF DISTRIBUTION

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### Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Shares has been or will be registered with the Securities Commission of Malaysia (“SC”) pursuant to the CMSA and no approval for the offering of the Shares has been obtained from the SC pursuant to the CMSA. Accordingly, this Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Shares may not be circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the SC; (ii) a holder of a capital markets services licence that is granted by the SC under Section 61 of the CMSA; (iii) a person who acquires the Shares, as principal, if the aggregate consideration for the acquisition is not less than RM250,000 (or equivalent in a foreign currency) for each transaction whether such amount is paid for in cash or otherwise; (iv) a corporation with total net assets exceeding RM10 million (or equivalent in a foreign currency) based on the latest audited accounts; (v) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; or (vi) any other person as may be specified by the SC in any guideline issued under Section 377 of the CMSA; provided that, in each of the preceding categories (i) to (vi), the distribution of the Shares is made by a holder of a CMSL who carries on the business of dealing in securities. This Prospectus does not constitute and may not be used for the purpose of a public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the SC under the CMSA.

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## GENERAL AND STATUTORY INFORMATION

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### INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

- (a) There is no shareholding qualification for Directors in our Constitution.
- (b) As at the date of this Prospectus, none of our Directors or Executive Officers:
  - (i) has, at any time during the last ten (10) years, had an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two (2) years from the date he ceased to be a partner;
  - (ii) has, at any time during the last ten (10) years, had an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two (2) years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
  - (iii) has any unsatisfied judgment against him;
  - (iv) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
  - (v) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
  - (vi) has at any time during the last ten (10) years, had judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
  - (vii) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
  - (viii) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
  - (ix) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity;

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## GENERAL AND STATUTORY INFORMATION

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- (x) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
  - (aa) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
  - (bb) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
  - (cc) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
  - (dd) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or
- (xi) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Authority or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere.

### MATERIAL CONTRACTS

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by our Group within the two (2) years preceding the date of lodgement of this Prospectus and are or may be material:

- (a) the pre-incorporation agreement dated 12 January 2015 entered into between our Company, DeClout and Allied Knights pursuant to which our Company and DeClout granted an exclusive and non-assignable licence to use the unregistered trademark and brand name "Procurri", and all the goodwill attaching thereto, to Allied Knights for the purpose of incorporating Procurri Asia Pacific, and thereafter to Procurri Asia Pacific to use the same in relation to its operations in Singapore and the PRC, for a consideration of S\$1.00 satisfied by a cash payment of the same to our Company;
- (b) the sale, purchase and joint venture agreement dated 21 January 2015 (as amended by the supplemental agreement dated 21 December 2015) entered into between our Company, DeClout, Allied Knights and Procurri Asia Pacific pursuant to which we:
  - (i) acquired 102,000 ordinary shares in Procurri Asia Pacific, representing 51.0% of its share capital, the transfer of know-how in relation to the provision of re-manufacturing services to our Group and the procurement of a re-manufacturing services contract with an identified leading OEM for an aggregate consideration of S\$2,700,000, satisfied by the issue and allotment of 12,000,000 shares in the capital of DeClout at an issue price of S\$0.225 per share; and

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## GENERAL AND STATUTORY INFORMATION

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- (ii) were granted an option to acquire all the remaining 98,000 ordinary shares in Procurri Asia Pacific, representing 49.0% of its share capital. We exercised this option on 23 December 2015 and the aggregate consideration therefor was S\$7,000,000, satisfied by way of the issuance and allotment of 34,113,060 shares in the capital of DeClout at the issue price of S\$0.2052 per Share;
- (c) the intra-group business transfer agreement dated 7 May 2015 entered into between Procurri UK and Powercore International Limited pursuant to which Powercore International Limited transferred to Procurri UK its business and assets, except for certain assets and liabilities purchased by Leumi ABL Limited, for a consideration of GBP1,535,000;
- (d) the intra-group loan agreement dated 7 May 2015 entered into between Procurri UK and Powercore International Limited, pursuant to which Powercore International Limited granted a loan of GBP1,535,000 to Procurri UK. The loan was non-interest bearing, unsecured and repayable on demand;
- (e) the supplemental agreement dated 31 July 2015 entered into between, amongst others, our Company and the Existing Shareholders (amending the investment agreement dated 11 March 2014 as described in the section entitled "*Restructuring Exercise – Acquisition of the remaining 49.0% of Tinglobal*" of this Prospectus) pursuant to which the option granted by the Existing Shareholders to ASVIDA UK to acquire their entire shareholdings in Tinglobal was amended, and the amended option gave ASVIDA UK the right to acquire the Existing Shareholders' entire shareholdings in Tinglobal, for an aggregate consideration of S\$9,416,000, which was satisfied by (i) a cash payment of GBP3,410,000 (approximately S\$7,393,000, at the then exchange rate of GBP1.00 = S\$2.168); (ii) a cash payment of S\$500,000; and (iii) the allotment and issue of 600 Shares by Procurri at an issue price of S\$2,539.00 per Share;
- (f) the intra-group share sale agreement dated 29 March 2016 entered into between Tinglobal and Tinglobal Limited, pursuant to which Tinglobal acquired 1,290,000 ordinary shares in Procurri UK, representing all the ordinary shares in Procurri UK, for a consideration of GBP1,290,000, satisfied by the assumption by Tinglobal of all outstanding obligations and liabilities to repay the debt of GBP1,290,000 due and owing at that date by Tinglobal Limited to Procurri UK. This was effected by a deed of novation of that debt executed on the same date by and between Tinglobal, Tinglobal Limited and Procurri UK;
- (g) Management Agreement and Underwriting Agreement dated 12 July 2016;
- (h) Placement Agreement dated 12 July 2016; and
- (i) Receiving Bank Agreement dated 12 July 2016 between our Company and DBS Bank pursuant to which DBS Bank was appointed as the receiving bank in relation to the Offering.

### LEGAL AND ARBITRATION PROCEEDINGS

To the best of our knowledge and belief, having made all reasonable enquiries, neither our Company nor any of our subsidiaries is engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the twelve (12) months preceding the date of lodgement of this Prospectus, a material effect on the financial position or profitability of our Group.

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## GENERAL AND STATUTORY INFORMATION

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### WAIVER FROM THE SGX-ST

We have obtained from the SGX-ST a waiver from compliance with Rule 246(6) of the Listing Manual, with respect to the provision of the resumes and particulars of the directors, executive officers and Controlling Shareholders of our Controlling Shareholder, DeClout.

### MISCELLANEOUS

- (a) Application monies received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with DBS Bank (the “**Receiving Bank**”). In the ordinary course of business, the Receiving Bank will deploy these monies in the inter-bank money market. All profits derived from the deployment of such monies will accrue to the Receiving Bank. Any refund of all or part of the application monies to unsuccessful or partially successful applicants will be made without any interest or any share of revenue or any other benefit arising therefrom.
- (b) There has not been any public take-over offer by a third party in respect of our Shares, or by our Company in respect of another corporation or units of another business trust, which has occurred during the period between 1 January 2016 and the Latest Practicable Date.
- (c) Our Directors are not aware of any event which has occurred since the end of the period covered by the most recent financial statements included in this Prospectus to the Latest Practicable Date which may have a material effect on the financial information of our Group provided in the “*Audited Consolidated Financial Statements for the Financial Years ended 31 December 2013, 2014 and 2015*” and “*Unaudited Pro Forma Consolidated Statement of Financial Position for the Financial Year ended 31 December 2015*” as set out in Appendices A and B of this Prospectus, respectively.
- (d) Save as disclosed in the sections entitled “*Risk Factors*”, “*Management’s Discussion and Analysis of Results of Operations and Financial Position*” and “*Prospects, Business Strategies and Plans*” of this Prospectus, the financial conditions and operations of our Group are not likely to be affected by any of the following:
  - (i) known trends or demands, commitments, events or uncertainties that will result in or are reasonably likely to result in our Group’s liquidity increasing or decreasing in any material way;
  - (ii) material commitments for capital expenditure;
  - (iii) unusual or infrequent events or transactions or any significant economic changes that will material affect the amount of reported income from operations; and
  - (iv) known trends or uncertainties that have had or that we reasonably expect to have a material favourable or unfavourable impact on revenue or operating income.
- (e) We currently have no intention of changing our Group’s present auditors after the Listing.

Details including the names, addresses and professional qualifications (including membership in a professional body) of the auditors of our Company for the last three (3) financial years ended 31 December 2015 and up to the date of lodgement of this Prospectus are as follows:



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## GENERAL AND STATUTORY INFORMATION

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Period of Engagement	Name/Address	Professional Body	Partner-in-charge/ Professional Qualification
From July 2015 to Present	Ernst & Young LLP/ One Raffles Quay North Tower, Level 18 Singapore 048583	Institute of Singapore Chartered Accountants	Gajendran Vyapuri/ Chartered Accountant of Singapore
From April 2014 to July 2015	RSM Chio Lim LLP/ 8 Wilkie Road, #04-08, Wilkie Edge, Singapore 228095	Institute of Singapore Chartered Accountants	Terence Ang Keng Siang/ Chartered Accountant of Singapore
From January 2014 to April 2014	RSM Chio Lim LLP/ 8 Wilkie Road, #04-08, Wilkie Edge, Singapore 228095	Institute of Singapore Chartered Accountants	Teo Cheow Tong/ Chartered Accountant of Singapore

- (f) The Solicitors to the Offering and to our Company as to Singapore Law, the Solicitors to the Issue Manager, Bookrunner and Underwriter as to Singapore Law, the Legal Advisers to our Company on US Law, UK Law, Mexico Law and Malaysia Law, the Share Registrar, the Principal Banker and Receiving Bank do not make or purport to make any statement in this Prospectus or any statement upon which a statement in this Prospectus is based and each of them makes no representation regarding any statement in this Prospectus and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any liability to any person which is based on, or arises out of, any statement, information or opinions in, or omission from, this Prospectus.

### INTERESTS OF INDEPENDENT MARKET RESEARCH CONSULTANT AND INDEPENDENT FINANCIAL ADVISER

None of the Independent Market Research Consultant or the Independent Financial Adviser named in this Prospectus:

- (a) is employed on a contingent basis by our Company or our subsidiaries;
- (b) has a material interest, whether direct or indirect, in our Shares or in the shares of our subsidiaries; or
- (c) has a material economic interest, whether direct or indirect, in our Company, including an interest in the success of the Offering.

### CONSENTS

- (a) The Independent Auditors and Reporting Accountants have given and have not withdrawn their written consent to the issue of this Prospectus with the inclusion herein of its name and references thereto, and the “*Audited Consolidated Financial Statements for the Financial Years Ended 31 December 2013, 2014 and 2015*” and the “*Unaudited Pro Forma Consolidated Statement of Financial Position for the Financial Year Ended 31 December 2015*” as set out in Appendices A and B respectively of this Prospectus, in the form and context in which they are included in this Prospectus and to act in such capacity in relation to this Prospectus.

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## GENERAL AND STATUTORY INFORMATION

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- (b) DBS Bank has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and references thereto in the form and context in which it is included in this Prospectus and to act in such capacity in relation to this Prospectus.
- (c) Frost & Sullivan has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and references thereto, the information prepared by it for purposes of incorporation in the section entitled “*Industry Overview*” of this Prospectus, and the “*Independent Market Research Report*” as set out in Appendix I of this Prospectus, in the form and context in which they are included in this Prospectus and to act in such capacity in relation to this Prospectus.
- (d) SAC Capital, named as our independent financial adviser to our Audit Committee, has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its name and references thereto, and the letter prepared by them for the purposes of incorporation as set out in Appendix H of this Prospectus entitled “*Letter from SAC Capital Private Limited to the Audit Committee*”, in the form and context in which they are included in this Prospectus, and to act in such capacity in relation to this Prospectus.

### RESPONSIBILITY STATEMENT

This Prospectus has been reviewed and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given in this Prospectus and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Prospectus constitutes full and true disclosure of all material facts about the Offering, our Company and its subsidiaries, and our Directors are not aware of any facts the omission of which would make any statement in this Prospectus misleading.

Where information in this Prospectus has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of our Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Prospectus in its proper form and context.

### DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected at our registered office at 29 Tai Seng Avenue, #02-01 Natural Cool Lifestyle Hub, Singapore 534119 during normal business hours for a period of six (6) months from the date of registration of this Prospectus:

- (a) the Constitution of our Company;
- (b) the “*Audited Consolidated Financial Statements for the Financial Years Ended 31 December 2013, 2014 and 2015*” as set out in Appendix A of this Prospectus;
- (c) the “*Unaudited Pro Forma Consolidated Statement of Financial Position for the Financial Year Ended 31 December 2015*” as set out in Appendix B of this Prospectus;
- (d) the respective audited financial statements of our Company and our subsidiaries, where applicable, for FY2013, FY2014 and FY2015;
- (e) the material contracts referred to in this section;

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## GENERAL AND STATUTORY INFORMATION

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- (f) the letter prepared by SAC Capital to our Audit Committee as set out in Appendix H of this Prospectus;
- (g) the information prepared by Frost & Sullivan;
- (h) the letters of consent referred to in this section; and
- (i) the Service Agreement referred to in the section entitled “*Directors, Management and Staff – Service Agreement*” of this Prospectus.

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**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

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**STATEMENT BY DIRECTORS  
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

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We, Wong Kok Khun and Thomas Sean Murphy, being two of the directors of Procurri Corporation Limited, do hereby state that in the opinion of the directors, the accompanying consolidated financial statements together with notes thereto are drawn up so as to present fairly, in all material respects, the financial position of the Company and its subsidiaries (collectively the “Group”) as at 31 December 2013, 2014 and 2015 and of the financial performance, changes in equity and cash flows of the Group for the financial years then ended.

On behalf of the Board of Directors:

Wong Kok Khun  
Director

Thomas Sean Murphy  
Director

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## APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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### INDEPENDENT AUDITOR’S REPORT ON AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF PROCURRI CORPORATION LIMITED FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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12 July 2016

The Board of Directors  
Procurri Corporation Limited  
29 Tai Seng Avenue  
#02-01 Natural Cool Lifestyle Hub  
Singapore 543119

#### **Independent Auditor’s Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Procurri Corporation Limited (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the consolidated balance sheets of the Group as at 31 December 2013, 2014 and 2015, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Group for the financial years then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages A-4 to A-76.

#### *Management’s responsibility for the consolidated financial statements*

The Company’s management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Singapore Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor’s responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

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**INDEPENDENT AUDITOR’S REPORT ON AUDITED CONSOLIDATED FINANCIAL  
STATEMENTS OF PROCURRI CORPORATION LIMITED  
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

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*Opinion*

In our opinion, the consolidated financial statements of the Group present fairly, in all material respects, the financial position of the Group as at 31 December 2013, 2014 and 2015, and of the financial performance, changes in equity and cash flows for each of the financial years ended 31 December 2013, 2014 and 2015 in accordance with Singapore Financial Reporting Standards.

*Restriction on distribution and use*

This report is made solely to you as a body for inclusion in the Prospectus to be issued in relation to the proposed offering of the shares of the Company in connection with the Company’s listing on the Singapore Exchange Securities Trading Limited.

ERNST & YOUNG LLP  
Public Accountants and  
Chartered Accountants  
Singapore

Partner-in-charge: Gajendran Vyapuri

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

**PROCURRI CORPORATION LIMITED**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

	Note	2013 \$'000	2014 \$'000	2015 \$'000
<b>Revenue</b>	4	28,400	76,901	122,814
Cost of sales		(19,077)	(52,533)	(81,192)
<b>Gross profit</b>		9,323	24,368	41,622
<b>Other items of income</b>				
Other income	5	271	1,024	840
<b>Other items of expense</b>				
Selling expenses		(347)	(6,455)	(9,665)
Administrative expenses	6	(7,630)	(13,883)	(21,414)
Finance costs	8	(147)	(571)	(532)
Other (charges)/credits, net	9	186	(475)	(854)
<b>Profit before tax</b>		1,656	4,008	9,997
Income tax (expense)/credit	10	297	(742)	(1,225)
<b>Profit for the year</b>		1,953	3,266	8,772
<b>Other comprehensive income:</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign currency translation		*(1)	65	(402)
Other comprehensive income for the financial year		*(1)	65	(402)
<b>Total comprehensive income for the financial year</b>		1,953	3,331	8,370
<b>Profit for the year is attributable to:</b>				
Owners of the Company		1,975	2,790	8,772
Non-controlling interests		(22)	476	–
<b>Profit for the year</b>		1,953	3,266	8,772
<b>Comprehensive income attributable to:</b>				
Owners of the Company		1,975	2,836	8,370
Non-controlling interests		(22)	495	–
<b>Total comprehensive income for the financial year</b>		1,953	3,331	8,370
<b>Earnings per share attributable to owners of the Company (dollar per share)</b>				
Basic	11	6,041	130	282
Diluted	11	6,041	130	282

<sup>(1)</sup> Less than \$1,000

*The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.*



**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

**PROCURRI CORPORATION LIMITED**

**CONSOLIDATED BALANCE SHEETS  
AS AT 31 DECEMBER 2013, 2014 AND 2015**

	Note	2013 \$'000	2014 \$'000	2015 \$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant and equipment	12	4,112	7,188	9,022
Intangible assets	14	–	15,029	16,901
Finance lease receivables	15	178	593	445
Deferred tax asset	10	457	579	897
		4,747	23,389	27,265
<b>Current assets</b>				
Inventories	16	3,259	7,645	11,168
Trade and other receivables	17	5,694	43,393	35,374
Income tax recoverable		416	–	–
Prepayments	18	251	899	1,884
Finance lease receivables	15	330	539	744
Derivative financial assets	19	–	691	–
Cash and bank balances	20	1,941	6,884	4,932
		11,891	60,051	54,102
<b>Total assets</b>		16,638	83,440	81,367
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	21	4,642	32,995	24,992
Advance billings		888	1,809	2,473
Loans and borrowings	22	2,303	13,344	13,863
Income tax payable		–	778	566
		7,833	48,926	41,894
<b>Net current assets</b>		4,058	11,125	12,208
<b>Non-current liabilities</b>				
Deferred tax liabilities	10	–	368	426
Loans and borrowings	22	802	3,292	4,653
Provisions	23	70	70	70
		872	3,730	5,149
<b>Total liabilities</b>		8,705	52,656	47,043
<b>Net assets</b>		7,933	30,784	34,324
<b>Equity attributable to owners of the Company</b>				
Share capital	24	1,257	27,883	33,062
Retained earnings		3,351	6,141	14,913
Other reserves	25	2,000	(4,413)	(13,749)
		6,608	29,611	34,226
Non-controlling interests		1,325	1,173	98
<b>Total equity</b>		7,933	30,784	34,324
<b>Total equity and liabilities</b>		16,638	83,440	81,367

*The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.*

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

**PROCURRI CORPORATION LIMITED**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

<b>Group</b>	<b>Share Capital (Note 24) \$'000</b>	<b>Retained earnings \$'000</b>	<b>Other reserves (Note 25) \$'000</b>	<b>Equity attributable to owners of the Company \$'000</b>	<b>Non- controlling interests \$'000</b>	<b>Total equity \$'000</b>
Balance as at 1 January 2013	–	1,376	2,000	3,376	–	3,376
Total comprehensive income for the financial year	–	1,975	*(1)	1,975	(22)	1,953
<u>Contribution by and distribution to owners</u>						
Issuance of ordinary shares	1,257	–	–	1,257	–	1,257
Contributions from non-controlling interests	–	–	–	–	18	18
<u>Changes in ownership interest in subsidiaries</u>						
Acquisitions of subsidiaries(Note 13)	–	–	–	–	1,329	1,329
Total transactions with owners in their capacity as owners	1,257	–	–	1,257	1,347	2,604
Balance as at 31 December 2013	1,257	3,351	2,000	6,608	1,325	7,933

(1) Less than \$1,000

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

**PROCURRI CORPORATION LIMITED**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

<b>Group</b>	<b>Share Capital (Note 24) \$'000</b>	<b>Retained earnings \$'000</b>	<b>Other reserves (Note 25) \$'000</b>	<b>Equity attributable to owners of the Company \$'000</b>	<b>Non- controlling interests \$'000</b>	<b>Total equity \$'000</b>
Balance as at 31 December 2013	1,257	3,351	2,000	6,608	1,325	7,933
Total comprehensive income for the financial year	–	2,790	46	2,836	495	3,331
<u>Contribution by and distribution to owners</u>						
Issuance of ordinary shares for acquisitions of subsidiaries	2,040	–	–	2,040	–	2,040
Issuance of ordinary shares	18,416	–	–	18,416	–	18,416
Share issue expenses	(250)	–	–	(250)	–	(250)
<u>Changes in ownership interest in subsidiaries</u>						
Acquisitions of subsidiaries (Note 13)	–	–	–	–	697	697
Acquisition of non- controlling interests of a subsidiary without a change in control (Note 13)	–	–	(39)	(39)	(1,344)	(1,383)
Changes in owner of a subsidiary pursuant to restructuring exercise (Note 13)	6,420	–	(6,420)	–	–	–
Total transactions with owners in their capacity as owners	26,626	–	(6,459)	20,167	(647)	19,520
Balance as at 31 December 2014	27,883	6,141	(4,413)	29,611	1,173	30,784

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

**PROCURRI CORPORATION LIMITED**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

<b>Group</b>	<b>Share Capital (Note 24) \$'000</b>	<b>Retained earnings \$'000</b>	<b>Other reserves (Note 25) \$'000</b>	<b>Equity attributable to owners of the Company \$'000</b>	<b>Non- controlling interests \$'000</b>	<b>Total equity \$'000</b>
Balance as at 31 December 2014	27,883	6,141	(4,413)	29,611	1,173	30,784
Total comprehensive income for the financial year	–	8,772	(402)	8,370	–	8,370
<u>Contribution by and distribution to owners</u>						
Issuance of ordinary shares	3,656	–	–	3,656	–	3,656
<u>Changes in ownership interest in subsidiaries</u>						
Acquisitions of subsidiaries	–	–	–	–	98	98
Acquisition of non- controlling interests of a subsidiary	1,523	–	(8,934)	(7,411)	(1,173)	(8,584)
Total transactions with owners in their capacity as owners	5,179	–	(8,934)	(3,755)	(1,075)	(4,830)
Balance as at 31 December 2015	33,062	14,913	(13,749)	34,226	98	34,324

*The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.*

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

**PROCURRI CORPORATION LIMITED**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Profit before tax	1,656	4,008	9,997
Adjustments for:			
Depreciation of plant and equipment	1,160	2,082	2,805
Amortisation of intangible assets	–	159	237
Gain on bargain purchase	(90)	–	–
Gain on disposal of plant and equipment	(228)	(1)	(290)
Provision for reinstatement cost	70	–	–
Interest income	(38)	(59)	(112)
Interest expenses	147	571	532
Foreign exchange	18	34	114
<b>Operating cash flows before changes in working capital</b>	<b>2,695</b>	<b>6,794</b>	<b>13,283</b>
Increase in inventories	(2,020)	(2,132)	(3,575)
(Increase)/decrease in trade and other receivables	(3,725)	(25,477)	11,745
Decrease/(increase) in finance lease receivables	389	(624)	(57)
(Increase)/decrease in prepayments	(583)	39	(985)
(Decrease)/increase in advance billings	(183)	921	664
Increase/(decrease) in trade and other payables	2,217	21,888	(14,489)
<b>Net cash flows (used in)/from operations</b>	<b>(1,210)</b>	<b>1,409</b>	<b>6,586</b>
Income taxes refund/(paid)	–	274	(1,623)
<b>Net cash flows (used in)/from operating activities</b>	<b>(1,210)</b>	<b>1,683</b>	<b>4,963</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	(562)	(2,996)	(2,883)
Addition to intangible asset	–	–	(2,598)
Proceeds from disposal of plant and equipment	278	19	22
Net (outflows)/inflows from acquisitions of subsidiaries (Note 13)	664	(12,434)	(102)
Amounts due from related companies	–	(2,752)	(228)
Amounts due from immediate holding company	–	(2,984)	(2,904)
Interest received	38	59	112
<b>Net cash flows (used in)/from investing activities</b>	<b>418</b>	<b>(21,088)</b>	<b>(8,581)</b>

**APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR  
THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

**PROCURRI CORPORATION LIMITED**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from financing activities</b>			
Issuance of share capital (Note 24)	1,257	17,164	3,656
Acquisition of non-controlling interest	–	–	(7,893)
Share issue expenses	–	(250)	–
Placement of fixed deposits pledged for bank facilities	–	(215)	20
Proceeds from loans and borrowings	3,057	44,251	39,658
Repayments of loans and borrowings	(3,967)	(35,708)	(38,545)
Amounts due to related companies	37	(26)	(9)
Amounts due to immediate holding company	1,120	(1,143)	3,882
Amounts due to directors	–	–	1,428
Interest paid	(147)	(571)	(532)
<b>Net cash flows from financing activities</b>	<b>1,357</b>	<b>23,502</b>	<b>1,665</b>
Net increase/(decrease) in cash and cash equivalents	565	4,097	(1,953)
Effect of exchange rate changes on cash and cash equivalents	(1)	(41)	61
Cash and cash equivalents at 1 January	1,377	1,941	5,997
<b>Cash and cash equivalents at 31 December (Note 20)</b>	<b>1,941</b>	<b>5,997</b>	<b>4,105</b>

*The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.*

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## APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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### PROCURRI CORPORATION LIMITED

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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#### 1. Corporate information

Procurri Corporation Pte. Ltd. (the “Company”) was a limited liability company incorporated and domiciled in Singapore. The immediate and the ultimate holding company is DeClout Limited, incorporated in Singapore. On 29 June 2016, the Company was converted into a public company limited by shares and changed its name to Procurri Corporation Limited.

The registered office of the Company is located at 29 Tai Seng Avenue, #02-01 Natural Cool Lifestyle Hub, Singapore 534119.

The principal activities of the Company are those of wholesale of computer hardware and peripheral equipment and investment holding. The principal activities of the subsidiaries are disclosed in Note 13 to the financial statements.

#### 2. Summary of significant accounting policies

##### 2.1 *Basis of preparation*

These consolidated financial statements of the Company and its subsidiaries (the “Group”) have been prepared in accordance with Singapore Financial Reporting Standards (FRS) for inclusion in the prospectus to be issued in relation to the proposed offering of the shares of the Company in connection with the Company’s listing on the Singapore Exchange Securities Trading Limited.

The consolidated financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$’000), except when otherwise indicated.

##### 2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

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## APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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### PROCURRI CORPORATION LIMITED

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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## 2. Summary of significant accounting policies (cont'd)

### 2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 Disclosure Initiative	1 January 2016
Amendments to FRS 7: Disclosure Initiative	1 January 2017
Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018

Except for FRS 115 and FRS 109, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and 109 are described below.

#### FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.



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## APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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### PROCURRI CORPORATION LIMITED

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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## 2. Summary of significant accounting policies (cont'd)

### FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

## 2.4 Basis of consolidation and business combinations

### (a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

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## APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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### PROCURRI CORPORATION LIMITED

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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## 2. Summary of significant accounting policies (cont'd)

### 2.4 Basis of consolidation and business combinations (cont'd)

#### (a) Basis of consolidation (cont'd)

- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

#### (b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

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## APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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### PROCURRI CORPORATION LIMITED

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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## 2. Summary of significant accounting policies (cont'd)

### 2.4 *Basis of consolidation and business combinations (cont'd)*

#### **(b) Business combinations and goodwill (cont'd)**

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rates at the date of balance sheet.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

#### **(c) Business combinations involving entities under common control**

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.

Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

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## 2. Summary of significant accounting policies (cont'd)

### 2.5 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

### 2.6 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

#### (a) **Transactions and balances**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

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## 2. Summary of significant accounting policies (cont'd)

### 2.6 Foreign currency (cont'd)

#### (b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### 2.7 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	–	5 to 10 years
Restoration costs	–	5 years
Plant and equipment	–	3 to 6 years
Motor vehicles	–	5 to 10 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

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## 2. Summary of significant accounting policies (cont'd)

### 2.8 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Amortisation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Customer relationship	–	5 years
Technical know-how	–	5 years

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

### 2.9 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

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## 2. Summary of significant accounting policies (cont'd)

### 2.9 *Impairment of non-financial assets (cont'd)*

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment loss on goodwill is not reversed in a subsequent period.

### 2.10 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

### 2.11 *Financial instruments*

#### (a) **Financial assets**

##### **Initial recognition and measurement**

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

##### **Subsequent measurement**

The subsequent measurement of financial assets depends on their classification as follows:

#### (i) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

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## 2. Summary of significant accounting policies (cont'd)

### 2.11 *Financial instruments (cont'd)*

#### (a) **Financial assets (cont'd)**

##### **Subsequent measurement (cont'd)**

##### *(ii) Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include derivative financial instruments entered into by the Group.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

##### **De-recognition**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

#### (b) **Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.



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## 2. Summary of significant accounting policies (cont'd)

### 2.11 *Financial instruments (cont'd)*

#### (b) Financial liabilities (cont'd)

##### Initial recognition and measurement (cont'd)

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

##### Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### 2.12 *Impairment of financial assets*

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

#### Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

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## 2. Summary of significant accounting policies (cont'd)

### 2.12 *Impairment of financial assets (cont'd)*

#### **Financial assets carried at amortised cost (cont'd)**

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

### 2.13 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand, and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

### 2.14 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Computer equipment and peripherals: purchase costs on a first-in first-out basis or specific identification method.

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## 2. Summary of significant accounting policies (cont'd)

### 2.14 *Inventories (cont'd)*

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

### 2.15 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 2.16 *Employee benefits*

#### (a) **Defined contributions plans**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

#### (b) **Share-based payments**

The Company's immediate holding company has in place performance share plans for the granting of share options and shares to eligible executives of the Group. Details of the share plans are disclosed in Note 7.

The cost of equity-settled transactions with employees is measured by reference to the fair value of the options or awards at the date on which the share options or awards are granted. The immediate holding company recharges this cost to the Group based on fair value of the option or awards at the grant date.

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## 2. Summary of significant accounting policies (cont'd)

### 2.16 *Employee benefits (cont'd)*

#### (b) Share-based payments (cont'd)

This cost is recognised in the statement of comprehensive income, with a corresponding increase in the amount owing to the immediate holding company, over the vesting period in which the service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (“the vesting date”). At each balance sheet date, the immediate holding company revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and the Group recognises the impact of the revision of the estimates in the statement of comprehensive income, with a corresponding adjustment to the amount owing to the immediate holding company over the remaining vesting period.

No expense is recognised for options or awards that do not ultimately vest.

### 2.17 *Leases*

#### (a) As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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## 2. Summary of significant accounting policies (cont'd)

### 2.17 Leases (cont'd)

#### (b) As lessor

For finance leases, an amount due from a lessee is recognised as receivables at an amount equal to the net investment in the lease. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment outstanding in respect of the finance leases.

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.18(c). Contingent rents are recognised as revenue in the period in which they are earned.

### 2.18 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

#### (a) Sale of goods

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

#### (b) Rendering of services

Revenue from rendering of services is recognised when the services is rendered.

#### (c) Equipment rental and leasing income

Equipment rental and leasing income arising from operating leases on equipment is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

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## 2. Summary of significant accounting policies (cont'd)

### 2.18 Revenue recognition (cont'd)

#### (d) Interest income

Interest income is recognised using the effective interest method.

#### (e) Finder's fee

Revenue from finder's fee is recognised when the Group's right to receive payment is established.

### 2.19 Taxes

#### (a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### (b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

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## 2. Summary of significant accounting policies (cont'd)

### 2.19 Taxes (cont'd)

#### (b) Deferred tax (cont'd)

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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## 2. Summary of significant accounting policies (cont'd)

### 2.19 Taxes (cont'd)

#### (c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

### 2.20 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.21 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.



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### 3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

#### 3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements which have the most significant effect on the amounts recognised in the consolidated financial statements:

##### (a) Business combination

In accounting for business combinations, judgement is required in determining whether the transaction meets the definition of a business combination in accordance with FRS103 – *Business Combinations*. If an entity obtains control of one or more other entities that are not businesses, the bringing together of those entities is not a business combination. In making this judgement, the Group evaluates, among other factors, whether the entity acquired has an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return to investors or lower costs or other economic benefits directly and proportionately to participants. During the financial year 2015, the Company acquired a subsidiary that did not meet the criteria of a business combination, and was accounted for as an asset acquisition (Note 13).

#### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

##### (a) Impairment of goodwill

As disclosed in Note 14 to the financial statements, the recoverable amounts of the cash generating units which goodwill has been allocated to be determined based on value in use calculations. The value in use calculations are based on a discounted cash flow models. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows

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**3. Significant accounting judgements and estimates (cont'd)**

**3.2 Key sources of estimation uncertainty (cont'd)**

**(a) Impairment of goodwill (cont'd)**

and the growth rate used for extrapolation purposes. The key assumptions applied in the determination of the value in use including a sensitivity analysis, are disclosed and further explained in Note 14 to the financial statements.

The carrying amount of the goodwill as at 31 December 2015 are disclosed in Note 14.

**4. Revenue**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Sales and trading	23,197	62,605	98,844
Rendering of services	3,766	10,773	20,268
Equipment rental and leasing	945	2,559	2,715
Finder's fee	492	964	987
	<u>28,400</u>	<u>76,901</u>	<u>122,814</u>

**5. Other income**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest income	38	59	112
Government grants	5	43	29
Recovery of freight costs	143	331	484
Sale of other ancillary services	18	374	–
Rental income	–	58	76
Others	67	159	139
	<u>271</u>	<u>1,024</u>	<u>840</u>

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**6. Administrative expenses**

The major components include the following:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Employee benefits expense (Note 7)	4,413	8,198	13,967
Rental of premises	448	1,056	1,559
Depreciation of plant and equipment (Note 12)	336	1,050	1,376
Amortisation of intangible assets (Note 14)	–	159	237
Professional fees	285	991	1,103
	<u>5,254</u>	<u>15,799</u>	<u>25,468</u>

**7. Employee benefits expense**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Salaries, allowances, bonuses and commissions	4,785	13,583	21,788
Contributions to defined contribution plan	192	858	1,194
Other benefits	277	1,078	1,697
Share based payment	–	280	789
	<u>5,254</u>	<u>15,799</u>	<u>25,468</u>
Less: Salaries, allowances, bonuses and commissions recharged to immediate holding company	–	(280)	(789)
	<u>5,254</u>	<u>15,519</u>	<u>24,679</u>

The employee benefits expense is charged under:

Administrative expenses (Note 6)	4,413	8,198	13,967
Cost of sales	676	1,183	1,604
Selling expenses	165	6,138	9,108
	<u>5,254</u>	<u>15,519</u>	<u>24,679</u>

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#### 7. Employee benefits expense (cont'd)

##### DeClout ESOS

The DeClout ESOS was approved pursuant to a written resolution passed by the shareholders on 5 October 2012 by the DeClout Remuneration Committee (“RC”).

The options have a vesting period of 1 year and are exercisable within 6 to 9 years from the commencement of the exercise period.

2,000,000 (2013: Nil, 2015: Nil) share options were granted in 2014 to the Group employees under DeClout ESOS Plan at exercise price of \$0.129 (2013: Nil, 2015: Nil). The weighted average fair value of DeClout ESOS granted in 2014 was \$0.0464 (2013: Nil, 2015: Nil).

##### DeClout PSP

DeClout operates a Performance Share Plan (“DeClout PSP”) which was approved pursuant to a written resolution passed by the shareholders on 5 October 2012. The DeClout PSP is administered by the DeClout Awards Committee whose members are currently members of the RC.

The number of shares to be issued will depend on the achievement of pre-determined targets at the end of the defined performance period. The shares have a vesting period of one to three years. The fair value of the awards granted was based on the last traded price of the immediate holding company’s shares on the date of grant.

4,000,000 (2014: 1,000,000, 2013: Nil) PSP were granted to the Group employee in 2015 under DeClout PSP plan at market price of \$0.23 (2014: \$0.28, 2013: Nil).

#### 8. Finance costs

	2013	2014	2015
	\$'000	\$'000	\$'000
Interest expense	147	571	532

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**9. Other (charges)/credits**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Other charges</u>			
Foreign exchange loss	(17)	–	–
Inventories written off (Note 16)	(103)	(382)	(676)
Allowance for impairment on trade receivables (Note 17)	(12)	(263)	(600)
Others	–	(6)	–
	<u>(132)</u>	<u>(651)</u>	<u>(1,276)</u>
<u>Other credits</u>			
Foreign exchange gain	–	175	132
Gain on disposal of plant and equipment	228	1	290
Gain on bargain purchase (Note 13)	90	–	–
	<u>318</u>	<u>176</u>	<u>422</u>
Other (charges)/credits, net	<u>186</u>	<u>(475)</u>	<u>(854)</u>

**10. Income tax (expense)/credit**

***Components of income tax (expense)/credit***

The major components of income tax (expense)/credit for the financial years ended 31 December 2015, 2014 and 2013 are:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Current income tax:</u>			
Current income taxation	(25)	(753)	(1,459)
<u>Deferred income tax:</u>			
Current deferred tax (expense)/credit	313	(74)	234
Overprovision in respect of previous years	9	85	–
	<u>322</u>	<u>11</u>	<u>234</u>
Income tax (expense)/credit recognised in profit or loss	<u>297</u>	<u>(742)</u>	<u>(1,225)</u>

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**10. Income tax (expense)/credit (cont'd)**

***Components of income tax (expense)/credit (cont'd)***

Relationship between tax (expense)/credit and accounting profit

A reconciliation between tax (expense)/credit and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 31 December 2015, 2014 and 2013 is as follows:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Profit before tax	1,656	4,008	9,997
Tax at the domestic rates applicable to profits in the countries where the Group operates	(341)	(1,022)	(2,207)
Non-deductible expenses	(74)	(40)	(131)
Effect of partial tax exemption and tax relief	699	240	537
Over provision in respect of previous years	9	85	–
Others	4	(5)	576
	<u>297</u>	<u>(742)</u>	<u>(1,225)</u>

***Deferred tax credit/(expense) recognised in profit or loss includes:***

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Fair value adjustments on acquisition of subsidiary	–	–	50
Excess of net book value of plant and equipment over tax values	(309)	69	(190)
Unutilised tax losses	631	(868)	(119)
Unutilised capital allowances	–	668	310
Provisions	*(1)	142	209
Others	–	–	(26)
Total deferred tax credit recognised in profit or loss	<u>322</u>	<u>11</u>	<u>234</u>

(1) Less than \$1,000

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**10. Income tax (expense)/credit (cont'd)**

***Deferred tax balance in balance sheet:***

	2013 \$'000	2014 \$'000	2015 \$'000
<u>Deferred tax assets/(liabilities)</u>			
Fair value adjustments on acquisition of subsidiary (Note 13)	–	(186)	(136)
Excess of net book value of plant and equipment over tax values	(413)	(550)	(740)
Unutilised tax losses	868	119	–
Unutilised capital allowances	–	668	978
Provisions	2	160	369
	457	211	471
Presented in the statements of financial position as follow:			
Deferred tax assets	457	579	897
Deferred tax liabilities	–	(368)	(426)
	457	211	471

The realisation of the future income tax benefits from tax losses carried forward and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by the respective laws and tax authorities.

Unrecognised temporary differences relating to investments in subsidiaries

The Group has not recognised deferred tax liability in respect of undistributed profits of subsidiaries because the distribution is controlled and there is currently no intention for the profits to be remitted to Singapore.

Such undistributed profits for which no deferred tax liability has been recognised amounted to \$7,155,000 (2014: \$2,627,000; 2013: \$130,000). The deferred tax liability is estimated to be \$1,216,000 (2014: \$447,000; 2013: \$22,000).

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**11. Earnings per share**

The basic earnings per share is calculated by dividing profit, net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

The diluted earnings per share is calculated by dividing profit, net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share for the financial years ended 31 December:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Profit for the year attributable to owners of the Company	1,975	2,790	8,772
	<b>No. of Shares</b>	<b>No. of Shares</b>	<b>No. of Shares</b>
Weighted average number of ordinary shares for earnings per share computation	327	21,528	31,111

**12. Plant and equipment**

	<b>Leasehold improvement</b>	<b>Restoration costs</b>	<b>Plant and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
<b>Group</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cost</b>					
As at 1 January 2013	–	–	4,396	–	4,396
Additions	1,072	70	1,084	–	2,226
Arising from acquisition of subsidiaries (Note 13)	21	–	37	–	58
Disposals	–	–	(670)	–	(670)



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**12. Plant and equipment (cont'd)**

<b>Group</b>	<b>Leasehold improvement \$'000</b>	<b>Restoration costs \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Total \$'000</b>
As at 31 December 2013	1,093	70	4,847	–	6,010
Additions	9	–	4,273	–	4,282
Arising from acquisition of subsidiaries (Note 13)	179	–	721	20	920
Disposals	–	–	(710)	–	(710)
Exchange differences	(18)	–	(72)	(1)	(91)
As at 31 December 2014	1,263	70	9,059	19	10,411
Additions	256	–	4,655	16	4,927
Disposals	(20)	–	(527)	(4)	(551)
Exchange differences	–	–	(221)	–	(221)
As at 31 December 2015	1,499	70	12,966	31	14,566
<b>Accumulated depreciation</b>					
As at 1 January 2013	–	–	1,358	–	1,358
Depreciation for the financial year	184	12	964	–	1,160
Disposals	–	–	(620)	–	(620)
As at 31 December 2013	184	12	1,702	–	1,898
Depreciation for the financial year	252	14	1,811	5	2,082
Disposals	–	–	(692)	–	(692)
Exchange differences	(14)	–	(51)	–	(65)
As at 31 December 2014	422	26	2,770	5	3,223
Depreciation for the financial year	314	14	2,463	14	2,805
Disposals	(15)	–	(418)	(4)	(437)
Exchange differences	–	–	(47)	–	(47)
As at 31 December 2015	721	40	4,768	15	5,544

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**12. Plant and equipment (cont'd)**

<b>Group</b>	<b>Leasehold improvement \$'000</b>	<b>Restoration costs \$'000</b>	<b>Plant and equipment \$'000</b>	<b>Motor vehicles \$'000</b>	<b>Total \$'000</b>
<b>Net book value</b>					
As at 31 December 2013	909	58	3,145	–	4,112
As at 31 December 2014	841	44	6,289	14	7,188
As at 31 December 2015	778	30	8,198	16	9,022

The depreciation expense is charged under:

	<b>2013 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>
Cost of sales	824	1,032	1,429
Administrative expenses (Note 6)	336	1,050	1,376
	1,160	2,082	2,805

*Purchase of plant and equipment (non-cash)*

There were acquisitions of plant and equipment by the Group with a total cost of \$807,000 (2014: \$1,286,000; 2013: \$1,664,000) acquired by means of finance lease.

*Assets held under finance leases*

The carrying amount of plant and equipment of the Group held under finance leases as at 31 December 2015 is \$1,517,000 (2014: \$1,037,000; 2013: \$1,041,000).

*Assets leased out under operating leases*

The carrying amount of plant and equipment of the Group leased out under operating leases as at 31 December 2015 is \$1,262,000 (2014: \$637,000; 2013: \$287,000).

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**13. Investment in subsidiaries**

**Composition of the Group**

The Group has the following significant investments in subsidiaries.

Name of subsidiary/ Principal place of business	Principal activities	Percentage of equity held		
		2013 %	2014 %	2015 %
Procurri Singapore Pte. Ltd. ("Procurri Singapore") <sup>(a)(d)</sup> Singapore	Business of supply, rental and maintenance and servicing of computer hardware and peripherals equipment	–	100	100
Procurri Malaysia Sdn. Bhd. ("Procurri Malaysia") <sup>(b)</sup> Malaysia	Sales of all kinds of computer systems and hardware, provision of maintenance and related services, and rental of computer parts and fully configured servers	–	100	100
Procurri Asia Pacific Pte. Ltd. <sup>(a)</sup> Singapore	Business of supply, rental and maintenance and servicing of computer hardware and peripherals equipment	–	–	51
ASVIDA UK Limited <sup>(f)</sup> United Kingdom	Investment holdings	100	100	100
<b>Held through ASVIDA UK Limited:</b>				
Procurri LLC <sup>(e)</sup> United States	Business of provision of information technology solutions	50	100	100
Tinglobal Holdings Limited ("Tinglobal") <sup>(f)</sup> United Kingdom	Investment holding	–	51	100

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**13. Investment in subsidiaries (cont'd)**

Name of subsidiary/ Principal place of business	Principal activities	Percentage of equity held		
		2013 %	2014 %	2015 %
<b>Held through Tinglobal Holdings Limited:</b>				
Tinglobal Limited <sup>(f)*</sup> United Kingdom	Investment holding	–	100	100
Tindirect Limited <sup>(c)*</sup> United Kingdom	Dormant	–	100	100
<b>Held through Procurri LLC</b>				
Procurri, S. de R.L de C.V. <sup>(c)</sup> Mexico	Business of provision of information technology solutions	–	–	100
<b>Held through Tinglobal Limited:</b>				
Procurri UK Ltd <sup>(f)</sup> United Kingdom	Engage in the global market for the refurbishment and subsequent sale of second user and reconfigured mid- range to high-end IT equipment	–	100	100
Powercore International Limited <sup>(f)*</sup> United Kingdom	Engage in the global market for the refurbishment and subsequent sale of second user and reconfigured mid- range to high-end IT equipment	–	100	100
Powercore Holdings Limited <sup>(f)*</sup> United Kingdom	Dormant	–	100	100

\* Dissolved after 31 December 2015.

(a) Audited by Ernst & Young LLP in Singapore.

(b) These subsidiaries are not significant to the Group and are audited by other firms of accountants other than member firms of Ernst & Young.

(c) Not audited, as it is immaterial and not required by the law of local jurisdiction.

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**13. Investment in subsidiaries (cont'd)**

- (d) In 2014, the immediate holding company disposed its entire shareholdings in Procurri Singapore to the Company (Note 24(b)).
- (e) Audited by Moore Stephens Tiller LLC.
- (f) Audited by member firms of EY Global in the respective countries.

**Interest in subsidiaries with material non-controlling interest (NCI)**

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of subsidiary	Proportion of ownership interest held by NCI \$'000	Profit/(loss) allocated to NCI during the year \$'000	Accumulated NCI at the end of the year \$'000
<b>31 December 2013</b>			
Procurri LLC	49.9%	(22)	1,325
<b>31 December 2014</b>			
Tinglobal Holdings Limited and its subsidiaries ("Tinglobal Group")	49.0%	476	1,173
<b>31 December 2015</b>			
Procurri Asia Pacific Pte. Ltd.	49.0%	–	98

The non-controlling shareholder of Tinglobal Holdings Limited has no claim to any of the profit or loss attributable to Tinglobal during the period from 1 January 2015 to 4 September 2015. The non-controlling shareholder of Procurri Asia Pacific Pte Ltd has no claim to any of the profit or loss attributable to Procurri Asia Pacific Pte Ltd during the period from 2 February 2015 to 31 December 2016. Accordingly, no profit or loss was attributable to these non-controlling interests and the non-controlling interests recognised in the balance sheet of the Group represent their share of net assets excluding the profits or loss not attributable to the non-controlling shareholder.

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**13. Investment in subsidiaries (cont'd)**

**Summarised financial information of subsidiaries with material NCI**

Summarised balance sheets

	<b>Procurri LLC 2013 \$'000</b>	<b>Tinglobal Group 2014 \$'000</b>
Current		
Assets	5,836	8,912
Liabilities	(2,354)	(7,388)
Net current assets	3,482	1,524
Non-current		
Assets	124	300
Liabilities	(965)	–
Net non-current assets/(liabilities)	(841)	300
Net assets	2,641	1,824
<u>Summarised statement of comprehensive income</u>		
Revenue	20,115	24,124
Profit before tax	262	1,452
Profit after tax	238	1,130
Other comprehensive income	22	–
Total comprehensive income	260	1,130
<u>Summarised other financial information</u>		
Net increase/(decrease) in cash flows	(185)	440
Acquisition of significant plant and equipment	112	79

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**13. Investment in subsidiaries (cont'd)**

**Acquisition of subsidiaries**

*(a) Acquisition of Procurri LLC*

In April 2013, the Group acquired 50.1% shareholdings in Procurri LLC for a cash consideration of approximately \$1.2 million. The fair value of the identifiable assets and liabilities of Procurri LLC as at the date of acquisition were as follow:

	<b>2013 \$'000</b>
Plant and equipment	58
Inventories	822
Other assets	54
Trade and other payables	(59)
Tax payable	(120)
Cash and cash equivalents	1,908
	2,663
Less: Non-controlling interests measured at non-controlling interests' share of identifiable net assets	(1,329)
Net assets acquired	1,334
Gain on bargain purchase (Note 9)	(90)
Purchase consideration	1,244
<u>Consideration transferred for the acquisition of Procurri LLC</u>	
Cash consideration	1,244
<u>Consideration transferred for the acquisition</u>	
Cash and cash equivalents of a subsidiary acquired	1,908
Less: Consideration settled in cash	(1,244)
Net inflows from acquisition of a subsidiary	664

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**13. Investment in subsidiaries (cont'd)**

**Acquisition of subsidiaries (cont'd)**

*(a) Acquisition of Procurri LLC (cont'd)*

*Contributions from the acquired subsidiaries*

The contributions from Procurri LLC to the Group for the period between the date of acquisition and 31 December 2013 were as follows:

	<b>From date of acquisition to 31 December 2013 \$'000</b>	<b>For the year ended 31 December 2013 \$'000</b>
Revenue	16,471	18,766
Profit, net of tax	1,256	1,467

In January 2014, the Group acquired the remaining 49.9% interest in Procurri LLC for a consideration of approximately \$1.2 million. The purchase consideration was satisfied by the allotment and issuance of 4,990 shares of the Company at an issue price of \$251 per share. Upon completion of this acquisition, Procurri LLC became a wholly-owned subsidiary of the Group. The carrying value of the additional interest acquired was approximately \$1.3 million. The difference of \$72,000 between the consideration and the carrying value of the additional interest acquired has been recognised within equity.

The following summarises the effect of the change in the Group's ownership interest in Procurri LLC on the equity attributable to owners of the Company:

	<b>2015 \$'000</b>
Consideration paid for the acquisition of non-controlling interests	1,253
Decrease in equity attributable to non-controlling interests	(1,325)
Increase in equity attributable to owners of the Company (Note 25)	(72)



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#### 13. Investment in subsidiaries (cont'd)

##### Acquisition of subsidiaries (cont'd)

##### *(b) Acquisition of Tinglobal*

In May 2014, the Company, through ASVIDA UK Limited, subscribed for new ordinary shares in Tinglobal, representing 51% of the enlarged share capital in Tinglobal, for a cash consideration of approximately GBP 6,100,000 or \$12,921,000. The terms of the subscription agreement contain the following:

- i. A clawback provision of \$230,000 should the profits of Tinglobal in 2014 be less than GBP 1,700,000. The above clawback provision was triggered, resulting in a receivable amounting to \$230,000 recognised as an identifiable asset arising from the acquisition (Note 17) as at 31 December 2014.
- ii. A call option which was granted to the Group to acquire the remaining interests in Tinglobal. A derivative financial asset of \$669,000 was recognised (Note 19) as at 31 December 2014.

On 31 July 2015, the Group acquired the remaining 49% equity interest in Tinglobal for a consideration of approximately \$9,416,000. Upon completion of this acquisition, Tinglobal became a wholly-owned subsidiary of the Group. The purchase consideration was satisfied by the following:

- i. Cash consideration of approximately \$7,393,000
- ii. Additional cash consideration of \$500,000
- iii. Allotment and issuance of 600 ordinary shares of the Company at an issue price of \$2,539 per share with an aggregate value of approximately \$1,523,000.

The transaction has been accounted for as an equity transaction with non-controlling interests. The difference between the consideration paid and the carrying value of the additional interest acquired amounting to approximately \$8,934,000 was recorded within equity as at 31 December 2015.

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**13. Investment in subsidiaries (cont'd)**

**Acquisition of subsidiaries (cont'd)**

*(b) Acquisition of Tinglobal (cont'd)*

The following summarises the effect of the change in the Group's ownership interest in Tinglobal Holdings Limited on the equity attributable to owners of the Company:

	<b>2015 \$'000</b>
Consideration paid for the acquisition of non-controlling interests	9,416
Call option arising from acquisition of Tinglobal (Note 19)	691
Decrease in equity attributable to non-controlling interests	<u>(1,173)</u>
Decrease in equity attributable to owners of the Company (Note 25)	<u><u>8,934</u></u>

*(c) Acquisition of Procurri Malaysia*

In June 2014, the Company acquired the entire shareholdings in Procurri Malaysia for a purchase consideration of approximately \$3,540,000. The purchase consideration was satisfied by the following:

- i. The allotment and issuance of 7,300,000 ordinary shares of the immediate holding company at an issue price of \$0.2055 per share or approximately \$1,500,000; and
- ii. Allotment and issuance of 1,890 ordinary shares of the Company at an issue price of \$1,079.31 per share with an aggregate value of approximately \$2,040,000.

*Goodwill*

The goodwill arising from the above acquisitions (Note 14) comprise of the value of strengthening the Group's market position in the region, improved resilience to sector specific volatilities, and cost reduction synergies expected to arise from the acquisitions.

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**13. Investment in subsidiaries (cont'd)**

**Acquisition of subsidiaries (cont'd)**

*(c) Acquisition of Procurri Malaysia (cont'd)*

*Goodwill (cont'd)*

The fair value of identifiable assets acquired and liabilities assumed for acquisitions during the year ended 31 December 2014 are set out below.

	<b>Tinglobal \$'000</b>	<b>Procurri Malaysia \$'000</b>	<b>Total \$'000</b>
<u>Carrying value/fair value of identifiable assets and liabilities</u>			
Plant and equipment (Note 12)	344	576	920
Intangible assets-customer relationship (Note 14)	948	–	948
Inventories	2,240	15	2,255
Trade and other receivables	4,940	1,489	6,429
Other assets	744	–	744
Other financial liabilities	(2,975)	–	(2,975)
Trade and other payables	(4,851)	(1,283)	(6,134)
Tax payables	(168)	–	(168)
Deferred tax liabilities (Note 10)	(186)	(71)	(257)
Cash and cash equivalents	616	(129)	487
	<b>1,652</b>	<b>597</b>	<b>2,249</b>
Less: Non-controlling interests measured at non-controlling interests' share of identifiable net assets	(697)	–	(697)
Net assets acquired	955	597	1,552
Goodwill (Note 14)	11,297	2,943	14,240
Purchase consideration	12,252	3,540	15,792

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**13. Investment in subsidiaries (cont'd)**

**Acquisition of subsidiaries (cont'd)**

*(c) Acquisition of Procurri Malaysia (cont'd)*

*Goodwill (cont'd)*

	<b>Tinglobal \$'000</b>	<b>Procurri Malaysia \$'000</b>	<b>Total \$'000</b>
<u>Considerations transferred for the acquisitions</u>			
Cash paid	12,921	–	12,921
Issuance of the holding company's ordinary shares	–	1,500	1,500
Issuance of Company's ordinary shares (Note 24)	–	2,040	2,040
Derivative financial assets recognised (Note 19)	(669)	–	(669)
Purchase consideration	12,252	3,540	15,792
Cash and cash equivalents of subsidiaries acquired	616	(129)	487
Less: Cash paid	(12,921)	–	(12,921)
Net outflows from acquisition of subsidiaries	(12,305)	(129)	(12,434)

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**13. Investment in subsidiaries (cont'd)**

**Acquisition of subsidiaries (cont'd)**

*(c) Acquisition of Procurri Malaysia (cont'd)*

*Contributions from the acquired subsidiaries*

The contributions from the acquired subsidiaries to the Group for the period between the date of acquisition and the end of the reporting year were as follows:

	<b>Tinglobal \$'000</b>	<b>Procurri Malaysia \$'000</b>	<b>Total \$'000</b>
<i>Contribution from date of acquisition to 31 December 2014</i>			
Revenue	23,209	2,735	25,944
Profit, net of tax	1,130	268	1,398
<hr/>			
<i>Had the acquisition happened at the beginning of the year, the contributions for the year ended 2014</i>			
Revenue	39,301	3,771	43,072
Profit/(loss), net of tax	1,450	(58)	1,392
<hr/>			

*(d) Acquisition of Procurri Asia Pacific*

On 2 February 2015, the Company acquired 51% of Procurri Asia Pacific Pte Ltd ("Procurri Asia Pacific") for a total consideration of \$2,700,000. This acquisition has been accounted for as an asset acquisition. Accordingly, a consideration of \$102,000 is allocated against the net asset value of Procurri Asia Pacific and \$2,598,000 for the acquisition of technical know-how. On 21 December 2015, the technical know-how was transferred to the Group (Note 14). The consideration was satisfied in full by the issuance of shares of the immediate holding company. Upon the acquisition, Procurri Asia Pacific became a subsidiary of the Group.

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#### 13. Investment in subsidiaries (cont'd)

##### Acquisition of subsidiaries (cont'd)

##### *(d) Acquisition of Procurri Asia Pacific (cont'd)*

The material terms of the acquisition are as follows:

- i. The vendor had waived its rights in relation to the profits attributable to Procurri Asia Pacific for a period of two years until the financial year ending 31 December 2016.
- ii. A call option was granted to the Group by the non-controlling shareholder allowing the Group to acquire the remaining shareholding interests in Procurri Asia Pacific during the period from 1 January 2016 to 31 December 2016.
- iii. A put option was written allowing the non-controlling shareholder the right to require the Group to acquire the remaining interests in Procurri Asia Pacific during the period from 1 January 2017 to 30 June 2017.

On 21 December 2015 and 23 December 2015 respectively, a supplemental agreement was entered and the call option was exercised by the Group at a consideration of \$7,000,000 to be satisfied by the allotment and issuance of 34,113,060 ordinary shares of the immediate holding company. The exercise of the call option was not completed as at 31 December 2015.

##### *(e) Acquisition of Procurri Singapore ("Restructuring exercise")*

In April 2014, pursuant to a restructuring exercise, the immediate holding company disposed its entire shareholdings in Procurri Singapore amounting to \$4.0 million to the Company for a sale consideration of \$6.4 million, satisfied by the allotment and issuance of 11,790 ordinary shares of the Company at an issue price of approximately \$544.53 per share. The difference between the sale consideration and equity acquired has been included in the merger reserve (Note 24(b)).

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**14. Intangible assets**

<b>Group</b>	<b>Goodwill \$'000</b>	<b>Customer relationship \$'000</b>	<b>Technical know-how \$'000</b>	<b>Total \$'000</b>
<b>Cost</b>				
At 1 January 2013/ 31 December 2013	–	–	–	–
Arising from acquisitions of subsidiaries (Note 13)	14,240	948	–	15,188
At 31 December 2014 and 1 January 2015	14,240	948	–	15,188
Additions	–	–	2,598	2,598
Exchange differences	(485)	(7)	–	(492)
At 31 December 2015	13,755	941	2,598	17,294
<b>Accumulated amortisation and impairment</b>				
At 1 January 2013/ 31 December 2013	–	–	–	–
Amortisation for the financial year (Note 6)	–	159	–	159
At 31 December 2014 and 1 January 2015	–	159	–	159
Amortisation for the financial year (Note 6)	–	237	–	237
Exchange difference	–	(3)	–	(3)
At 31 December 2015	–	393	–	393
<b>Net book value</b>				
At 31 December 2013	–	–	–	–
At 31 December 2014	14,240	789	–	15,029
At 31 December 2015	13,755	548	2,598	16,901

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**14. Intangible assets (cont'd)**

**Goodwill**

Goodwill arising from the acquisitions (Note 13) has been allocated to the following cash generating units:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Name of subsidiary:</u>			
Tinglobal <sup>(a)</sup>	–	11,297	11,191
Procurri Malaysia <sup>(b)</sup>	–	2,943	2,564
	<u>–</u>	<u>14,240</u>	<u>13,755</u>

- (a) The recoverable amount of Tinglobal goodwill as at 31 December 2014 was estimated based on a comparison of listed multiples of similar companies. Based on a price to EBITDA multiple (discounted for size and control premiums) of 6.3 times, the recoverable amount of the Tinglobal goodwill was higher than its carrying amount as at 31 December 2014.

In 2015, the recoverable amount was determined based on the value in use method. The value in use was measured by management using a discounted cash flow model covering a four-year period. Cash flow projections were based on a three-year budget and plans approved by management. Cash flow projections have been extrapolated on the basis on a 20% growth rate. A terminal growth rate of 1% was used on cash flows after the fourth year. The terminal growth rate does not exceed the long-term average growth rate of the sector. The discount rate applied (weighted average cost of capital "WACC" gross of tax effect) was 8.53% taking into account time value of money, individual risk of underlying assets and is comparable to market participants. No impairment charge was recognised as the carrying amount of the goodwill was lower than its recoverable amount. The carrying value will not materially exceed its recoverable amount due to reasonable possible changes in any of the above key assumptions.

- (b) The recoverable amount of Procurri Malaysia goodwill in FY 2014 was determined based on the fair value less cost of disposal method by assessing the imputed price to EBITDA multiples. No impairment allowance was recognised because the carrying amount of the CGU was lower than its recoverable amount.

In 2015, the recoverable amount was determined based on the value in use method. The value in use was measured by management using a discounted cash flow model covering a four-year period. Cash flow projections were based on a three-year budget and plans approved by management. Cash flow projections have been extrapolated on the basis on a 20% growth rate. A terminal growth rate of 1% was used on cash flows after the fourth year. The terminal growth rate does not exceed the long-term average growth rate of the sector. The discount rate applied (weighted average cost of capital "WACC" gross of tax effect) was 15.9% taking into account time value of money, individual risk of underlying assets and is comparable to market participants. No impairment charge was recognised as the carrying amount of the goodwill was lower than its recoverable amount. The carrying value will not materially exceed its recoverable amount due to reasonable possible changes in any of the above key assumptions.

**Technical know-how**

Technical know-how was acquired from the vendors of Procurri Asia Pacific (Note 13). No amortisation expense has been recognised as the amount is insignificant.



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**15. Finance lease receivables**

	<b>Minimum payments \$'000</b>	<b>Finance charges \$'000</b>	<b>Present value \$'000</b>
<b>2013</b>			
Minimum lease payments receivable:			
Due within one year	356	(26)	330
Due between two to five years	190	(12)	178
	546	(38)	508
<b>2014</b>			
Minimum lease payments receivable:			
Due within one year	587	(48)	539
Due between two to five years	612	(19)	593
	1,199	(67)	1,132
<b>2015</b>			
Minimum lease payments receivable:			
Due within one year	794	(50)	744
Due between two to five years	461	(16)	445
	1,255	(66)	1,189

The average lease term is two to four years (2014: two to four years; 2013: two to four years). The average effective interest rate is 5.1% to 7.0% (2014: 5.1% to 7.0%; 2013: 5.1% to 7.0%) per year. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental.

**16. Inventories**

	<b>2013 \$'000</b>	<b>2014 \$'000</b>	<b>2015 \$'000</b>
<b>Balance sheet:</b>			
Equipment and peripherals held for sale	3,259	7,645	11,168
<b>Income statement:</b>			
Inventories recognised as an expense in cost of sales	15,516	43,739	69,102
Other inventory charges:			
– Inventories written off (Note 9)	103	382	676

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**17. Trade and other receivables**

	2013 \$'000	2014 \$'000	2015 \$'000
<b>Trade receivables</b>			
– third parties	5,079	36,894	23,616
– related companies	542	335	659
	5,621	37,229	24,275
<b>Other receivables</b>			
– third parties	57	366	2,110
– deposit	9	55	114
– holding company	6	2,990	5,894
– related companies	1	2,753	2,981
	73	6,164	11,099
Total trade and other receivables	5,694	43,393	35,374
Add: Derivative financial assets (Note 19)	–	691	–
Cash and bank balances (Note 20)	1,941	6,884	4,932
Total loans and receivables	7,635	50,968	40,306

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included within trade receivables from third parties are factored receivables of \$Nil (2014: \$2,980,000; 2013: \$Nil) transferred to a factoring bank (Note 22).

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**17. Trade and other receivables (cont'd)**

Receivables that are past due but not impaired

The Group has the following trade receivables that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the report period is as follows:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade receivables past due but not impaired			
Less than 30 days	–	4,714	7,635
30 – 60 days	695	2,765	2,829
61 – 90 days	270	873	1,832
Over 90 days	297	343	1,601
	1,262	8,695	13,897
	1,262	8,695	13,897

Receivables that are impaired

The Group's trade receivables that are recognised at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Trade receivables – nominal amounts	12	299	749
Less: Allowance for impairment	(12)	(299)	(749)
	–	–	–
	–	–	–
Movements in allowance for impairment:			
Balance at beginning of the financial year	–	12	299
Charge for the year (Note 9)	12	263	600
Arising from the acquisition of subsidiaries	–	170	–
Amount written off against receivables	–	(146)	(150)
	12	299	749
	12	299	749

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**17. Trade and other receivables (cont'd)**

Receivables that are impaired (cont'd)

Trade receivables that are individually assessed to be impaired at the end of the reporting period relate to debtor that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Other receivables

Amounts due from holding company and related companies are unsecured, non-interest bearing and repayable on demand by cash.

In 2014, included in other receivables is an amount of \$230,000 due from non-controlling shareholders arising from a clawback provision pursuant to the acquisition of Tinglobal (Note 13).

**18. Prepayments**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Advances to suppliers	172	461	1,006
Prepayments	79	438	878
	<u>251</u>	<u>899</u>	<u>1,884</u>

**19. Derivative financial assets**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Contracts with positive fair values:			
Call option arising from acquisition of Tinglobal (Note 13)	–	669	–
Exchange differences	–	22	–
Total at end of the financial year	<u>–</u>	<u>691</u>	<u>–</u>

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**19. Derivative financial assets (cont'd)**

The investor agreement (“Agreement”) arising from the Group’s acquisition of Tinglobal (Note 13) granted the Group a call option to acquire the remaining interest in Tinglobal, in exchange for certain number of the Company’s shares. The share swap ratio is determined based on a pre-agreed formula as stipulated in the Agreement based on the audited financial positions of the Company and Tinglobal at 31 December 2014. The exercise period of the call option is from 31 March 2015 to 31 May 2015.

The fair value of the call option is estimated using the share swap ratio adjusted for fair values of the Company and Tinglobal as at 31 December 2014. The fair values of the Company and Tinglobal were estimated using listed price earnings multiples of similar companies as at 31 December 2014 and present valued to the acquisition completion date. The resulting fair value of the call option of \$669,000 and was recognised as part of the acquisition which approximates its fair value.

Sensitivity analysis – Actual outcomes could vary from these estimates. If the price earnings multiple was 0.5 times lower than what used by management, there may be a need to reduce the fair value of the call option by \$53,000.

**20. Cash and bank balances**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Cash and bank balances	1,941	6,884	4,932
Less: Bank overdrafts (Note 22)	–	(672)	(632)
	1,941	6,212	4,300
Less: Pledged deposits	–	(215)	(195)
Cash and cash equivalents	1,941	5,997	4,105

Pledged deposits represents amounts held by banks as security for bank overdrafts and facilities (Note 22).

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**21. Trade and other payables**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Trade payables</b>			
– third parties	1,704	27,082	11,974
– related companies	3	25	–
	<u>1,707</u>	<u>27,107</u>	<u>11,974</u>
<b>Other payables</b>			
– third parties	48	229	659
– accrued operating expenses	1,260	5,201	6,600
– holding company	1,589	446	4,328
– related companies	38	12	3
– directors	–	–	1,428
	<u>2,935</u>	<u>5,888</u>	<u>13,018</u>
Total trade and other payables	4,642	32,995	24,992
Add: Loans and borrowing (Note 22)	3,105	16,636	18,516
	<u>7,747</u>	<u>49,631</u>	<u>43,508</u>

Trade payables are non-interest bearing and normally settled on 60-day terms.

Amounts due to holding company and related companies are unsecured, non-interest bearing and repayable on demand.

Amounts due to directors are unsecured, bear interest at 1% (2014: Nil; 2013: Nil) per month and repayable on demand.

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**22. Loans and borrowings**

	2013 \$'000	2014 \$'000	2015 \$'000
<b>Current</b>			
Bank term and revolving loans	185	4,508	5,936
Bank overdrafts	–	672	632
Finance lease obligations	582	672	283
Trade receivables factoring	–	1,652	–
Trust receipts	1,519	5,496	6,749
Others	17	344	263
	2,303	13,344	13,863
<b>Non-current</b>			
Bank loans	293	2,952	4,598
Finance lease obligations	509	340	55
	802	3,292	4,653
	3,105	16,636	18,516

Bank loans

Bank loans are unsecured and covered by a corporate guarantee by the holding company and repayable in 3 to 44 (2014: 36 to 48; 2013: 36) monthly instalments. The amount bears effective interest rates ranging from 3.01% to 5.10% (2014: ranging from 3.06% to 4.50%; 2013: 4.50%) per annum.

In 2013 and 2014, a subsidiary breached certain bank covenants and obtained waiver letters subsequent to the respective year end. The related loans and borrowing is classified as current liabilities.

Bank overdrafts

Bank overdrafts bear effective interest rate ranging from 9.18% to 9.46% (2014: 3.5% to 8.85%; 2014: Nil) per annum. They are secured by pledged deposits (Note 20).

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**22. Loans and borrowings (cont'd)**

Finance lease obligations

<b>Group</b>	<b>Minimum payments \$'000</b>	<b>Finance charges \$'000</b>	<b>Present value \$'000</b>
<b>2013</b>			
Minimum lease payments payable:			
Due within one year	654	(72)	582
Due between two to five years	510	(1)	509
	1,164	(73)	1,091
<b>2014</b>			
Minimum lease payments payable:			
Due within one year	710	(38)	672
Due between two to five years	350	(10)	340
	1,060	(48)	1,012
<b>2015</b>			
Minimum lease payments payable:			
Due within one year	292	(9)	283
Due between two to five years	56	(1)	55
	348	(10)	338

The Group leases certain of its plant and equipment under finance lease obligations. The average lease term is two to four years (2014: two to four years; 2013: two to four years). The interest rate for finance lease obligations is approximately 2.35% to 6.76% (2014: 2.35% to 6.76%; 2013: 2.35% to 6.76%) per annum. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The obligations under finance leases are secured by the lessor's charge over the leased assets.

Trade receivables factoring

Trade receivables factoring is secured by a charge over the respective trade receivables balances of \$Nil (2014: \$2,980,000; 2013: \$Nil) with recourse.



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**22. Loans and borrowings (cont'd)**

Trust receipts

Trust receipts are covered by a corporate guarantee from the immediate holding company. The interest rate for the trust receipts is approximately 2.34% to 2.84% (2014: 2.82% to 2.98%; 2013: 2.38% to 6.00%) per annum.

**23. Provisions**

Provision for reinstatement costs relating to leasehold premises are as follows:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Movements:			
At beginning of the financial year	–	70	70
Additions	70	–	–
At end of the financial year	<u>70</u>	<u>70</u>	<u>70</u>

The provision is based on the present value of costs to be incurred to remove leasehold improvement from leased properties. The estimate is based on quotations from external contractors. The remaining lease period is one to two years (2014: one to three years; 2013: two to four years).

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**24. Share capital**

	<b>Group and Company</b>	
	<b>No. of ordinary shares</b>	<b>Amount \$'000</b>
<b>Issued share capital</b>		
Subscriber's share of S\$1 at date of incorporation	1	*(1)
Issue of shares by capitalising an amount due to holding company	5,009	1,257
Balance at 31 December 2013	5,010	1,257
Issuance of ordinary shares pursuant to acquisition of subsidiaries (Note 13)	1,890	2,040
Issuance of ordinary shares pursuant to share swap <sup>(a)</sup>	4,990	1,252
Issuance of ordinary shares pursuant to share swap <sup>(b)</sup>	11,790	6,420
Issuance of ordinary shares	6,760	17,164
Share issue expenses <sup>(c)</sup>	–	(250)
Balance at 31 December 2014	30,440	27,883
Issuance of ordinary shares pursuant to share swap <sup>(d)</sup>	600	1,523
Issuance of ordinary shares	1,440	3,656
Balance at 31 December 2015	32,480	33,062

<sup>(1)</sup> Less than \$1,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

- (a) In January 2014, 49.9% remaining interest in Procurri LLC was acquired in consideration of an allotment of 4,990 ordinary shares at \$251 per share in the capital of the Company (Note 13).
- (b) In April 2014, the Company acquired the entire issued and paid up capital of Procurri Singapore Pte. Ltd. from the immediate holding company by way of an allotment of 11,790 ordinary shares at \$544.53 per share in the capital of the Company (Note 13(e)).
- (c) Share issue expenses of \$250,000 (2014: Nil) was charged to equity.
- (d) In September 2015, the remaining 49% interest in Tinglobal was acquired in consideration of an allotment of 600 ordinary shares at \$2,539 per share in the capital of the Company (Note 13).

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**25. Other reserves**

<b>Group</b>	<b>Foreign currency translation reserve \$'000</b>	<b>Merger reserve \$'000</b>	<b>(Premium)/ Discount on acquisition of non-controlling interest \$'000</b>	<b>Total \$'000</b>
<b>2013</b>				
At beginning of the financial year	–	–	–	–
Pooling-of-interest <sup>(a)</sup>	–	2,000	–	2,000
Exchange differences	*(1)	–	–	*(1)
At end of the financial year	*(1)	2,000	–	2,000
<b>2014</b>				
At beginning of the financial year	*(1)	2,000	–	2,000
Acquisition of non-controlling interests of a subsidiary	(111)	–	72	(39)
Pooling-of-interest <sup>(a)</sup>	–	(6,420)	–	(6,420)
Exchange differences	46	–	–	46
At end of the financial year	(65)	(4,420)	72	(4,413)
<b>2015</b>				
At beginning of the financial year	(65)	(4,420)	72	(4,413)
Acquisition of non-controlling interests of a subsidiary (Note 13)	–	–	(8,934)	(8,934)
Exchange differences	(402)	–	–	(402)
At end of the financial year	(467)	(4,420)	(8,862)	(13,749)

<sup>(1)</sup> Less than \$1,000

<sup>(a)</sup> Group reorganisation took place whereby the entire issued and paid up capital of Procurri Singapore Pte. Ltd. was acquired from the immediate holding company by way of an allotment of 11,790 ordinary shares at \$544.53 per share in the capital of the Company (Note 24(b)).

The subsidiary is under common control and incorporated in Singapore in 2013. The reserve arises from the difference between the consideration and the value of the assets combined under the pooling-of-interests method of accounting.

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**25. Other reserves (cont'd)**

Foreign currency reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

Merger reserve

The merger reserve represents acquisition involving entities under common control. The reserve arises from the difference between the purchase consideration and the net assets acquired.

(Premium)/discount on acquisition of non-controlling interest

(Premium)/discount on acquisition of non-controlling interest comprises the difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, attributed to the owners of the Company.

**26. Related party transactions**

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Holding company:</b>			
Sales of goods and services	–	6	*(1)
Other income	42	48	46
Office rental expense	(269)	(281)	(271)
Management fees expense	(1,415)	(580)	(73)
Performance share plan	–	280	789
Salaries, allowances, bonuses and commission	–	(280)	(789)

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**26. Related party transactions (cont'd)**

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Related companies:</b>			
Sales of goods and services	1,588	1,098	745
Other income	43	18	31
Purchases of goods and services	(609)	(105)	(225)
Purchases of plant and equipment	–	–	(400)
Support service charges	(69)	(69)	(69)
<hr/>			
<b>Key management compensation</b>			
Salaries and other short-term employee benefits	473	721	6,052
<hr/>			

<sup>(1)</sup> Less than \$1,000

Interest of \$35,000 (2014: Nil, 2013: Nil) is payable on amounts due to certain directors on the Company (Note 21).

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Key management compensation comprises the following:			
Remuneration of directors of the Company	–	721	3,439
Remuneration of other key management personnel	473	–	2,613
<hr/>			
	473	721	6,052
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Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

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**27. Commitments**

**Capital commitments**

Capital commitments contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Commitment to satisfy consideration for exercising of call option (Note 13)	–	–	7,000
Capital commitments in respect of plant and equipment	–	–	550
	<u>–</u>	<u>–</u>	<u>7,550</u>

**Operating lease payment commitments**

Future minimum lease payable under non-cancellable operating leases at the end of the reporting period are as follows:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	167	517	563
Later than one year and not later than five years	140	914	653
	<u>307</u>	<u>1,431</u>	<u>1,216</u>

Operating lease payments are for rentals payable for office and computer equipment, office premises, data centre racks. The lease rental terms are negotiated for an average term of one to four years (2014: one to four years; 2013: two to five years).

**Operating lease income commitments**

At the end of the reporting year, the total future minimum lease receivables committed under operating leases are as follows:

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Not later than one year	545	211	1,983
Later than one year and not later than five years	70	123	2,343
	<u>615</u>	<u>334</u>	<u>4,326</u>

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### PROCURRI CORPORATION LIMITED

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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#### 27. Commitments (cont'd)

##### Operating lease income commitments (cont'd)

Operating lease income commitments are for the managed services receivable and rentals receivable for certain plant and equipment. The lease rental terms are negotiated for an average term of one to three years (2014: one to three years; 2013: one to three years).

#### 28. Financial risk management objective and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The management reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

##### Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. For transactions that do not occur in the country of the relevant operating unit, the Group does not offer credit terms without the approval of management.

##### Credit risk concentration profile

At the end of the reporting period, approximately 17% (2014: 58%; 2013: 19%) of the Group's trade receivables were due from 3 major customers.

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**28. Financial risk management objective and policies (cont'd)**

**Credit risk (cont'd)**

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding trade and other receivables that are either past due or impaired is disclosed in Note 17.

**Liquidity risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.



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**28. Financial risk management objective and policies (cont'd)**

**Liquidity risk (cont'd)**

*Analysis of financial instruments by remaining contractual maturities*

The table below summarises the maturity profile of the Group's financial assets and liabilities at the end of the reporting year based on contractual undiscounted repayment obligations.

	2013		2014		2015	
	One year or less	2013 \$'000 One to five years	One year or less	2014 \$'000 One to five years	One year or less	2015 \$'000 One to five years
<b>Financial assets:</b>						
Trade and other receivables	5,694	–	43,393	–	35,374	–
Finance lease receivables	356	190	587	612	794	461
Cash and bank balances	1,941	–	6,884	–	4,932	–
		<b>Total</b>		<b>Total</b>		<b>Total</b>
	7,991	190	8,181	50,864	41,100	461
Total undiscounted financial assets				51,476		41,561

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**28. Financial risk management objective and policies (cont'd)**

**Liquidity risk (cont'd)**

*Analysis of financial instruments by remaining contractual maturities (cont'd)*

	2013		2014		2015	
	One year or less	One to five years	One year or less	One to five years	One year or less	One to five years
	\$'000		\$'000		\$'000	
<b>Financial liabilities:</b>						
Trade and other payables	4,642	–	32,995	–	24,992	–
Loans and borrowings	2,392	814	13,352	3,991	13,884	4,654
Total undiscounted financial liabilities	7,034	814	46,347	3,991	38,876	4,654
Total net undiscounted financial assets/(liabilities)	957	(624)	333	(3,379)	2,224	(4,193)
			1,138	1,138	2,224	(4,193)
						18,538
						43,530

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**28. Financial risk management objective and policies (cont'd)**

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their loans and borrowings. The Group does not hedge its investment in fixed rate debt securities.

The interest rate risk exposure is from changes in fixed rate and floating interest rates and it mainly concerns financial liabilities which are both fixed rate and floating rate. The following table analyses the breakdown of the financial liabilities by type of interest rate:

<b>Group</b>	<b>Within 1 year \$'000</b>	<b>Within 2 – 5 years \$'000</b>	<b>Total \$'000</b>
<b>2015</b>			
<b>Fixed rate</b>			
Bank term loans	100	–	100
Bank overdrafts	632	–	632
Finance lease obligations	283	55	338
Trust receipts	3,296	–	3,296
Others	263	–	263
<hr/>			
<b>Floating rate</b>			
Bank term loans	5,836	4,598	10,434
Trust receipts	3,453	–	3,453
<hr/>			
<b>2014</b>			
<b>Fixed rate</b>			
Bank term loans	193	100	293
Bank overdrafts	672	–	672
Finance lease obligations	672	340	1,012
Trust receipts	5,492	–	5,496
Others	344	–	344
<hr/>			
<b>Floating rate</b>			
Bank term loans	4,315	2,852	7,167
Trade receivables factoring	1,652	–	1,652
<hr/>			
<b>2013</b>			
<b>Fixed rate</b>			
Bank term loans	185	293	478
Finance lease obligations	582	509	1,091
Trust receipts	1,519	–	1,519
Others	17	–	17
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**28. Financial risk management objective and policies (cont'd)**

**Interest rate risk (cont'd)**

*Sensitivity analysis for interest rate risk*

At the end of reporting year, if the interest rates have been 100 (2014: 100; 2013: 100) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been \$139,000 (2014: \$88,000; 2013: \$Nil) higher/lower, arising mainly as a result lower/higher interest expense on floating rate loans and borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on currently observable market environment, showing a higher significantly volatility as in prior years.

**Foreign currency risk**

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities. The foreign currencies in which these transactions are denominated are mainly United States Dollars (USD). The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures. The Group and the Company also hold cash and short-term deposits denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are mainly in USD.

*Sensitivity analysis:*

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
USD/SGD – strengthened 10% (2014: 10%)	(147)	(113)	(666)
– weakened 10% (2014: 10%)	147	113	666

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**29. Segment information**

For management purposes, the Group is organised into two reportable segments as follows:

- i. The Information Technology Distribution business includes revenue derived from (i) Hardware Resale, which comprises income derived from the distribution of IT hardware, including but not limited to pre-owned servers, storage and networking equipment; and (ii) Supply Chain Management, where income is derived from assisting OEMs in the distribution of their goods as part of their supply chain activities.
- ii. Lifecycle Services business includes revenue derived from (i) the rendering of IT maintenance services for a variety of IT systems and networks; (ii) the provision of IT hardware as a service on a transaction-based pricing model; and (iii) the provision of service to extend the life of equipment and to extract greater value for retired technology, by means of equipment refurbishment and data destruction services, and asset disposal services to help our customers yield greater corporate and environment sustainability.

Management monitors the operating results of its segments separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is monitored based on revenue and gross profit. Selling expenses, administrative expenses, finance costs, assets and liabilities are managed on a legal entity basis and are not monitored by segments.

	IT Distribution			Lifecycle Services			Per consolidated financial statements		
	2013 \$'000	2014 \$'000	2015 \$'000	2013 \$'000	2014 \$'000	2015 \$'000	2013 \$'000	2014 \$'000	2015 \$'000
Revenue	23,197	62,606	99,564	5,203	14,295	23,250	28,400	76,901	122,814
Cost of sales	(16,584)	(46,341)	(72,131)	(2,493)	(6,192)	(9,061)	(19,077)	(52,533)	(81,192)
Gross profit	6,613	16,265	27,433	2,710	8,103	14,189	9,323	24,368	41,622

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**29. Segment information (cont'd)**

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	<b>Revenue</b>		
	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Asia	11,969	15,453	21,404
Europe, the Middle East and Africa	–	23,209	41,447
Americas	16,431	38,239	59,963
	<u>28,400</u>	<u>76,901</u>	<u>122,814</u>

	<b>Non-current assets</b>		
	<b>2013</b>	<b>2014</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Asia	3,988	9,523	12,837
Europe, the Middle East and Africa	–	12,386	11,989
Americas	124	308	1,098
	<u>4,112</u>	<u>22,217</u>	<u>25,924</u>

Non-current assets information presented above consist of plant and equipment and intangible assets as presented in the consolidated balance sheet.

Information about a major customer

Revenue from one major customer amounted to \$7,118,000 (2014: \$1,989,000; 2013: \$2,308,000) arising from sales by the IT Distribution business.

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## APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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### PROCURRI CORPORATION LIMITED

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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#### 30. Capital management

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern so that it can continue to provide returns for owners and benefits for other stakeholders; and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Capital comprises all components of equity.

The management monitors the capital on the basis of the debt-to-capital ratio. This ratio is calculated as net debt divided by capital. Net debt is calculated as total borrowings less cash and bank balances.

The Group's policy is to keep gearing ratio at not more than 50% of total equity.

	2013 \$'000	2014 \$'000	2015 \$'000
Loans and borrowings (Note 22)	3,105	16,636	18,516
Less: cash and bank balances (Note 20)	(1,941)	(6,884)	(4,932)
Net debt	1,164	9,752	13,584
Total equity	7,933	30,784	34,324
Debt-to-capital ratio	15%	32%	40%

#### 31. Events after the end of the reporting year

- (a) On 8 January 2016, the immediate holding company entered into a subscription agreement with the Company and ICH Gemini Asia Growth Fund Pte. Ltd. ("Subscriber"), pursuant to which DeClout Limited shall issue, and the Subscriber has agreed to subscribe for, an aggregate of S\$6,000,000 in principal amount of non-interest bearing redeemable exchangeable bonds due 2016 (the "Bonds") at a subscription price of 100.0% of the principal amount of the Bonds. The Bonds shall, in the event of a Qualified IPO or a Qualified Trade Sale of the Company, be automatically exchanged into existing ordinary shares in the share capital of the Company owned by the immediate holding company. This transaction was completed on 12 January 2016.

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## APPENDIX A – AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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### PROCURRI CORPORATION LIMITED

#### NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015

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#### 31. Events after the end of the reporting year (cont'd)

- (b) On 26 February 2016, the immediate holding company allotted and issued 34,113,060 new ordinary shares pursuant to the consideration for the exercise of call option by the Group to acquire the remaining 49% of issued share capital in Procurri Asia Pacific (Note 13).
- (c) On 2 March 2016, Procurri Asia Pacific Pte Ltd, a wholly-owned subsidiary of the Company, has incorporated a wholly-owned subsidiary, Procurri (Beijing) Co., Ltd in the People's Republic of China with a paid-up share capital of US\$2,000,000. The principal activities are those repair and maintenance of computer hardware and peripherals, data processing equipment; computer network and system integration design, installation, commissioning, maintenance, and provide technical advice and services; data processing; enterprise management consulting; wholesale, import and export of computer hardware and peripheral equipment.
- (d) Further to the acquisition of Tinglobal in May 2014 and acquisition of the remaining shares in September 2015, Tinglobal Limited, Tindirect Limited, Powercore International Limited and Powercore Holdings Limited, which were all wholly-owned subsidiaries of Tinglobal, became wholly-owned subsidiaries of the Company. Tindirect Limited and Powercore International Limited have been struck off from the companies register in UK and dissolved on 26 April 2016. Powercore Holdings Limited was struck off and dissolved on 7 June 2016. Tinglobal Limited was struck off and dissolved on 5 July 2016.
- (e) On 31 May 2016, the Company's subsidiary, Procurri Singapore Pte Ltd, transferred the renovation, furniture and fittings in connection with the previously shared office and warehouse premises at 29 Tai Seng Avenue, #05-01, Natural Cool Lifestyle Hub, Singapore 534119 to DeClout Limited for a consideration of S\$400,000, as a result of the move to new office and warehouse premises at 29 Tai Seng Avenue, #02-01, Natural Cool Lifestyle Hub, Singapore 534119.
- (f) Pursuant to written resolutions passed by the shareholders of the Company on 27 June 2016, the shareholders approved, amongst other things the sub-division of every one (1) share into 6,500 shares.



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**APPENDIX B – UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2015**

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**PROCURRI CORPORATION LIMITED AND ITS SUBSIDIARIES**

**INDEPENDENT PRACTITIONER’S ASSURANCE REPORT ON THE COMPILATION OF PRO  
FORMA FINANCIAL INFORMATION OF PROCURRI CORPORATION LIMITED AND ITS  
SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 INCLUDED IN THE  
PROSPECTUS**

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The Board of Directors  
Procurri Corporation Limited  
29 Tai Seng Avenue  
#02-01 Natural Cool Lifestyle Hub  
Singapore 534119

Dear Sirs:

We have completed our assurance engagement to report on compilation of pro forma financial information of Procurri Corporation Limited (the “Company”) and its subsidiaries (collectively, the “Group”) by management. The pro forma financial information consists of the pro forma consolidated statement of financial position as at 31 December 2015, and related notes as set out on pages B-4 to B-7. The application criteria on the basis of which management has compiled the pro forma financial information are described in Note 3.

The pro forma financial information has been compiled by management to illustrate the impact of the events set out in Note 2 on the Group’s financial position as at 31 December 2015 as if the events had taken place at 31 December 2015. As part of this process, information about the Group’s financial position has been extracted by management from the Group’s financial statements for the year ended 31 December 2015, on which an audit report has been published.

*Management’s Responsibility for the Pro Forma Financial Information*

Management is responsible for compiling the pro forma financial information on the basis as described in Note 3.

*Our Independence and Quality Control*

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Singapore Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal regulatory requirements.

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**APPENDIX B – UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2015**

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**PROCURRI CORPORATION LIMITED AND ITS SUBSIDIARIES**

**INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO  
FORMA FINANCIAL INFORMATION OF PROCURRI CORPORATION LIMITED AND ITS  
SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 INCLUDED IN THE  
PROSPECTUS**

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*Practitioner's Responsibilities*

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by management on the basis as described in Note 3.

We conducted our engagement in accordance with Singapore Standards on Assurance Engagement (SSAE) 3420, Assurance Engagement to Report on the Compilation of Pro Forma Financial Information included in a Prospectus, issued by the Institute of Singapore Chartered Accountants. This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the pro forma financial information on the basis as described in Note 3.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2015 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- (i) the related pro forma adjustments give appropriate effect to those criteria; and
- (ii) the pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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**APPENDIX B – UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2015**

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**PROCURRI CORPORATION LIMITED AND ITS SUBSIDIARIES**

**INDEPENDENT PRACTITIONER'S ASSURANCE REPORT ON THE COMPILATION OF PRO  
FORMA FINANCIAL INFORMATION OF PROCURRI CORPORATION LIMITED AND ITS  
SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 INCLUDED IN THE  
PROSPECTUS**

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Opinion

In our opinion,

- (a) the pro forma financial information has been compiled:
  - (i) in a manner consistent with the format of the financial statements and the accounting policies of the Group, which are in accordance with Singapore Financial Reporting Standards;
  - (ii) on the basis stated in Note 3 to the pro forma financial information; and
- (b) each material adjustment made to the information used in the preparation of the pro forma financial information is appropriate for the purpose of preparing such pro forma financial information.

Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

12 July 2016

**APPENDIX B – UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2015**

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

(Amounts expressed in Singapore Dollar)

	<b>31.12.2015 \$'000</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant and equipment	10,732
Intangible assets	16,901
Finance lease receivables	445
Deferred tax assets	897
	28,975
<b>Current assets</b>	
Inventories	11,168
Trade and other receivables	35,374
Prepayment	1,884
Finance lease receivables	744
Cash and bank balances	4,932
	54,102
<b>Total assets</b>	83,077
<b>EQUITY AND LIABILITIES</b>	
<b>Current liabilities</b>	
Trade and other payables	33,702
Advance billings	2,473
Loans and borrowings	13,863
Income tax payable	566
	50,604
<b>Net current assets</b>	3,498
<b>Non-current liabilities</b>	
Deferred tax liabilities	426
Loans and borrowings	4,653
Provisions	70
	5,149
<b>Total liabilities</b>	55,753
<b>Net assets</b>	27,324
<b>Equity</b>	
Share capital	33,062
Retained earnings	14,913
Other reserves	(20,651)
<b>Equity attributable to equity holders of the Company</b>	27,324
Non-controlling interests	–
<b>Total equity</b>	27,324
<b>Total equity and liabilities</b>	83,077

**APPENDIX B – UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2015**

**STATEMENT OF ADJUSTMENTS FOR THE UNAUDITED PRO FORMA CONSOLIDATED  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2015**

(Amounts expressed in Singapore Dollar)

	<b>Audited Consolidated Statement of Financial Position \$'000</b>	<b>Pro Forma Adjustments \$'000</b>	<b>Unaudited Pro Forma Consolidated Statement of Financial Position \$'000</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Plant and equipment	9,022	1,710	10,732
Intangible assets	16,901	–	16,901
Finance lease receivables	445	–	445
Deferred tax asset	897	–	897
	27,265	1,710	28,975
<b>Current assets</b>			
Inventories	11,168	–	11,168
Trade and other receivables	35,374	–	35,374
Prepayments	1,884	–	1,884
Finance lease receivables	744	–	744
Cash and bank balances	4,932	–	4,932
	54,102	–	54,102
<b>Total assets</b>	81,367	1,710	83,077
<b>EQUITY AND LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	24,992	8,710	33,702
Advance billings	2,473	–	2,473
Loans and borrowings	13,863	–	13,863
Income tax payable	566	–	566
	41,894	8,710	50,604
<b>Net current assets</b>	12,208	(8,710)	3,498
<b>Non-current liabilities</b>			
Deferred tax liabilities	426	–	426
Loans and borrowings	4,653	–	4,653
Provisions	70	–	70
	5,149	–	5,149
<b>Total liabilities</b>	47,043	8,710	55,753
<b>Net assets</b>	34,324	(7,000)	27,324
<b>Equity attributable to owners of the Company</b>			
Share capital	33,062	–	33,062
Retained earnings	14,913	–	14,913
Other reserves	(13,749)	(6,902)	(20,651)
	34,226	(6,902)	27,324
Non-controlling interests	98	(98)	–
<b>Total equity</b>	34,324	(7,000)	27,324
<b>Total equity and liabilities</b>	81,367	1,710	83,077

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**APPENDIX B – UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2015**

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**NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF  
PROCURRI CORPORATION LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR  
ENDED 31 DECEMBER 2015**

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**1. Corporate information**

Procurri Corporation Pte. Ltd. (the “Company”) was a limited liability company incorporated and domiciled in Singapore. The immediate and the ultimate holding company is DeClout Limited, incorporated in Singapore. On 29 June 2016, the Company was converted into a public company limited by shares and changed its name to Procurri Corporation Limited.

The registered office of the Company is located at 29 Tai Seng Avenue, #02-01 Natural Cool Lifestyle Hub, Singapore 534119.

The principal activities of the Company are those of wholesale of computer hardware and peripheral equipment and investment holding.

**2. Significant Events**

*(a) Acquisition of remaining shares in Procurri Asia Pacific Pte Ltd*

On 2 February 2015, the Group acquired 51% of Procurri Asia Pacific Pte Ltd (“Procurri Asia Pacific”) for a consideration of S\$102,000. The consideration was satisfied in full by the issuance of shares of the immediate holding company. Upon the acquisition, Procurri Asia Pacific became a subsidiary of the Group. A call option was granted to the Group by the non-controlling shareholder allowing the Group to acquire the remaining shareholding interests in Procurri Asia Pacific during the period from 1 January 2016 to 31 December 2016.

On 21 December 2015 and 23 December 2015 respectively, a supplemental agreement was entered and the call option was exercised by the Group for a consideration of S\$7,000,000 to be satisfied by the allotment and issuance of 34,113,060 ordinary shares of the immediate holding company. The exercise of the call option was not completed as at 31 December 2015.

On 26 February 2016, the immediate holding company allotted and issued 34,113,060 new ordinary shares pursuant to the consideration for the exercise of call option by the Group to acquire the remaining 49% of issued share capital in Procurri Asia Pacific.

*(b) Renovation of a new leased office premise*

On 9 May 2016, the Company entered into lease agreements with Natural Cool Investments Pte Ltd for office premises located at 29 Tai Seng Avenue, #01-02 and #02-01, Natural Cool Lifestyle Hub, Singapore 534119. The Company expects to incur capital expenditure of S\$1,710,000 for the renovation of the aforementioned premises.

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## **APPENDIX B – UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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### **NOTES TO THE UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION OF PROCURRI CORPORATION LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

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#### **3. Basis of preparation of the unaudited pro forma consolidated financial information**

- (a) The unaudited pro forma consolidated financial information of the Group pursuant to the Significant Events set out in this report is expressed in Singapore Dollars (S\$ or SGD) and all values in the tables are rounded to the nearest thousand (S\$'000) except as otherwise indicated. The financial information has been prepared for illustrative purposes only. It has been prepared based on certain assumptions and after making certain adjustments to show what the unaudited pro forma consolidated statement of financial position of Procurri Corporation Limited, and its subsidiaries (the "Group") as at 31 December 2015 would have been if the Significant Events as described in Note 2 had been in place on that date.

The objective of the unaudited pro forma consolidated financial information of the Group is to show what the historical financial information would have been had the Significant Events existed as at 31 December 2015. However, the unaudited pro forma consolidated financial information of the Group is not necessarily indicative of the related effects on financial position that would have been obtained had the Significant Events actually existed earlier.

- (b) The unaudited pro forma consolidated financial information of the Group is based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2015, which have been prepared in accordance with Singapore Financial Reporting Standards.

The audited consolidated financial statements of the Group for the financial year ended 31 December 2015 was audited by Ernst & Young LLP, Public Accountants and Chartered Accountants, Singapore. The independent auditor's report relating to the abovementioned audited financial statements was not subject to any qualification.

- (c) The unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Group for the financial year ended 31 December 2015 have not been disclosed as the Significant Events, if had occurred as at 1 January 2015, would not have had a material impact on the unaudited pro forma consolidated statement of comprehensive income and unaudited pro forma consolidated statement of cash flows of the Group for the financial year ended 31 December 2015.

#### **4. Significant accounting policies**

The unaudited pro forma consolidated financial information is prepared using the same accounting policies as the audited consolidated financial statements of the Group for the financial year ended 31 December 2015 as disclosed in Note 2 to the audited consolidated financial statements of the Group for the financial years ended 31 December 2013, 2014 and 2015.

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## APPENDIX C – SUMMARY OF OUR CONSTITUTION

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The discussion below provides information about certain provisions of our Constitution and the laws of Singapore. This description is only a summary and is qualified by reference to Singapore law and our Constitution.

The instrument that constitutes and defines our Company is the Constitution of our Company.

### 1. Directors

#### (a) Ability of interested directors to vote

A Director shall not vote in respect of any contract, proposed contract or arrangement or any other proposal in which he has any personal material interest, and he shall not be counted in the quorum present at the meeting in relation to any resolution on which he is debarred from voting.

#### (b) Remuneration

Fees payable to non-executive directors shall be a fixed sum (not being a commission on or a percentage of profits or turnover of our Company) as shall from time to time be determined by our Company in general meeting. Fees payable to Directors shall not be increased except at a general meeting convened by a notice specifying the intention to propose such increase.

Any Director who renders any special or extra services to our Company or goes or resides abroad in connection with the conduct of any of the affairs of our Company may be granted special remuneration by a lump sum or by way of salary, or, except in the case of a non-executive director, by a percentage of profits, or by any or all of those modes, as the Directors may determine.

The remuneration of a chief executive officer or person holding equivalent positions shall be fixed by the Directors and may be by way of salary or commission or participation in profits or by any or all of these modes but shall not be by a commission on or a percentage of turnover.

The Directors on behalf of our Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with our Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

#### (c) Borrowing

The Directors may borrow or raise money from time to time for the purpose of our Company or secure the payment of such sums as they think fit and may secure the repayment or payment of such sums by mortgage or charge upon all or any of the property or assets of our Company or by the issue of debentures (whether at par or at discount or premium) or otherwise as they may think fit.

#### (d) Retirement age limit

There is no retirement age limit for Directors under our Constitution.

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## APPENDIX C – SUMMARY OF OUR CONSTITUTION

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### **(e) Shareholding qualification**

There is no shareholding qualification for Directors in the Constitution of our Company.

## **2. Share rights and restrictions**

Our Company currently has one class of shares, namely, ordinary shares. Only persons who are registered on our register of members and, in cases in which the person so registered is CDP, the persons named as Depositors in the Depository Register maintained by CDP for the ordinary shares, are recognised as our shareholders.

### **(a) Dividends and distribution**

We may, by ordinary resolution of our shareholders, declare dividends at a general meeting, but we shall not pay dividends in excess of the amount recommended by our Directors. We must pay all dividends out of our profits. However, we may capitalise any sum standing to the credit of any of our Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account and apply it for the allotment and distribution of bonus shares credited as fully paid.

All dividends are paid pro-rata amongst our shareholders in proportion to the amount paid up on each shareholder's shares, unless the rights attaching to an issue of any share provide otherwise. Unless otherwise directed, dividends are paid by cheque, draft, warrant or post office order sent through the post directed to the registered address of each shareholder. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute our Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of our Company. Any dividend unclaimed after a period of six (6) years after having been declared may be forfeited and shall revert to our Company but the Directors may thereafter at their discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled prior to the forfeiture.

The Directors may retain any dividends or other moneys payable on or in respect of a share on which our Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

### **(b) Voting rights**

A shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a shareholder if his name appears on the Depository Register maintained by CDP seventy-two (72) hours before the general meeting. Except as otherwise provided in our Constitution, five (5) or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under our Constitution, on a show of hands, every shareholder who is not a relevant intermediary

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## APPENDIX C – SUMMARY OF OUR CONSTITUTION

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present in person and by proxy shall have one (1) vote, and on a poll, every shareholder present in person or by proxy shall have one (1) vote for each share which he holds or represents. A shareholder who is not a relevant intermediary may appoint not more than two (2) proxies to attend and vote at the same general meeting. A shareholder who is a relevant intermediary may appoint more than two (2) proxies to attend and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by it. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any shareholder or shareholders present in person or by proxy and representing not less than 5.0% of the total voting rights of all shareholders having the right to attend and vote at the meeting or by not less than five (5) shareholders present in person or by proxy and entitled to vote. In the case of an equality of vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

### **3. Change in capital**

Changes in the capital structure of our Company (for example, an increase, consolidation, cancellation, sub-division or conversion of our share capital) require shareholders to pass an ordinary resolution. Ordinary resolutions generally require at least fourteen (14) days' notice in writing. The notice must be given to each of our shareholders who have supplied us with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting. However, we are required to obtain our shareholders' approval by way of a special resolution for any reduction of our share capital or other undistributable reserve, subject to the conditions prescribed by law.

### **4. Variation of rights of existing shares or classes of shares**

Subject to the Companies Act, whenever the share capital of the Company is divided into different classes of shares, the special rights attached to any class may be varied or abrogated with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of our Constitution relating to general meetings of the Company and to the proceedings thereat shall mutatis mutandis apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class, and that any holder of shares of the class present in person or by proxy may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him, provided always that where the necessary majority for such a special resolution is not obtained at such general meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two (2) months of such general meeting shall be as valid and effectual as a special resolution carried at such general meeting.

### **5. Limitations on foreign or non-resident shareholders**

There are no limitations imposed by Singapore law or by our Constitution on the rights of our shareholders who are regarded as non-residents of Singapore, to hold or vote their shares.

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## APPENDIX D – DESCRIPTION OF OUR SHARES

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*The following statements are brief summaries of the rights and privileges of shareholders conferred by the laws of Singapore and our Constitution. These statements summarise the material provisions of our Constitution but are qualified in entirety by reference to our Constitution and the Companies Act.*

### **Ordinary Shares**

There are no founders, management, deferred or unissued shares reserved for issue for any purpose. We have only one (1) class of shares, namely, our ordinary shares which have identical rights in all respects and rank equally with one another. All of the ordinary shares are in registered form. Our Company may, subject to the provisions of the Companies Act and the rules of the SGX-ST, purchase its shares. However, it may not, except in circumstances permitted by the Companies Act, grant any financial assistance for the acquisition or proposed acquisition of its own shares.

### **New Shares**

New shares may only be issued with the prior approval in a general meeting of our shareholders. The Company may by ordinary resolution in general meeting give to the Directors a general authority to issue shares, provided that the aggregate number of shares to be issued pursuant to such approval may not exceed 50.0% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital at the time such authority is given after adjusting for new shares arising from the conversion or exercise of convertible securities or employee share options on issue at the time such authority is given and any subsequent bonus issue, consolidation or sub-division of shares, of which the aggregate number of shares to be issued other than on a pro-rata basis to our shareholders shall not exceed 20.0% (or such other limit as may be prescribed by the SGX-ST). The approval, if granted, will lapse at the conclusion of the annual general meeting following the date on which the approval was granted or the date by which the annual general meeting is required by law to be held, whichever is the earlier but any approval may be revoked or varied by our Company in general meeting. Subject to the foregoing, the provisions of the Companies Act and any special rights attached to any class of shares currently issued, all new shares are under the control of our Directors who may allot and issue the same with such rights and restrictions as they may think fit.

### **Shareholders**

Only persons who are registered on our register of members and, in cases in which the person so registered is CDP, the persons named as the Depositors in the Depository Register maintained by CDP for the shares, are recognised as our shareholders. Our Company will not, except as required by law, recognise any equitable, contingent, future or partial interest in any share or other rights for any share other than the absolute right thereto of the registered holder of that share or of the person whose name is entered in the Depository Register for that share. We may close our register of members and the Depository Register at such time and for such period as our Directors may, from time to time, determine. However, our register of members may not be closed for more than thirty (30) days in aggregate in any calendar year and prior notice of closure shall be given to the SGX-ST, stating the period and purpose(s) for which the closure is made. Our Company typically closes the register of shareholders to determine shareholders' entitlement to receive dividends and other distributions.

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## APPENDIX D – DESCRIPTION OF OUR SHARES

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### Transfer of Shares

There is no restriction on the transfer of fully paid shares except where required by law or the Listing Manual or the rules or by-laws of any stock exchange on which our Company is listed. Our Directors may, in their discretion, decline to register any transfer of shares which are not fully paid, or shares on which our Company has a lien. Our shares may be transferred by a duly signed instrument of transfer in a form approved by the SGX-ST or any stock exchange on which our Company is listed. Our Directors may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. Our Company will replace lost or destroyed certificates for shares if it is properly notified and the applicant pays a fee which will not exceed S\$2 and furnishes any evidence and indemnity that our Directors may require.

### General Meetings of Shareholders

Our Company is required to hold an annual general meeting every year. Our Directors may convene an extraordinary general meeting whenever they think fit and must do so if shareholders representing not less than 10.0% of the total number of paid-up shares request that such a meeting be held. In addition, two (2) or more shareholders holding not less than 10.0% of the issued share capital of our Company (excluding treasury shares) may call a meeting. Unless otherwise required by law or by our Constitution, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at that meeting. An ordinary resolution suffices, for example, for the appointment of Directors. A special resolution, requiring the affirmative vote of at least 75.0% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to our Constitution, a change of our corporate name and a reduction in our share capital. Our Company must give at least twenty-one (21) days' notice in writing for every general meeting convened for the purpose of passing a special resolution. Ordinary resolutions generally require at least fourteen (14) days' notice in writing. The notice must be given to every shareholder who has supplied our Company with an address in Singapore for the giving of notices and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

### Voting Rights

A shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a shareholder. A person who holds ordinary shares through the SGX-ST book-entry settlement system will only be entitled to vote at a general meeting as a shareholder if his name appears on the Depository Register maintained by CDP seventy-two (72) hours before the general meeting. Except as otherwise provided in our Constitution, five (5) or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under the Constitution, on a show of hands, every shareholder who is not a relevant intermediary present in person and by proxy shall have one (1) vote, and on a poll, every shareholder present in person or by proxy shall have one (1) vote for each Share which he holds or represents. A shareholder who is not a relevant intermediary may appoint not more than two (2) proxies to attend and vote at the same general meeting. A shareholder who is a relevant intermediary may appoint more than two (2) proxies to attend and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by it. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any shareholder or shareholders present in person or by proxy and representing not less than 5.0% of the total voting rights of all shareholders having the right to attend and vote

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## APPENDIX D – DESCRIPTION OF OUR SHARES

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at the meeting or by not less than five (5) shareholders present in person or by proxy and entitled to vote. In the case of an equality of vote, whether on a show of hands or a poll, the chairman of the meeting shall be entitled to a casting vote.

### **Dividends**

Our Company may, by ordinary resolution of our shareholders, declare dividends at a general meeting, but it may not pay dividends in excess of the amount recommended by our Directors. Our Company must pay all dividends out of its profits. Our Directors may also declare an interim dividend without the approval of our shareholders. All dividends are paid pro-rata among our shareholders in proportion to the amount paid up on each share, unless the rights attaching to an issue of any share provide otherwise. Unless otherwise directed, dividends are paid by cheque, draft, warrant or post office order to each shareholder at his registered address. Notwithstanding the foregoing, the payment by our Company to CDP of any dividend payable to a shareholder whose name is entered in the Depository Register shall, to the extent of payment made to CDP, discharge our Company from any liability to that shareholder in respect of that payment.

### **Bonus and Rights Issues**

Our Directors may, with approval by our shareholders at a general meeting, capitalise any reserves or profits and distribute the same as bonus shares credited as paid-up to our shareholders in proportion to their shareholdings. Our Directors may also issue rights to take up additional shares to shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue and the regulations of any stock exchange on which our Company is listed.

### **Take-overs**

Under the Take-over Code, any person who acquires, either on his own or together with parties acting in concert with him, shares which carry 30.0% or more of the voting rights of a company must extend a take-over offer for the remaining voting shares in accordance with the provisions of the Take-over Code. In addition, a mandatory take-over offer is also required to be made if a person holding, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% of the voting rights acquires additional shares carrying more than 1.0% of the voting rights in any six (6) month period. Under the Take-over Code, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (a) the following companies:
  - (i) a company;
  - (ii) the parent company of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of (i), (ii), (iii) or (iv);
  - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and

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## APPENDIX D – DESCRIPTION OF OUR SHARES

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- (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of:
  - (i) the adviser and persons controlling, controlled by or under the same control as the adviser; and
  - (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
  - (i) an individual;
  - (ii) the close relatives of (i);
  - (iii) the related trusts of (i);
  - (iv) any person who is accustomed to act in accordance with the instructions of (i);
  - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
  - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

Under the Take-over Code, a mandatory offer made with consideration other than cash must be accompanied by a cash alternative at not less than the highest price paid by the offeror or any person acting in concert during the offer period and within the preceding six (6) months prior to its commencement.



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## APPENDIX D – DESCRIPTION OF OUR SHARES

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### **Liquidation or Other Return of Capital**

If our Company is liquidated or in the event of any other return of capital, holders of our shares will be entitled to participate in any surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

### **Indemnity**

As permitted by Singapore law, our Constitution provides that, subject to the Companies Act, our Directors and officers shall be entitled to be indemnified by our Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto.

### **Limitations on Rights to Hold or Vote Shares**

Except as described in “Voting Rights” and “Take-overs” above, there are no limitations imposed by Singapore law or by our Constitution on the rights of non-resident shareholders to hold or vote in respect of our shares.

### **Minority Rights**

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Companies Act, which gives the Singapore courts a general power to make any order, upon application by any shareholder of our Company, as they think fit to remedy any of the following situations where:

- (a) our affairs are being conducted or the powers of our Directors are being exercised in a manner oppressive to, or in disregard of the interests of one or more of our shareholders; or
- (b) we take an action, or threaten to take an action, or our shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our shareholders, including the applicant.

Singapore courts have wide discretion as to the relief they may grant and such relief is in no way limited to those listed in the Companies Act itself. Without prejudice to the foregoing, Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in the name of, or on behalf of, our Company by a person or persons and on such terms as the court may direct;
- (d) provide for the purchase of a minority shareholder’s shares by our other shareholders or by us and, in the case of a purchase of shares by us, a corresponding reduction of our share capital;
- (e) provide that our Constitution be amended; or
- (f) provide that we be wound up.

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## APPENDIX E – RULES OF THE PROCURRI PSP

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### 1. NAME OF THE PLAN

- 1.1 The Plan shall be called the “**Procurri Corporation Performance Share Plan**”.

### 2. DEFINITIONS

- 2.1 In the Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Act”	The Companies Act, Chapter 50 of Singapore as amended or modified from time to time.
“Adoption Date”	The date on which the Plan is adopted by the Company in general meeting.
“Associate”	Shall have the meaning assigned to it in the Listing Manual.
“Associated Company”	A company in which at least 20.0% but not more than 50.0% of its issued shares are held by the Company or the Group and over which the Company has Control.
“Auditors”	The auditors of the Company for the time being.
“Award”	A contingent award of Shares granted under Rule 5.
“Award Date”	In relation to an Award, the date on which the Award is granted pursuant to Rule 5.
“Award Letter”	A letter in such form as the Committee shall approve confirming an Award granted to a Participant by the Committee.
“Board”	The board of directors of the Company for the time being.
“CDP”	The Central Depository (Pte) Limited.
“Committee”	The Remuneration Committee of the Company.
“Company”	Procurri Corporation Limited.
“Control”	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
“Group”	The Company, its subsidiaries and Associated Companies (as they may exist from time to time).

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## APPENDIX E – RULES OF THE PROCURRI PSP

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<i>“Group Executive”</i>	Any confirmed employee of the Group (including any Group Executive Director who meets the relevant criteria and who shall be regarded as a Group Executive for the purposes of the Plan) selected by the Committee to participate in the Plan in accordance with Rule 4.
<i>“Group Executive Director”</i>	A director of the Company and/or any of its subsidiaries and/or any of its Associated Companies, as the case may be, who performs an executive function.
<i>“Listing Manual”</i>	The Listing Manual of the Singapore Exchange.
<i>“Market Value”</i>	In relation to a Share, on any day: (a) the average price of a Share on the Singapore Exchange over the five (5) immediately preceding Trading Days; or (b) if the Committee is of the opinion that the Market Value as determined in accordance with (a) is not representative of the value of a Share, such price as the Committee may determine, such determination to be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
<i>“Non-Executive Director”</i>	A director of the Company and/or its subsidiaries, other than one who performs an executive function.
<i>“Participant”</i>	A person who has been granted an Award pursuant to the Plan.
<i>“Performance Condition”</i>	In relation to an Award, the condition specified on the Award Date in relation to that Award.
<i>“Performance Period”</i>	The period, as may be determined by the Committee at its discretion, during which the Performance Condition is to be satisfied.
<i>“Plan”</i>	The Procurri Corporation Performance Share Plan, as the same may be modified or altered from time to time.
<i>“Release”</i>	In relation to an Award, the release at the end of the Performance Period relating to that Award of all or some of the Shares to which that Award relates in accordance with Rule 7 and, to the extent that any Shares which are the subject of the Award are not released pursuant to Rule 7, the Award in relation to those Shares shall lapse accordingly, and “Released” shall be construed accordingly.

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## APPENDIX E – RULES OF THE PROCURRI PSP

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| <i>“Release Schedule”</i>   | In relation to an Award, a schedule in such form as the Committee shall approve, setting out the extent to which Shares which are the subject of that Award shall be released on the Performance Condition being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the Performance Period. |
| <i>“Released Award”</i>     | An Award which has been released in accordance with Rule 7.   |
| <i>“Retention Period”</i>   | Such retention period as may be determined by the Committee and notified to the Participant at the grant of the relevant Award to that Participant.   |
| <i>“Shares”</i>             | Ordinary shares in the capital of the Company.  |
| <i>“Singapore Exchange”</i> | The Singapore Exchange Securities Trading Limited.  |
| <i>“Trading Day”</i>        | A day on which the Shares are traded on the Singapore Exchange.   |
| <i>“Vesting”</i>            | In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.  |
| <i>“Vesting Date”</i>       | In relation to Shares which are the subject of a Released Award, the date (as determined by the Committee and notified to the relevant Participant) on which those Shares have Vested pursuant to Rule 7.   |
- 2.2 The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.
- 2.3 Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.
- 2.4 Any reference to a time of a day in the Plan is a reference to Singapore time.
- 2.5 Any reference in the Plan to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Plan and used in the Plan shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

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## APPENDIX E – RULES OF THE PROCURRI PSP

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### 3. OBJECTIVES OF THE PLAN

The Plan has been proposed in order to:

- (a) foster an ownership culture within the Group which aligns the interests of Group Executives and Non-Executive Directors with the interests of shareholders;
- (b) motivate Participants to achieve key financial and operational goals of the Company and/or their respective business offerings; and
- (c) make total employee remuneration sufficiently competitive to recruit and retain staff having skills that are commensurate with the Company's ambition to become a world-class company.

### 4. ELIGIBILITY OF PARTICIPANTS

The following persons will be eligible to participate in the Plan at the absolute discretion of the Committee:

- (a) Group Executives who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time; and
- (b) Non-Executive Directors (including Independent Directors).

Directors and employees of the Company's parent company and its Subsidiaries who are also Directors and/or employees of the Company and the Company's subsidiaries shall be entitled to participate in the Plan ("**Plan Entitled Persons**"). Save for the Plan Entitled Persons, Directors and employees of the Company's parent company and its subsidiaries are not entitled to participate in the Plan.

### 5. GRANT OF AWARDS

5.1 Subject as provided in Rule 8, the Committee may grant Awards to Group Executives and Non-Executive Directors as the Committee may select, in its absolute discretion, at any time during the period when the Plan is in force.

5.2 The number of Shares which are the subject of each Award to be granted to a Participant in accordance with the Plan shall be determined at the absolute discretion of the Committee, which shall take into account criteria such as his rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his contribution to the success and development of our Group and, if applicable, the extent of effort and resourcefulness with which the Performance Condition may be achieved within the Performance Period.

5.3 The Committee shall decide in relation to an Award:

- (a) the Participant;
- (b) the Award Date;
- (c) the Performance Period;

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## APPENDIX E – RULES OF THE PROCURRI PSP

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- (d) the number of Shares which are the subject of the Award;
  - (e) the Performance Condition;
  - (f) the Release Schedule; and
  - (g) any other condition which the Committee may determine in relation to that Award.
- 5.4 The Committee may amend or waive the Performance Period, the Performance Condition and/or the Release Schedule in respect of any Award:
- (a) in the event of a take-over offer being made for the Shares or if under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies or in the event of a proposal to liquidate or sell all or substantially all of the assets of the Company; or
  - (b) if anything happens which causes the Committee to conclude that:
    - (i) a changed Performance Condition and/or Release Schedule would be a fairer measure of performance, and would be no less difficult to satisfy; or
    - (ii) the Performance Condition and/or Release Schedule should be waived, and shall notify the Participants of such change or waiver.
- 5.5 As soon as reasonably practicable after making an Award, the Committee shall send to each Participant an Award Letter confirming the Award and specifying in relation to the Award:
- (a) the Award Date;
  - (b) the Performance Period;
  - (c) the number of Shares which are the subject of the Award;
  - (d) the Performance Condition;
  - (e) the Release Schedule; and
  - (f) any other condition which the Committee may determine in relation to that Award.
- 5.6 Participants are not required to pay for the grant of Awards.
- 5.7 An Award or Released Award shall be personal to the Participant to whom it is granted and, prior to the allotment and/or transfer to the Participant of the Shares to which the Released Award relates, shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, except with the prior approval of the Committee and if a Participant shall do, suffer or permit any such act or thing as a result of which he would or might be deprived of any rights under an Award or Released Award without the prior approval of the Committee, that Award or Released Award shall immediately lapse.

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## APPENDIX E – RULES OF THE PROCURRI PSP

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### 6. EVENTS PRIOR TO THE VESTING DATE

6.1 An Award shall, to the extent not yet Released, immediately lapse without any claim whatsoever against the Company:

- (a) in the event of misconduct on the part of the Participant as determined by the Committee in its discretion;
- (b) subject to Rule 6.2(b), upon the Participant ceasing to be in the employment of the Group for any reason whatsoever; or
- (c) in the event of an order being made or a resolution passed for the winding-up of the Company on the basis, or by reason, of its insolvency.

For the purpose of Rule 6.1(b), the Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

6.2 In any of the following events, namely:

- (a) the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of an Award;
- (b) where the Participant ceases to be in the employment of the Group by reason of:
  - (i) ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
  - (ii) redundancy;
  - (iii) retirement at or after the legal retirement age;
  - (iv) retirement before the legal retirement age with the consent of the Committee;
  - (v) the company by which he is employed or to which he is seconded, as the case may be, ceasing to be a company within the Group, or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group, as the case may be;
  - (vi) (where applicable) his transfer of employment between companies within the Group;
  - (vii) his transfer to any government ministry, governmental or statutory body or corporation at the direction of any company within the Group; or
  - (viii) any other event approved by the Committee;
- (c) the death of a Participant; or
- (d) any other event approved by the Committee,



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## APPENDIX E – RULES OF THE PROCURRI PSP

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the Committee may, in its absolute discretion, preserve all or any part of any Award and decide as soon as reasonably practicable following such event either to Vest some or all of the Shares which are the subject of any Award or to preserve all or part of any Award until the end of the Performance Period and subject to the provisions of the Plan. In exercising its discretion, the Committee will have regard to all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant and the extent to which the Performance Condition has been satisfied.

6.3 Without prejudice to the provisions of Rule 5.4, if before the Vesting Date, any of the following occurs:

- (a) a take-over offer for the Shares becomes or is declared unconditional;
- (b) a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies being approved by shareholders of the Company and/or sanctioned by the court under the Act; or
- (c) an order being made or a resolution being passed for the winding-up of the Company (other than as provided in Rule 6.1(c) or for amalgamation or reconstruction),

the Committee will consider, at its discretion, whether or not to Release any Award, and will take into account all circumstances on a case-by-case basis, including (but not limited to) the contributions made by that Participant. If the Committee decides to Release any Award, then in determining the number of Shares to be Vested in respect of such Award, the Committee will have regard to the proportion of the Performance Period which has elapsed and the extent to which the Performance Condition has been satisfied. Where Awards are Released, the Committee will, as soon as practicable after the Awards have been Released, procure the allotment or transfer to each Participant of the number of Shares so determined, such allotment or transfer to be made in accordance with Rule 7.

## 7. RELEASE OF AWARDS

### 7.1 Review of Performance Condition

7.1.1 As soon as reasonably practicable after the end of each Performance Period, the Committee shall review the Performance Condition specified in respect of each Award and determine at its discretion whether it has been satisfied and, if so, the extent to which it has been satisfied, and provided that the relevant Participant has continued to be a Group Executive or a Non-Executive Director from the Award Date up to the end of the Performance Period, shall Release to that Participant all or part (as determined by the Committee at its discretion in the case where the Committee has determined that there has been partial satisfaction of the Performance Condition) of the Shares to which his Award relates in accordance with the Release Schedule specified in respect of his Award on the Vesting Date. If not, the Awards shall lapse and be of no value.

If the Committee determines in its sole discretion that the Performance Condition has not been satisfied or (subject to Rule 6) if the relevant Participant has not continued to be a Group Executive or a Non-Executive Director from the Award Date up to the end of the relevant Performance Period, that Award shall lapse and be of no value and the provisions of Rules 7.2 to 7.4 shall be of no effect.

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## APPENDIX E – RULES OF THE PROCURRI PSP

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The Committee shall have the discretion to determine whether the Performance Condition has been satisfied (whether fully or partially) or exceeded and in making any such determination, the Committee shall have the right to make computational adjustments to the audited results of the Company or the Group, to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events, and further the right to amend the Performance Condition if the Committee decides that a changed performance target would be a fairer measure of performance.

7.1.2 Shares which are the subject of a Released Award shall be Vested to a Participant on the Vesting Date, which shall be a Trading Day falling as soon as practicable after the review by the Committee referred to in Rule 7.1.1 and, on the Vesting Date, the Committee will procure the allotment or transfer to each Participant of the number of Shares so determined.

7.1.3 Where new Shares are allotted upon the Vesting of any Award, the Company shall, as soon as practicable after such allotment, apply to the Singapore Exchange for permission to deal in and for quotation of such Shares.

### 7.2 Release of Award

Subject to the prevailing legislation, our Company will deliver Shares to participants upon vesting of their awards by way of either (i) an issuance of new Shares; or (ii) a transfer of Shares then held by our Company in treasury. The Committee may, in its absolute discretion, make a release of an Award, wholly or partly, in the form of cash rather than Shares.

In determining whether to issue new Shares, or to purchase existing Shares for delivery, or the payment of the aggregate Market Value in cash, our Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to our Company of issuing new Shares or delivering existing Shares.

Shares which are allotted or transferred on the Release of an Award to a Participant shall be issued in the name of, or transferred to, CDP to the credit of the securities account of that Participant maintained with CDP or the securities sub-account of that Participant maintained with a Depository Agent, in each case, as designated by that Participant.

### 7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution of the Company; and
- (b) rank in full for all entitlements, including dividends or other distributions declared or recommended in respect of the then existing Shares, the Record Date for which is on or after the relevant Vesting Date, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

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## APPENDIX E – RULES OF THE PROCURRI PSP

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For the purposes of this Rule 7.3, “Record Date” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

### 7.4 **Moratorium**

Shares which are allotted and issued or transferred to a Participant pursuant to the Release of an Award shall not be transferred, charged, assigned, pledged or otherwise disposed of, in whole or in part, during the Retention Period, except to the extent set out in the Award Letter or with the prior approval of the Committee. The Company may take steps that it considers necessary or appropriate to enforce or give effect to this disposal restriction including specifying in the Award Letter the conditions which are to be attached to an Award for the purpose of enforcing this disposal restriction.

## 8. **LIMITATION ON THE SIZE OF THE PLAN**

- 8.1 The aggregate number of Shares which may be issued or transferred pursuant to Awards granted under the Plan on any date, when aggregated with the aggregate number of Shares over which options or awards are granted under any other share option schemes or share schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day preceding that date.
- 8.2 Shares which are the subject of Awards which have lapsed for any reason whatsoever may be the subject of further Awards granted by the Committee under the Plan.

## 9. **ADJUSTMENT EVENTS**

- 9.1 If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place, then:
- (a) the class and/or number of Shares which are the subject of an Award to the extent not yet Vested; and/or
  - (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a shareholder of the Company does not receive.

- 9.2 Unless the Committee considers an adjustment to be appropriate, the issuance of securities as consideration for an acquisition or a private placement of securities, or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares undertaken by the Company on the Singapore Exchange during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment.

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## APPENDIX E – RULES OF THE PROCURRI PSP

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- 9.3 Notwithstanding the provisions of Rule 9.1, any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.
- 9.4 Upon any adjustment required to be made pursuant to this Rule 9, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued or transferred on the Vesting of an Award. Any adjustment shall take effect upon such written notification being given.

### 10. ADMINISTRATION OF THE PLAN

- 10.1 The Plan shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the board of directors of the Company, provided that no member of the Committee shall participate in any deliberation or decision in respect of Awards to be granted to him or held by him.
- 10.2 The Committee shall have the power, from time to time, to make and vary such arrangements, guidelines and/or regulations (not being inconsistent with the Plan) for the implementation and administration of the Plan, to give effect to the provisions of the Plan and/or to enhance the benefit of the Awards and the Released Awards to the Participants, as it may, in its absolute discretion, think fit. Any matter pertaining or pursuant to the Plan and any dispute and uncertainty as to the interpretation of the Plan, any rule, regulation or procedure thereunder or any rights under the Plan shall be determined by the Committee.
- 10.3 Neither the Plan nor the grant of Awards under the Plan shall impose on the Company or the Committee or any of its members any liability whatsoever in connection with: (a) the lapsing of any Awards pursuant to any provision of the Plan; (b) the failure or refusal by the Committee to exercise, or the exercise by the Committee of, any discretion under the Plan; and/or (c) any decision or determination of the Committee made pursuant to any provision of the Plan.
- 10.4 Any decision or determination of the Committee made pursuant to any provision of the Plan (other than a matter to be certified by the Auditors) shall be final, binding and conclusive (including for the avoidance of doubt, any decisions pertaining to disputes as to the interpretation of the Plan or any rule, regulation or procedure hereunder or as to any rights under the Plan). The Committee shall not be required to furnish any reasons for any decision or determination made by it.
- 10.5 As a safeguard against abuse, pursuant to the Listing Manual, a Participant who is a member of the Committee shall not be involved in its deliberation in respect of Awards (if any) to be granted to him. Further, where Awards are proposed to be granted to or held by Group Executive Directors, all members of the Board (and not just members of the Committee) who are not Group Executive Directors will be involved in deliberation on the same.

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## APPENDIX E – RULES OF THE PROCURRI PSP

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### 11. NOTICES AND COMMUNICATIONS

- 11.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 11.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 11.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 11.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

### 12. MODIFICATIONS TO THE PLAN

- 12.1 Any or all the provisions of the Plan may be modified and/or altered at any time and from time to time by a resolution of the Committee, except that:
- (a) no modification or alteration shall alter adversely the rights attached to any Award granted prior to such modification or alteration except with the consent in writing of such number of Participants who, if their Awards were Released to them upon the Performance Conditions for their Awards being satisfied in full, would become entitled to not less than three-quarters in number of all the Shares which would fall to be Vested upon Release of all outstanding Awards upon the Performance Conditions for all outstanding Awards being satisfied in full;
  - (b) the definitions of “Associated Company”, “Group Executive”, “Group Executive Director”, “Non-Executive Director”, “Participant”, “Performance Period” and “Release Schedule” and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company’s shareholders in general meeting; and
  - (c) no modification or alteration shall be made without the prior approval of the Singapore Exchange and such other regulatory authorities as may be necessary.

For the purposes of Rule 12.1(a), the opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive.

For the avoidance of doubt, nothing in this Rule 12.1 shall affect the right of the Committee under any other provision of the Plan to amend or adjust any Award.

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## **APPENDIX E – RULES OF THE PROCURRI PSP**

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12.2 Notwithstanding anything to the contrary contained in Rule 12.1, the Committee may at any time by resolution (and without other formality, save for the prior approval of the Singapore Exchange) amend or alter the Plan in any way to the extent necessary or desirable, in the opinion of the Committee, to cause the Plan to comply with, or take into account, any statutory provision (or any amendment or modification thereto, including amendment of or modification to the Act) or the provision or the regulations of any regulatory or other relevant authority or body (including the Singapore Exchange).

12.3 Written notice of any modification or alteration made in accordance with this Rule 12 shall be given to all Participants.

### **13. ABSTENTION FROM VOTING**

Shareholders who are eligible to participate in the Plan are to abstain from voting on any shareholders' resolution relating to the Plan, including resolutions pertaining to the implementation of the Procurri PSP.

### **14. TERMS OF EMPLOYMENT UNAFFECTED**

The terms of employment of a Participant shall not be affected by his participation in the Plan, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment for any reason.

### **15. DURATION OF THE PLAN**

15.1 The Plan shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the Adoption Date, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

15.2 The Plan may be terminated at any time by the Committee or, at the discretion of the Committee, by resolution of the Company in general meeting, subject to all relevant approvals which may be required and if the Plan is so terminated, no further Awards shall be granted by the Committee hereunder.

15.3 The expiry or termination of the Plan shall not affect Awards which have been granted prior to such expiry or termination, whether such Awards have been Released (whether fully or partially) or not.

### **16. TAXES**

All taxes (including income tax) arising from the grant or Release of any Award granted to any Participant under the Plan shall be borne by that Participant.

## APPENDIX E – RULES OF THE PROCURRI PSP

### 17. COSTS AND EXPENSES OF THE PLAN

- 17.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the Release of any Award in CDP's name, the deposit of share certificate(s) with CDP, the Participant's securities account with CDP, or the Participant's securities sub-account with a Depository Agent.
- 17.2 Save for the taxes referred to in Rule 16 and such other costs and expenses expressly provided in the Plan to be payable by the Participants, all fees, costs and expenses incurred by the Company in relation to the Plan including but not limited to the fees, costs and expenses relating to the allotment and issue, or transfer, of Shares pursuant to the Release of any Award shall be borne by the Company.

### 18. DISCLAIMER OF LIABILITY

Notwithstanding any provisions herein contained, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including but not limited to the Company's delay in issuing, or procuring the transfer of, the Shares or applying for or procuring the listing of new Shares on the Singapore Exchange in accordance with Rule 7.1.3.

### 19. DISCLOSURES IN ANNUAL REPORTS

The Company shall make the following disclosure (as applicable) in its annual report:

- (a) The names of the members of the Committee administering the Plan;
- (b) The information required in the table below for the following Participants of the Plan:
  - (i) Participants who are Directors of the Company;
  - (ii) Participants who are controlling shareholders of the Company and their associates; and
  - (iii) Participants (other than those in paragraphs (i) and (ii) above) who receive 5.0% or more of the total number of Shares available under the Plan; and

Name of Participant	Total Number of Shares Comprised in Awards under the Procurri PSP during the Financial Year under Review (including terms)	Aggregate Number of Shares Comprised in Awards Vested to such Participant since Commencement of the Procurri PSP to the End of the Financial Year under Review	Aggregate Number of Shares Comprised in Awards Issued since Commencement of the Procurri PSP to the End of the Financial Year under Review	Aggregate Number of Shares Comprised in Awards which have not been Released as at the End of the Financial Year under Review

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## **APPENDIX E – RULES OF THE PROCURRI PSP**

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- (c) any other information required to be so disclosed pursuant to the Listing Manual and all other applicable laws and requirements,

provided that if any of the above requirements are not applicable, an appropriate negative statement should be included therein.

### **20. DISPUTES**

Any disputes or differences of any nature arising hereunder shall be referred to the Committee and its decision shall be final and binding in all respects.

### **21. GOVERNING LAW**

The Plan shall be governed by, and construed in accordance with, the laws of the Republic of Singapore. The Participants, by accepting grants of Awards in accordance with the Plan, and the Company submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

### **22. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT, CHAPTER 53B**

No person other than the Company or a Participant shall have any right to enforce any provision of the Plan or any Award by the virtue of the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.



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## APPENDIX F – RULES OF THE PROCURRI ESOS

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### 1. DEFINITIONS

In this Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:

<i>“Act”</i>	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
<i>“Associate”</i>	Shall have the meaning assigned to it in the Listing Manual.
<i>“Associated Company”</i>	A company in which at least 20.0% but not more than 50.0% of its issued shares are held by the Company or the Group and over which the Company has Control.
<i>“Associated Company Employee”</i>	Any confirmed employee (including directors) of an Associated Company selected by the Committee to participate in the Scheme.
<i>“Auditors”</i>	The auditors of the Company for the time being.
<i>“Board”</i>	The board of Directors of the Company for the time being.
<i>“CDP”</i>	The Central Depository (Pte) Limited.
<i>“Committee”</i>	The Remuneration Committee of the Company.
<i>“Company”</i>	Procurri Corporation Limited.
<i>“Control”</i>	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company.
<i>“Date of Grant”</i>	The date on which an Option is granted to a Participant pursuant to Rule 7.
<i>“Director”</i>	A person holding office as a director for the time being of the Company.
<i>“EGM”</i>	Extraordinary General Meeting.
<i>“Executive Director”</i>	A director who is an employee of the Group and who performs an executive function.
<i>“Exercise Price”</i>	The price at which a Participant shall acquire each Share upon the exercise of an Option, as determined in accordance with Rule 9, or such adjusted price as may be applicable pursuant to Rule 10.

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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<i>“Financial Year” or “FY”</i>	Each period of twelve (12) months or more or less than twelve (12) months, at the end of which the balance of accounts of the Company are prepared and audited, for the purpose of laying the same before an annual general meeting of the Company.
<i>“Grantee”</i>	The person to whom an offer of an Option is made.
<i>“Group”</i>	The Company, its subsidiaries and Associated Companies (as they may exist from time to time).
<i>“Group Employee”</i>	Any confirmed employee of the Group (including an Executive Director) selected by the Committee to participate in the Scheme in accordance with Rule 4.
<i>“Listing Manual”</i>	The Listing Manual of the SGX-ST.
<i>“Market Day”</i>	A day on which the SGX-ST is open for trading of securities.
<i>“Market Price”</i>	The average of the last dealt prices for a Share determined by reference to the daily Official List published by the SGX-ST for a period of five (5) consecutive Market Days immediately prior to the relevant Offer Date provided always that in the case of a Market Day on which the Shares are not traded on the SGX-ST, the last dealt price for Shares on such Market Day shall be deemed to be the last dealt price of the Shares on the immediately preceding Market Day on which the Shares were traded, rounded up to the nearest whole cent in the event of fractional prices.
<i>“Non-Executive Director”</i>	A director of the Company and/or its subsidiaries, other than one who performs an executive function.
<i>“Offer Date”</i>	The date on which an offer to grant an Option is made pursuant to the Scheme.
<i>“Option”</i>	The right to acquire Shares granted or to be granted to a Group Employee or a Non-Executive Director pursuant to the Scheme and for the time being subsisting.

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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<i>“Option Period”</i>	<p>Subject as provided in Rules 11 and 15, the period for the exercise of an Option being:</p> <p>(a) in the case of an Option granted to a Group Employee (other than Options granted to Non-Executive Directors and/or Associated Company Employees), a period commencing after the first anniversary of the Offer Date and expiring on (and including) the date immediately preceding the tenth anniversary of the Offer Date or such other shorter period determined by the Committee; and</p> <p>(b) in the case of an Option granted to Non-Executive Directors and/or Associated Company Employees, a period commencing after the first anniversary of the Offer Date and expiring on (and including) the date immediately preceding the fifth anniversary of the Offer Date or such other shorter period determined by the Committee,</p> <p>provided that where the Exercise Price for the Shares comprised in an Option is set at a discount to the Market Price, such Option may not be exercised before the second anniversary of such Offer Date.</p>
<i>“Participant”</i>	The holder of an Option.
<i>“Record Date”</i>	The date as at the close of business on which the Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.
<i>“Scheme”</i>	The Procurri ESOS as modified or amended from time to time.
<i>“SGX-ST”</i>	The Singapore Exchange Securities Trading Limited.
<i>“Shareholders”</i>	The registered holders for the time being of the Shares (other than CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register.
<i>“Shares”</i>	Ordinary shares in the capital of the Company.
<i>“Subsidiary”</i>	A company which is for the time being a subsidiary of the Company as defined by Section 5 of the Act.
<i>“S\$”</i>	Singapore dollars.

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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The terms “Depositor”, “Depository Register” and “Depository Agent” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

Words importing the singular number shall, where applicable, include the plural number and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

Any reference to a time of a day in the Scheme is a reference to Singapore time.

Any reference in the Scheme to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in the Scheme and used in the Scheme shall have the meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

### 2. NAME OF THE SCHEME

The Scheme shall be called the “Procurri ESOS”.

### 3. OBJECTIVES OF THE SCHEME

The Scheme will provide an opportunity for Group Employees and Non-Executive Directors who have contributed significantly to the growth and performance of the Group and who satisfy the eligibility criteria as set out in Rule 4 of the Scheme, to participate in the equity of the Company.

The Scheme is primarily a share incentive scheme. It recognises the fact that the services of Group Employees and Non-Executive Directors are important to the success and continued well-being of the Group. Implementation of the Scheme will enable the Company to give recognition to the contributions made by such Group Employees and Non-Executive Directors. At the same time, it will give such Group Employees and Non-Executive Directors an opportunity to have a direct interest in the Company at no direct cost to its profitability and will also help to achieve the following positive objectives:

- (a) to motivate Participants to optimise their performance standards and efficiency and to maintain a high level of contribution to the Group;
- (b) to retain key employees and directors whose contributions are essential to the long-term growth and prosperity of the Group;
- (c) to instill loyalty to, and a stronger identification by Participants with the long-term prosperity of, the Group;
- (d) to attract potential employees with relevant skills to contribute to the Group and to create value for the Shareholders; and
- (e) to align the interests of Participants with the interests of the Shareholders.

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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### 4. ELIGIBILITY

The following persons shall be eligible to participate in the Scheme at the absolute discretion of the Committee:

- (a) Group Employees (including Executive Directors) who have attained the age of twenty-one (21) years on or prior to the relevant Offer Date and are not undischarged bankrupts and have not entered into a composition with their respective creditors, and who have, as of the Date of Grant, been in the employment of the Group for a period of at least twelve (12) months, or such shorter period as the Committee may determine; and
- (b) Non-Executive Directors.

Directors and employees of the Company's parent company and its Subsidiaries who are also Directors and/or employees of the Company and the Company's Subsidiaries shall be entitled to participate in the Scheme ("**Scheme Entitled Persons**"). Save for the Scheme Entitled Persons, Directors and employees of the Company's parent company and its Subsidiaries are not entitled to participate in the Scheme.

There will be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented by any other companies within the Group.

### 5. MAXIMUM ENTITLEMENT

Subject to Rule 4 and Rule 10, the aggregate number of Shares in respect of which Options may be offered to a Grantee for acquisition in accordance with the Scheme shall be determined at the discretion of the Committee who shall take into account criteria such as rank, past performance, years of service and potential development of the Grantee.

### 6. LIMITATION ON SIZE OF THE SCHEME

The aggregate number of Shares over which the Committee may grant Options on any date, when added to the number of Shares issued and issuable or transferred and to be transferred in respect of all Options granted under the Scheme and the number of Shares issued and issuable or transferred and to be transferred in respect of all options or awards granted under any other share option schemes or share schemes of the Company, shall not exceed 15.0% of the total number of issued Shares (excluding Shares held by the Company as treasury shares) on the day immediately preceding the Offer Date of the Option.

### 7. OFFER DATE

- 7.1 The Committee may, save as provided in Rule 4, Rule 5 and Rule 6, offer to grant Options to such Grantees as it may select in its absolute discretion at any time during the period when the Scheme is in force, except that no Options shall be granted during the period of thirty (30) days immediately preceding the date of announcement of the Company's interim and/or final results (whichever the case may be). In addition, in the event that an announcement on any matter of an exceptional nature involving unpublished price sensitive information is imminent, offers to grant Options may only be made on or after the third Market Day on which such announcement is released.

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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7.2 An offer to grant the Option to a Grantee shall be made by way of a letter (the “**Letter of Offer**”) in the form or substantially in the form set out in Annex 1, subject to such amendments as the Committee may determine from time to time.

### 8. ACCEPTANCE OF OFFER

8.1 An Option offered to a Grantee pursuant to Rule 7 may only be accepted by the Grantee within thirty (30) days after the relevant Offer Date and not later than 5.00 p.m. on the thirtieth (30th) day from such Offer Date (a) by completing, signing and returning to the Company the Acceptance Form in or substantially in the form set out in Annex 2, subject to such modification as the Committee may from time to time determine, accompanied by payment of S\$1.00 as consideration or such other amount and such other documentation as the Committee may require and (b) if, at the date on which the Company receives from the Grantee the Acceptance Form in respect of the Option as aforesaid, he remains eligible to participate in the Scheme in accordance with these Rules.

8.2 If a grant of an Option is not accepted strictly in the manner as provided in this Rule 8, such offer shall, upon the expiry of the thirty (30) day period, automatically lapse and shall forthwith be deemed to be null and void and be of no effect.

8.3 The Company shall be entitled to reject any purported acceptance of a grant of an Option made pursuant to this Rule 8 or Exercise Notice (as defined in Rule 12) given pursuant to Rule 12 which does not strictly comply with the terms of the Scheme.

8.4 Options are personal to the Grantees to whom they are granted and shall not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever without the Committee’s prior written approval, but may be exercised by the Grantee’s duly appointed personal representative as provided in Rule 11.6 in the event of the death of such Grantee.

8.5 The Grantee may accept or refuse the whole or part of the offer. If only part of the offer is accepted, the Grantee shall accept the offer in multiples of 100 Shares. The Committee shall, within fifteen (15) Market Days of receipt of the Acceptance Form and consideration, acknowledge receipt of the same.

8.6 In the event that a grant of an Option results in a contravention of any applicable law or regulation, such grant shall be null and void and be of no effect and the relevant Participant shall have no claim whatsoever against the Company.

8.7 Unless the Committee determines otherwise, an Option shall automatically lapse and become null, void and of no effect and shall not be capable of acceptance if:

- (a) it is not accepted in the manner as provided in Rule 8.1 within the thirty (30) day period; or
- (b) the Participant dies prior to his acceptance of the Option; or
- (c) the Participant is adjudicated a bankrupt or enters into composition with his creditors prior to his acceptance of the Option; or

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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- (d) the Grantee, being a Group Employee, ceases to be in the employment of the Group or, being a Non-Executive Director, ceases to be a director of the Company, in each case, for any reason whatsoever prior to his acceptance of the Option; or
- (e) the Company is liquidated or wound-up prior to the Grantee's acceptance of the Option.

### 9. EXERCISE PRICE

9.1 Subject to any adjustment pursuant to Rule 10, the Exercise Price for each Share in respect of which an Option is exercisable shall be determined by the Committee at its absolute discretion, and shall be fixed by the Committee at:

- (a) the Market Price; or
- (b) a price which is set at a discount to the Market Price, provided that:
  - (i) the maximum discount which may be given in respect of any Option shall not exceed 20.0% of the Market Price in respect of that Option (or such other percentage or amount as may be determined by the Committee and permitted by the SGX-ST); and
  - (ii) the Shareholders in general meeting shall have authorised, in a separate resolution, the making of offers and grants of Options under the ESOS at a discount not exceeding the maximum discount aforesaid.

9.2 In making any determination under Rule 9.1(b) on whether to give a discount and the quantum of such discount, the Committee shall be at liberty to take into consideration such criteria as the Committee may, at its absolute discretion, deem appropriate, including but not limited to:

- (a) the performance of the Company, its Subsidiaries and Associated Companies, as the case may be, taking into account financial parameters such as net profit after tax, return on equity and earnings growth;
- (b) the years of service and individual performance of the eligible Group Employee or Non-Executive Director;
- (c) the contribution of the eligible Group Employee or Non-Executive Director to the success and development of the Company and/or the Group; and
- (d) the prevailing market conditions.

9.3 In the event that the Company is no longer listed on the Main Board of the SGX-ST or any other relevant stock exchange or trading in the Shares on the Main Board of the SGX-ST or such stock exchange is suspended for any reason for fourteen (14) days or more, the Exercise Price for each Share in respect of which an Option is exercisable shall be the fair market value of each such Share as determined by the Committee in good faith.

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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### 10. ALTERATION OF CAPITAL

- 10.1 If a variation in the issued share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue or reduction, subdivision, consolidation or distribution, or otherwise howsoever) should take place, then:
- (a) the Exercise Price in respect of the Shares comprised in the Option to the extent unexercised; and/or
  - (b) the class and/or number of Shares comprised in the Option to the extent unexercised and the rights attached thereto; and/or
  - (c) the maximum entitlement in any one (1) Financial Year; and/or
  - (d) the class and/or number of Shares in respect of which additional Options may be granted to Participants,

may, at the option of the Committee, be adjusted in such manner as the Committee may determine to be appropriate including retrospective adjustments where such variation occurs after the date of exercise of an Option but the Record Date relating to such variation precedes such date of exercise and, except in relation to a capitalisation issue, upon the written confirmation of the Auditors (acting only as experts and not as arbitrators), that in their opinion, such adjustment is fair and reasonable.

- 10.2 Notwithstanding the provisions of Rule 10.1 above, no such adjustment shall be made (a) if as a result, the Participant receives a benefit that a Shareholder does not receive; and (b) unless the Committee after considering all relevant circumstances considers it equitable to do so.
- 10.3 The issue of securities as consideration for an acquisition of any assets by the Company or a private placement of securities or the cancellation of issued Shares purchased or acquired by the Company by way of a market purchase of such Shares, in accordance with the Listing Manual, undertaken by the Company on the SGX-ST during the period when a share repurchase mandate granted by the Shareholders (including any renewal of such mandate) is in force, will not be regarded as a circumstance requiring adjustment under the provisions of this Rule 10.
- 10.4 The restriction on the number of Shares to be offered to any Grantee under Rule 5 above, shall not apply to the number of additional Shares or Options over additional Shares issued or transferred by virtue of any adjustment to the number of Shares and/or Options pursuant to this Rule 10.
- 10.5 Upon any adjustment required to be made, the Company shall notify each Participant (or his duly appointed personal representative(s)) in writing and deliver to him (or, where applicable, his duly appointed personal representative(s)) a statement setting forth the new Exercise Price thereafter in effect and the class and/or number of Shares thereafter comprised in the Option so far as unexercised and the maximum entitlement in any one (1) Financial Year.



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## APPENDIX F – RULES OF THE PROCURRI ESOS

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### 11. OPTION PERIOD

- 11.1 Options granted with the Exercise Price set at Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the first anniversary of the Offer Date of that Option, provided always that the Options (other than Options granted to Non-Executive Directors and/or Associated Company Employees) shall be exercised before the tenth anniversary of the relevant Offer Date and Options granted to Non-Executive Directors and/or Associated Company Employees shall be exercised before the fifth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.2 Options granted with the Exercise Price set at a discount to Market Price shall only be exercisable, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), at any time, by a Participant after the second anniversary from the Offer Date of that Option, provided always that the Options (other than Options granted to Non-Executive Directors and/or Associated Company Employees) shall be exercised before the tenth anniversary of the relevant Offer Date and Options granted to Non-Executive Directors and/or Associated Company Employees shall be exercised before the fifth anniversary of the relevant Offer Date, or such earlier date as may be determined by the Committee, failing which all unexercised Options shall immediately lapse and become null and void and a Participant shall have no claim against the Company.
- 11.3 An Option shall, to the extent unexercised, immediately lapse and become null and void and a Participant shall have no claim against the Company:
- (a) subject to Rules 11.4, 11.5 and 11.6, upon the Participant ceasing to be in the employment of the Company or any of the companies within the Group for any reason whatsoever; or
  - (b) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Option; or
  - (c) in the event of misconduct on the part of the Participant, as determined by the Committee in its absolute discretion.

For the purpose of Rule 11.3(a), a Participant shall be deemed to have ceased to be so employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

- 11.4 If a Participant ceases to be employed by the Group by reason of his:
- (a) ill health, injury or disability, in each case, as certified by a medical practitioner approved by the Committee;
  - (b) redundancy;
  - (c) retirement at or after a normal retirement age; or

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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(d) retirement before that age with the consent of the Committee,

or for any other reason approved in writing by the Committee, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.5 If a Participant ceases to be employed by a Subsidiary:

(a) by reason of the Subsidiary, by which he is principally employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such Subsidiary, being transferred otherwise than to another company within the Group; or

(b) for any other reason, provided the Committee gives its consent in writing,

he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.6 If a Participant dies and at the date of his death holds any unexercised Option, such Option may, at the absolute discretion of the Committee, be exercised by the duly appointed legal personal representatives of the Participant within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

11.7 If a Participant, who is also an Executive Director or a Non-Executive Director (as the case may be), ceases to be such a director for any reason whatsoever, he may, at the absolute discretion of the Committee, exercise any unexercised Option within the relevant Option Period and upon the expiry of such period, the Option shall immediately lapse and become null and void.

### 12. EXERCISE OF OPTIONS, ALLOTMENT OR TRANSFER AND LISTING OF SHARES

12.1 An Option may be exercised, in whole or in part (provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof), by a Participant giving notice in writing to the Company in or substantially in the form set out in Annex 3 (the “**Exercise Notice**”), subject to such amendments as the Committee may from time to time determine. Every Exercise Notice must be accompanied by a remittance for the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option, the relevant CDP charges (if any) and any other documentation the Committee may require. All payments shall be made by cheque, cashier’s order, bank draft or postal order made out in favour of the Company. An Option shall be deemed to be exercised upon the receipt by the Company of the said notice duly completed and the receipt by the Company of the full amount of the aggregate Exercise Price in respect of the Shares which have been exercised under the Option.

12.2 Subject to:

(a) such consents or other actions required by any competent authority under any regulations or enactments for the time being in force as may be necessary (including any approvals required from the SGX-ST); and

(b) compliance with the Rules of the Scheme and the Constitution of the Company,

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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the Company shall, as soon as practicable after the exercise of an Option by a Participant but in any event within ten (10) Market Days after the date of the exercise of the Option in accordance with Rule 12.1, allot the Shares or, as the case may be, procure the transfer of existing Shares (which may include, where desired, any Shares held by the Company as treasury shares), in respect of which such Option has been exercised by the Participant and where required, or as the case may be, within ten (10) Market Days from the date of such allotment, despatch the relevant share certificates to CDP for the credit of the securities account of that Participant by ordinary post or such other mode of delivery as the Committee may deem fit.

- 12.3 The Company shall as soon as practicable after the exercise of an Option, apply to the SGX-ST or any other stock exchange on which the Shares are quoted or listed for permission to deal in and for quotation of the Shares which may be issued upon exercise of the Option and the Shares (if any) which may be issued to the Participant pursuant to any adjustments made in accordance with Rule 10.
- 12.4 Shares which are all allotted or transferred on the exercise of an Option by a Participant shall be issued, as the Participant may elect, in the name of, or transferred to, CDP to the credit of the securities account of the Participant maintained with CDP or the Participant's securities sub-account with a Depository Agent.
- 12.5 Shares allotted and issued, and existing Shares procured by the Company for transfer, upon the exercise of an Option shall be subject to all provisions of the Constitution of the Company and shall rank *pari passu* in all respects with the then existing issued Shares except for any dividends, rights, allotments or other distributions, the Record Date for which is prior to the date such Option is exercised.
- 12.6 Except as set out in Rule 12 and subject to Rule 10, an Option does not confer on a Participant any right to participate in any new issue of Shares.

### 13. ALTERATIONS AND AMENDMENTS TO THE SCHEME

- 13.1 Any or all of the provisions of the Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee except that:
- (a) any modification or alteration which shall alter adversely the rights attaching to any Option granted prior to such modification or alteration and which in the opinion of the Committee, materially alters the rights attaching to any Option granted prior to such modification or alteration, may only be made with the consent in writing of such number of Participants who, if they exercised their Options in full, would thereby become entitled to not less than three-quarters (3/4) in number of all the Shares which would fall to be issued and allotted or transferred upon exercise in full of all outstanding Options;
  - (b) any modification or alteration which would be to the advantage of Participants under the Scheme shall be subject to the prior approval of Shareholders at a general meeting; and
  - (c) no modification or alteration shall be made without due compliance with the Listing Manual, the prior approval of the SGX-ST or (if required) any other stock exchange on which the Shares are quoted or listed, and such other regulatory authorities as may be necessary.

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## **APPENDIX F – RULES OF THE PROCURRI ESOS**

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For the purposes of Rule 13.1(a), the opinion of the Committee as to whether any modification or alteration would alter adversely the rights attaching to any Option shall be final and conclusive.

- 13.2 Notwithstanding anything to the contrary contained in Rule 13.1, the Committee may at any time by resolution (and without any other formality save for the prior approval of the SGX-ST) amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the provisions or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).
- 13.3 Written notice of any modification or alteration made in accordance with this Rule shall be given to all Participants.

### **14. DURATION OF THE SCHEME**

- 14.1 The Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years, commencing on the date on which the Scheme is adopted by Shareholders in the EGM. Subject to compliance with any applicable laws and regulations in Singapore, the Scheme may be continued beyond the above stipulated period with the approval of the Shareholders by ordinary resolution at a general meeting and of any relevant authorities which may then be required.
- 14.2 The Scheme may be terminated at any time by the Committee or by resolution of the Shareholders at a general meeting subject to all other relevant approvals which may be required and if the Scheme is so terminated, no further Options shall be offered by the Company hereunder.
- 14.3 The termination, discontinuance or expiry of the Scheme shall be without prejudice to the rights accrued to Options which have been granted and accepted as provided in Rule 8, whether such Options have been exercised (whether fully or partially) or not.

### **15. TAKE-OVER AND WINDING-UP OF THE COMPANY**

- 15.1 In the event of a take-over offer being made for the Company, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and 11.2) holding Options as yet unexercised shall, notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise such Options in full or in part in the period commencing on the date on which such offer is made or, if such offer is conditional, the date on which the offer becomes or is declared unconditional, as the case may be, and ending on the earlier of:
- (a) the expiry of six (6) months thereafter, unless prior to the expiry of such six (6) month period, at the recommendation of the offeror and with the approvals of the Committee and the SGX-ST, such expiry date is extended to a later date (being a date falling not later than the date of expiry of the Option Period relating thereto); or
  - (b) the date of the expiry of the Option Period relating thereto,

whereupon any Option then remaining unexercised shall immediately lapse and become null and void, provided always that if during such period the offeror becomes entitled or bound to exercise the rights of compulsory acquisition of the Shares under the provisions of the Act and, being entitled to do so, gives notice to the Participants that it intends to

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## **APPENDIX F – RULES OF THE PROCURRI ESOS**

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exercise such rights on a specified date, the Option shall remain exercisable by the Participants until such specified date or the expiry of the Option Period relating thereto, whichever is earlier. Any Option not so exercised by the said specified date shall lapse and become null and void provided that the rights of acquisition or obligation to acquire stated in the notice shall have been exercised or performed, as the case may be. If such rights of acquisition or obligations have not been exercised or performed, all Options shall, subject to Rule 11, remain exercisable until the expiry of the Option Period.

- 15.2 If, under the Act, the court sanctions a compromise or arrangement proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall notwithstanding Rule 11 and Rule 12 but subject to Rule 15.5, be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the court and ending either on the expiry of sixty (60) days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (but not after the expiry of the Option Period relating thereto), whereupon any unexercised Option shall lapse and become null and void, provided always that the date of exercise of any Option (other than an Option granted to a Non-Executive Director or an Associated Company Employee) shall be before the tenth anniversary of the Offer Date.
- 15.3 If an order or an effective resolution is passed for the winding-up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.
- 15.4 In the event of a members' solvent voluntary winding-up (other than for amalgamation or reconstruction), Participants (including Participants holding Options which are then not exercisable pursuant to the provisions of Rule 11.1 and Rule 11.2) shall, subject to Rule 15.5, be entitled within thirty (30) days of the passing of the resolution of such winding-up (but not after the expiry of the Option Period relating thereto) to exercise in full any unexercised Option, after which such unexercised Option shall lapse and become null and void.
- 15.5 If in connection with the making of a general offer referred to in Rule 15.1 above or the scheme referred to in Rule 15.2 above or the winding-up referred to in Rule 15.4 above, arrangements are made (which are confirmed in writing by the Auditors, acting only as experts and not as arbitrators, to be fair and reasonable) for the compensation of Participants, whether by the continuation of their Options or the payment of cash or the grant of other options or otherwise, a Participant holding an Option, which is not then exercisable, may not, at the discretion of the Committee, be permitted to exercise that Option as provided for in this Rule 15.
- 15.6 To the extent that an Option is not exercised within the periods referred to in this Rule 15, it shall lapse and become null and void.

### **16. ADMINISTRATION OF THE SCHEME**

- 16.1 The Scheme shall be administered by the Committee in its absolute discretion with such powers and duties as are conferred on it by the Board.

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## **APPENDIX F – RULES OF THE PROCURRI ESOS**

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- 16.2 The Committee shall have the power, from time to time, to make or vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it thinks fit.
- 16.3 Any decision of the Committee, made pursuant to any provision of the Scheme (other than a matter to be certified by the Auditors), shall be final and binding (including any decisions pertaining to disputes as to the interpretation of the Scheme or any rule, regulation, or procedure thereunder or as to any rights under the Scheme).
- 16.4 A Director who is a member of the Committee shall not be involved in its deliberation in respect of Options to be granted to him.
- 16.5 As a safeguard against abuse, pursuant to the Listing Manual, a Participant who is a member of the Committee shall not be involved in its deliberation in respect of Options (if any) to be granted to him. Further, where Options are proposed to be granted to or held by Group Executive Directors, all members of the Board (and not just members of the Committee) who are not Group Executive Directors will be involved in deliberation on the same.

### **17. NOTICES**

- 17.1 Any notice required to be given by a Participant to the Company shall be sent or made to the registered office of the Company or such other addresses (including electronic mail addresses) or facsimile number, and marked for the attention of the Committee, as may be notified by the Company to him in writing.
- 17.2 Any notices or documents required to be given to a Participant or any correspondence to be made between the Company and the Participant shall be given or made by the Committee (or such person(s) as it may from time to time direct) on behalf of the Company and shall be delivered to him by hand or sent to him at his home address, electronic mail address or facsimile number according to the records of the Company or the last known address, electronic mail address or facsimile number of the Participant.
- 17.3 Any notice or other communication from a Participant to the Company shall be irrevocable, and shall not be effective until received by the Company. Any other notice or communication from the Company to a Participant shall be deemed to be received by that Participant, when left at the address specified in Rule 17.2 or, if sent by post, on the day following the date of posting or, if sent by electronic mail or facsimile transmission, on the day of despatch.

### **18. TERMS OF EMPLOYMENT UNAFFECTED**

- 18.1 The Scheme or any Option shall not form part of any contract of employment between the Company, any Subsidiary or Associated Company (as the case may be) and any Participant and the rights and obligations of any individual under the terms of the office or employment with such company within the Group shall not be affected by his participation in the Scheme or any right which he may have to participate in it or any Option which he may hold and the Scheme or any Option shall afford such an individual no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason whatsoever.

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## **APPENDIX F – RULES OF THE PROCURRI ESOS**

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18.2 The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company, any Subsidiary and/or Associated Company directly or indirectly or give rise to any cause of action at law or in equity against the Company, any Subsidiary or Associated Company.

### **19. TAXES**

All taxes (including income tax) arising from the exercise of any Option granted to any Participant under the Scheme shall be borne by the Participant.

### **20. COSTS AND EXPENSES OF THE SCHEME**

20.1 Each Participant shall be responsible for all fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares pursuant to the exercise of any Option in CDP's name, the deposit of share certificate(s) with CDP, the Participant's security account with CDP or the Participant's securities sub-account with his Depository Agent and all taxes referred to in Rule 19 which shall be payable by the relevant Participant.

20.2 Save for such costs and expenses expressly provided in the Scheme to be payable by the Participants, all fees, costs, and expenses incurred by the Company in relation to the Scheme including but not limited to the fees, costs and expenses relating to the issue and allotment or transfer of the Shares pursuant to the exercise of any Option shall be borne by the Company.

### **21. DISCLAIMER OF LIABILITY**

Notwithstanding any provisions herein contained and subject to the Act, the Board, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in respect of any matter under or in connection with the Scheme including but not limited to the Company's delay or failure in issuing and allotting, or procuring the transfer of, the Shares or in applying for or procuring the listing of and quotation for the Shares on the SGX-ST or any other stock exchanges on which the Shares are quoted or listed.

### **22. DISCLOSURE IN ANNUAL REPORT**

The Company shall make the following disclosure in its annual report:

- (a) the names of the members of the Committee administering the Scheme;
- (b) the information required in the table below for the following Participants of the Scheme (which for the avoidance of doubt, shall include Participants who have exercised all their Options in any particular Financial Year):
  - (i) Participants who are Directors of the Company;
  - (ii) Participants who are controlling shareholders of the Company and their associates; and
  - (iii) Participants (other than those in paragraphs (i) and (ii) above) who receive 5.0% or more of the total number of Options available under the Scheme;

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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Name of Participant	Options Granted during Financial Year under Review (including terms)	Aggregate Options Granted since Commencement of the Scheme to End of Financial Year under Review	Aggregate Options Exercised since Commencement of the Scheme to End of Financial Year under Review	Aggregate Options Outstanding as at End of Financial Year under Review
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(c) the number and proportion of Options granted at the following discounts to the Market Price in the financial year under review:

- (i) options granted at up to 10.0% discount; and
- (ii) options granted at between 10.0% but not more than 20.0% discount,

provided that if any of the above requirements in this Rule 22 is not applicable, an appropriate negative statement should be included therein.

### 23. ABSTENTION FROM VOTING

Shareholders who are eligible to participate in the Procurri ESOS must abstain from voting on any resolution relating to the ESOS, including resolutions pertaining to (a) the implementation of the Procurri ESOS; and (b) discount quantum of the Procurri ESOS.

### 24. DISPUTES

Any disputes or differences of any nature in connection with the Scheme shall be referred to the Committee and its decision shall be final and binding in all respects.

### 25. CONDITION OF OPTION

Every Option shall be subject to the condition that no Shares shall be issued or transferred pursuant to the exercise of an Option if such issue or transfer would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country.

### 26. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of the Republic of Singapore. The Company and the Participants, by accepting the offer of the grant of Options in accordance with the Scheme, shall submit to the exclusive jurisdiction of the courts of the Republic of Singapore.



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## APPENDIX F – RULES OF THE PROCURRI ESOS

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ANNEX 1

### PROCURRI EMPLOYEE SHARE OPTION SCHEME

#### LETTER OF OFFER

Serial No: \_\_\_\_\_

#### PRIVATE AND CONFIDENTIAL

Date:

To: [Name]  
[Designation]  
[Address]

Dear Sir/Madam

We are pleased to inform you that you have been nominated by the Remuneration Committee of the Board of Directors of Procurri Corporation Limited (the “**Company**”) to participate in the Procurri Employee Share Option Scheme (the “**Scheme**”). Terms as defined in the Scheme shall have the same meaning when used in this letter.

Accordingly, an offer is hereby made to grant you an Option, in consideration of the payment of a sum of S\$1.00, to acquire \_\_\_\_\_ ordinary shares in the capital of the Company at the price of S\$ \_\_\_\_\_ per ordinary share. The Option shall be subject to the terms of this Letter of Offer and the Scheme (as the same may be amended from time to time pursuant to the terms and conditions of the Scheme), a copy of which is enclosed herewith.

The Option is personal to you and may not be sold, mortgaged, transferred, charged, assigned, pledged or otherwise disposed of or encumbered in whole or in part or in any way whatsoever.

If you wish to accept the offer, please sign and return the enclosed Acceptance Form with a sum of S\$1.00 not later than \_\_\_\_\_ a.m./p.m. on the \_\_\_\_\_ day of \_\_\_\_\_ failing which this offer will forthwith lapse.

Yours faithfully  
For and on behalf of  
Procurri Corporation Limited

\_\_\_\_\_  
Name:  
Designation:

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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ANNEX 2

### PROCURRI EMPLOYEE SHARE OPTION SCHEME

#### ACCEPTANCE FORM

Serial No: \_\_\_\_\_

To: The Remuneration Committee  
Procurri ESOS  
c/o The Company Secretary  
Procurri Corporation Limited  
[Address]

Closing Time and Date for Acceptance of Option : \_\_\_\_\_  
No. of Shares in respect of which Option is offered : \_\_\_\_\_  
Exercise Price per Share : S\$ \_\_\_\_\_  
Total Amount Payable on Acceptance of Option  
(exclusive of the relevant CDP charges) : S\$ \_\_\_\_\_

I have read your Letter of Offer dated \_\_\_\_\_ (the “**Offer Date**”) and agree to be bound by the terms thereof and of the Procurri Employee Share Option Scheme stated therein. I confirm that my acceptance of the Option will not result in the contravention of any applicable law or regulation in relation to the ownership of shares in the Company or options to acquire such shares.

I hereby accept the Option to acquire \_\_\_\_\_ ordinary shares in the capital of Procurri Corporation Limited (the “**Shares**”) at S\$ \_\_\_\_\_ per Share and enclose cash/banker’s draft/cashier’s order/postal order no. \_\_\_\_\_ for S\$1.00 being payment for the purchase of the Option.

I understand that I am not obliged to exercise the Option.

I also understand that I shall be responsible for all the fees of CDP relating to or in connection with the issue and allotment or transfer of any Shares in CDP’s name, the deposit of share certificates with CDP, my securities account with CDP or my securities sub-account with a Depository Agent (as the case may be) (collectively, the “**CDP charges**”).

I confirm that as at the date hereof:

- (a) I am not less than twenty-one (21) years old nor an undischarged bankrupt, nor have I entered into a composition with any of my creditors;
- (b) I satisfy the eligibility requirements to participate in the Scheme as defined in Rule 4 of the Scheme; and
- (c) I satisfy the other requirements to participate in the Scheme as set out in the Rules of the Scheme.

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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I hereby acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to accept the offer and that the terms of the Letter of Offer and this Acceptance Form constitute the entire agreement between us relating to the offer.

I agree to keep all information pertaining to the grant of the Option to me confidential.

**PLEASE PRINT IN BLOCK LETTERS**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

\* Delete as appropriate

**Notes:**

- (1) Option must be accepted in full or in multiples of 100 Shares.
- (2) The Acceptance Form must be forwarded to the Company Secretary in an envelope marked "Private and Confidential".
- (3) The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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ANNEX 3

### PROCURRI EMPLOYEE SHARE OPTION SCHEME

#### EXERCISE NOTICE

To: The Remuneration Committee  
Procurri ESOS  
c/o The Company Secretary  
Procurri Corporation Limited  
[Address]

Total Number of ordinary shares (the “**Share**”) at  
S\$ \_\_\_\_\_ per Share under an Option  
granted on \_\_\_\_\_ (the “**Offer Date**”) : \_\_\_\_\_

Number of Shares previously allotted and issued  
or transferred thereunder : \_\_\_\_\_

Outstanding balance of Shares which may be  
allotted and issued or transferred thereunder : \_\_\_\_\_

Number of Shares now to be acquired (in  
multiples of 100) : \_\_\_\_\_

1. Pursuant to your Letter of Offer dated \_\_\_\_\_ (the “**Offer Date**”) and my acceptance thereof, I hereby exercise the Option to acquire Shares in Procurri Corporation Limited (the “**Company**”) at S\$ \_\_\_\_\_ per Share.

2. I hereby request the Company to allot and issue or transfer to me the number of Shares specified in paragraph 1 in the name of The Central Depository (Pte) Limited (“**CDP**”) to the credit of my Securities Account with the CDP/Securities Sub-Account with a Depository Agent specified below and to deliver the share certificates relating thereto to CDP at my own risk. I further agree to bear such fees or other charges as may be imposed by CDP (the “**CDP charges**”) and any stamp duties in respect thereof:

\*(a) Direct Securities Account Number : \_\_\_\_\_

\*(b) Securities Sub-Account Number : \_\_\_\_\_

Name of Depository Agent : \_\_\_\_\_

3. I enclose a cheque/cashier’s order/bank draft/postal order no. \_\_\_\_\_ for S\$ \_\_\_\_\_ in payment for the Exercise Price of S\$ \_\_\_\_\_ for the total number of the said Shares and the CDP charges of S\$ \_\_\_\_\_.

4. I agree to acquire the Shares subject to the terms of the Letter of Offer, the Procurri ESOS (as the same may be amended pursuant to the terms thereof from time to time) and the Constitution of the Company.

5. I declare that I am acquiring the Shares for myself and not as a nominee for any other person.

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## APPENDIX F – RULES OF THE PROCURRI ESOS

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**PLEASE PRINT IN BLOCK LETTERS**

Name in full : \_\_\_\_\_

Designation : \_\_\_\_\_

Address : \_\_\_\_\_

Nationality : \_\_\_\_\_

\*NRIC/Passport No. : \_\_\_\_\_

Signature : \_\_\_\_\_

Date : \_\_\_\_\_

\* Delete as appropriate

**Notes:**

- (1) An Option may be exercised in whole or in part provided that an Option may be exercised in part only in respect of 100 Shares or any multiple thereof.
- (2) The form entitled "*Exercise Notice*" must be forwarded to the Company Secretary in an envelope marked "*Private and Confidential*".

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## APPENDIX G – INFORMATION ON THE SHARE BUY-BACK MANDATE

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### RATIONALE FOR THE SHARE BUY-BACK MANDATE

Our Directors constantly seek to increase Shareholders' value and to improve, amongst other things, the return on equity of our Group. The Share Buy-back Mandate would give us the flexibility to undertake buy-backs of our Shares at any time, subject to market conditions, during the period when the Share Buy-back Mandate is in force. A purchase or acquisition by us of our Shares pursuant to the Share Buy-back Mandate ("**Share Buy-back**") at the appropriate price level is one (1) of the ways through which the return on equity of our Group may be enhanced. Further, amongst others, a Share Buy-back provides us with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. Our Directors also expect that a Share Buy-back may also help mitigate against short term volatility of share price, offset the effects of short term speculation and bolster Shareholders' confidence. A Share Buy-back will also allow our Directors greater control over our share capital structure, dividend payout and cash reserves.

The buy-back of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of our EPS and/or NTA per Share of the Group, and will only be made when our Directors believe that such buy-back would benefit our Shareholders and us.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-back Mandate via market purchases or off-market purchases will only be made when our Directors believe that such purchases or acquisitions would be made in circumstances which would not have a material adverse effect on our financial position.

### MANDATE

Any purchase or acquisition of Shares by us would have to be made in accordance with and in the manner prescribed by, the Companies Act and the rules of the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders and to do so at a general meeting. As set out in the section entitled "*Share Capital*" of this Prospectus, Shareholders' approval has been obtained for the Share Buy-back Mandate and for our purchase or acquisition of our issued Shares. The Share Buy-back Mandate will take effect from the date of its approval and continue in force until the date of the next AGM of our Company or such date as the next AGM is required by law or by our Constitution to be held, unless prior thereto, Share Buy-backs are carried out to the full extent mandated or we revoke or vary the Share Buy-back Mandate in a general meeting.

### TERMS OF THE SHARE BUY-BACK MANDATE

The authority for and limitations placed on our purchases or acquisitions of Shares under the Share Buy-back Mandate are summarised below:

#### (a) Maximum Number of Shares

We may only purchase or acquire Shares which are issued and fully paid-up.

The total number of Shares that may be purchased or acquired is limited to that number of Shares representing not more than 10.0% of our issued share capital (excluding treasury shares), ascertained as at the date of the passing of the Shareholders' resolution to approve the Share Buy-back Mandate (the "**Approval Date**"), unless a reduction of our share capital

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## APPENDIX G – INFORMATION ON THE SHARE BUY-BACK MANDATE

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has been effected in accordance with the applicable provisions of the Companies Act, at any time during the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or required by law to be held, whichever is earlier, after the Approval Date, in which event the total number of our Shares shall be taken to be the total number of our Shares as altered. For purposes of calculating the percentage of issued Shares above, any of our Shares which are held as treasury shares will be disregarded.

Based on our existing issued and paid-up share capital of 211,120,000 (assuming subdivision of every one (1) share into 6,500 Shares had occurred) Shares as at the Approval Date, we may not purchase or acquire more than 21,112,000 Shares (such number of Shares representing 10.0% of our issued share capital (excluding treasury shares) as at that date) pursuant to the Share Buy-back Mandate.

### (b) Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, from the Approval Date up to the earlier of:

- (i) the date on which our next AGM is held or required by law or our Constitution to be held;
- (ii) the date on which the authority contained in the Share Buy-back Mandate is varied or revoked by our Shareholders in a general meeting; or
- (iii) the date on which the Share Buy-back is carried out to the full extent mandated.

The Share Buy-back Mandate may be renewed at each of our AGM or other general meeting.

### (c) Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares may be made by way of, amongst others:

- (i) on-market purchases (“**Market Purchase**”), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which our Shares may for the time being be listed and quoted, through one (1) or more duly licensed stockbrokers appointed by us for the purpose; and/or
- (ii) off-market purchases (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by our Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Listing Manual.

Our Directors may impose such terms and conditions, which are consistent with the Share Buy-back Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of our Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) offers for the purchase of issued Shares shall be made to every person who holds issued Shares to purchase the same percentage of their issued Shares;



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## APPENDIX G – INFORMATION ON THE SHARE BUY-BACK MANDATE

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- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of the offers are the same, except that there shall be disregarded:
  - (A) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
  - (B) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
  - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase in accordance with an equal access scheme, we must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Buy-back;
- (iv) the consequences, if any, of our Share Buy-backs that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the Share Buy-back, if made, would have any effect on the listing of our Shares on the SGX-ST;
- (vi) details of any Share Buy-backs (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme) made by us in the previous twelve (12) months, giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Buy-backs, where relevant, and the total consideration paid for the Share; and
- (vii) whether the Shares purchased will be cancelled or kept as treasury shares.

### **(d) Maximum Purchase Price**

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by our Directors.

However, the purchase price to be paid for a Share as determined by our Directors must not exceed:

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Average Closing Price (as defined hereinafter),

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## APPENDIX G – INFORMATION ON THE SHARE BUY-BACK MANDATE

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(the “**Maximum Price**”) in either case, excluding related expenses of the purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of our Shares over the last five (5) Market Days on the SGX-ST, on which transactions in our Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five (5) Market Day period;

“**day of the making of the offer**” means the day on which we announce our intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

### STATUS OF PURCHASED OR ACQUIRED SHARES UNDER THE SHARE BUY-BACK MANDATE

A Share purchased or acquired by us is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to such Share will expire on such cancellation) unless such Share is held by us as a treasury share in accordance with the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by us and which are not held as treasury shares.

### TREASURY SHARES

Under the Companies Act, Shares purchased or acquired by us may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

#### (a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10.0% of the total number of issued Shares.

#### (b) Voting and Other Rights

We cannot exercise any right in respect of treasury shares. In particular, we cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, we shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of our assets may be made (whether in cash or otherwise), to us in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

#### (c) Disposal and Cancellation

Where Shares are held as treasury shares, we may at any time:

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## APPENDIX G – INFORMATION ON THE SHARE BUY-BACK MANDATE

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- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to any share scheme whether for employees, directors or other persons;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

### SOURCE OF FUNDS FOR SHARE BUY-BACK

In buying back Shares, we may only apply funds legally available for such purchase in accordance with our Constitution, and the applicable laws in Singapore. We may not buy Shares on the Official List of the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST. Our Share Buy-backs may be made out of our profits or capital so long as we are solvent.

When Shares are purchased or acquired, and cancelled:

- (a) if our Shares are purchased or acquired entirely out of our capital, we shall reduce the amount of our share capital by the total amount of the purchase price we paid for such Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the “**Purchase Price**”);
- (b) if our Shares are purchased or acquired entirely out of our profits, we shall reduce the amount of our profits available for the distribution of cash dividends by the total amount of the Purchase Price; or
- (c) where our Shares are purchased or acquired out of both our capital and profits, we shall reduce the amount of our share capital and profits available for the distribution of cash dividends proportionately by the total amount of the Purchase Price.

We may use internal resources and/or external borrowings to fund Share Buy-backs.

Our Directors do not propose to exercise the Share Buy-back Mandate in a manner and to such extent that the liquidity and capital adequacy position of our Group would be materially adversely affected.

### FINANCIAL EFFECTS OF THE SHARE BUY-BACK MANDATE

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2015 and are not necessarily representative of future financial performance of our Group. Although the Share Buy-back Mandate would authorise our Company to buy-back Shares representing not more than 10.0% of our issued share capital as at the Approval Date, our Company may not necessarily buy-back or be able to buy-back such number of Shares representing 10.0% of our issued share capital as at the Approval Date in full.

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## APPENDIX G – INFORMATION ON THE SHARE BUY-BACK MANDATE

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It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buy-back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, the amount (if any) borrowed by our Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether our Shares purchased are held in treasury or cancelled. The purchase price paid by our Company for such Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by our Company. Our Directors do not propose to exercise the Share Buy-back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of our Group. Share Buy-backs will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of our Group, and the prevailing market conditions. The proposed Share Buy-back Mandate will be exercised with a view to enhance the EPS and/or NTA per Share of our Group. The financial effects presented in this section of the Appendix are based on the assumptions set out below:

### (a) Information as at the Approval Date

As at the Approval Date, our issued share capital comprised 211,120,000 Shares (assuming sub-division of every one (1) Share into 6,500 Shares had occurred). There are no treasury shares and no Shares are reserved for issue by us as at the Approval Date.

### (b) Illustrative Financial Effects

Purely for illustrative purposes, on the basis of 211,120,000 Shares (assuming sub-division of every one (1) Share into 6,500 Shares had occurred) in issue as at the Approval Date and no Shares are held by us as treasury shares on or prior to the general meeting approving the Share Buy-back Mandate, our purchase of 10.0% of our issued Shares will result in the purchase of 21,112,000 Shares.

In the case of Market Purchases by us and assuming that we purchase or acquire 211,120,000 Shares at the Maximum Price of S\$0.59 for each Share (being the price equivalent to 105.0% of the Offering Price), the maximum amount of funds required for the purchase or acquisition of 21,112,000 Shares is S\$12,456,080.

In the case of Off-Market Purchases by us and assuming that we purchase or acquire 21,112,000 Shares at the Maximum Price of S\$0.67 for each Share (being the price equivalent to 120.0% of the Offering Price), the maximum amount of funds required for the purchase or acquisition of 21,112,000 Shares is S\$14,145,040.

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:

- (i) the Share Buy-back Mandate had been effective on 1 January 2015;
- (ii) such Share Buy-backs are funded solely by internal resources;
- (iii) we have purchased or acquired 21,112,000 Shares (such number of Shares representing 10.0% of our issued share capital as at the Approval Date); and
- (iv) such purchased or acquired Shares are held as treasury shares,

## APPENDIX G – INFORMATION ON THE SHARE BUY-BACK MANDATE

the financial effects on the audited consolidated financial results of the Group for FY2015, are set out below:

As at 31 December 2015	Group			
	Market Purchase Before Share Purchase S\$'000	After Share Purchase S\$'000	Off-Market Purchase Before Share Purchase S\$'000	After Share Purchase S\$'000
Profit attributable to owners of the Company continuing operations	8,772	8,772	8,772	8,772
Share capital	33,062	33,062	33,062	33,062
Retained earnings	6,141	6,141	6,141	6,141
Other reserves	(13,749)	(13,749)	(13,749)	(13,749)
Treasury shares	–	(12,456)	–	(14,145)
Shareholders' equity	34,226	21,770	34,226	20,081
Non-controlling interests	98	98	98	98
Total equity	34,324	21,868	34,324	20,179
Net assets value (NAV)	34,324	21,868	34,324	20,179
Current assets	54,102	46,577	54,102	44,888
Current liabilities	(41,894)	(41,894)	(41,894)	(41,894)
Working capital	12,208	4,683	12,208	2,994
Total borrowings	(18,516)	(18,516)	(18,516)	(18,516)
Cash and bank balances	4,932	–	4,932	–
Net cash	(13,854)	(18,516)	(13,854)	(18,516)
Number of Shares as at 31 December 2015 (after sub-division of shares) ('000)	211,120	190,008	211,120	190,008
Weighted average number of Shares as at 31 December 2015 (after sub-division of shares) ('000)	202,224	181,112	202,224	181,112
<b>Financial Ratios</b>				
NAV per Share (cents) <sup>(1)</sup>	16.3	11.5	16.3	10.6
Gearing Ratio (times) <sup>(2)</sup>	0.54	0.85	0.54	0.92
Current Ratio (times) <sup>(3)</sup>	1.29	1.11	1.29	1.07
Basic EPS (cents) <sup>(4)</sup>	4.34	4.84	4.34	4.84

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## APPENDIX G – INFORMATION ON THE SHARE BUY-BACK MANDATE

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### Notes:

- (1) Total Equity divided by the number of Shares as at 31 December 2015.
- (2) Total borrowings divided by total equity.
- (3) Current assets divided by current liabilities.
- (4) Profit attributable to owners of the Company divided by the weighted average number of Shares as at 31 December 2015.

The financial effects set out above are for illustrative purposes only. Although the Share Buy-back Mandate would authorise our Company to purchase Shares representing up to 10.0% of our issued share capital as at the Approval Date, our Company may not necessarily buy-back or be able to buy-back such number of Shares representing 10.0% of our issued share capital as at the Approval Date. In addition, our Company may cancel all or part of our Shares repurchased or hold all or part of our Shares repurchased in treasury.

### TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or the tax implications of a share buy-back by us or who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

### LISTING MANUAL

The Listing Manual requires a listed company to ensure that at least 10.0% of any class of its listed securities must be held by public shareholders. Immediately after the Offering, approximately 29.9% of our issued share capital will be held in the hands of the public. “**Public**” means persons other than Directors, the chief executive officer, Substantial Shareholders or Controlling Shareholders of our Company or its subsidiaries, as well as the Associates of such persons. Assuming that we repurchased the maximum of 10.0% of our issued share capital as at the Approval Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 22.3%. Accordingly, our Company is of the view that there is a sufficient number of our Shares in issue held by public shareholders which would permit our Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10.0% limit pursuant to the Share Buy-back Mandate without affecting the listing status of our Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

Our Directors will use their best efforts to ensure that we do not effect Share Buy-backs if the Share Buy-backs would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity, adversely affect the orderly trading of our Shares or adversely affect our listing status.

Under the Listing Manual, a listed company may only purchase or acquire shares by way of a market acquisition at a price which is not more than 5.0% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which purchases or acquisitions are made. The Maximum Price for a Share in relation to Market Purchases by us, referred to in paragraph (d) of the section entitled “*Terms of the Share Buy-back Mandate*” of this Appendix, conforms to this restriction.

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## APPENDIX G – INFORMATION ON THE SHARE BUY-BACK MANDATE

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Additionally, the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer.

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, we will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of our Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Listing Manual, we will not purchase or acquire any Shares through Market Purchases during the period commencing two (2) weeks immediately preceding the announcement of our financial statements for each of the first three-quarters of our FY and during the period commencing one (1) month immediately preceding our annual (full-year) results announcement.

### TAKE-OVER OBLIGATIONS

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by us of our Shares are set out below:

#### (a) Obligation to Make a Take-over Offer

Pursuant to the Take-over Code, an increase of a shareholder’s proportionate interest in our voting rights resulting from a share buy-back by us will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”).

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, amongst other things, he and persons acting in concert with him increase their voting rights in our Company to 30.0% or more or, if they, together holding between 30.0% and 50.0% of our Company’s voting rights, increase their voting rights in our Company by more than 1.0% in any period of six (6) months.

#### (b) Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, amongst others, be presumed to be acting in concert:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies and any person who has provided financial

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## APPENDIX G – INFORMATION ON THE SHARE BUY-BACK MANDATE

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assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company;

- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (v) a financial or other professional adviser, with its customers in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the customer total 10.0% or more of the customer's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act in accordance with his instructions, and companies controlled by any of the above and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which our Shareholders (including our Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of our Shares by us are set out in Appendix 2 of the Take-over Code.

### **(c) Effect of Rule 14 and Appendix 2 of the Take-over Code**

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, directors of a company and persons acting in concert with them will incur an obligation to make a take-over offer for the company under Rule 14 if, as a result of the company purchasing or acquiring its shares, the voting rights of such directors and their concert parties would increase to 30.0% or more, or if the voting rights of such directors and their concert parties fall between 30.0% and 50.0% of the company's voting rights, the voting rights of such directors and their concert parties would increase by more than 1.0% in any period of six (6) months.

Under Appendix 2, a shareholder not acting in concert with the directors of the company will not be required to make a take-over offer under Rule 14 if, as a result of the company purchasing or acquiring its shares, the voting rights of such shareholder of the company would increase to 30.0% or more, or, if such shareholder holds between 30.0% and 50.0% of the company's voting rights, the voting rights of such shareholder would increase by more



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## APPENDIX G – INFORMATION ON THE SHARE BUY-BACK MANDATE

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than 1.0% in any period of six (6) months. Such shareholder need not abstain from voting in respect of the resolution authorising the share purchase mandate unless so required under the Companies Act.

As at the Latest Practicable Date, our Controlling Shareholder, DeClout Limited, together with persons acting in concert with it, comprising Mr. Wong Kok Khun, Mr. Lim Swee Yong and Mr. Ho Chew Thim, who are our Directors, collectively hold 69.0% of our voting rights. Pursuant to Rule 14, they may incur an obligation to make a general offer for our Company in the event that their aggregate voting rights in our Company increase by more than 1.0% in any six (6) month period as a result of Share Buy-backs by us under the Share Buy-back Mandate. In addition, if we cease to buy-back Shares and the increase in the aggregate voting rights held by DeClout Limited and persons acting in concert with it are less than 1.0%, they may acquire further voting rights in our Company. However, any increase in their percentage voting rights in our Company as a result of the Share Buy-back will be taken into account together with any voting rights acquired by them (by whatever means) in determining whether they have increased their voting rights by more than 1.0% in any six (6) month period.

Save as disclosed above, our Directors have confirmed that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholders are, or may be regarded as parties acting in concert such that their respective interests in voting shares in our capital should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of the Share Buy-back Mandate.

**The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by our Company.**

### SHARES PURCHASED BY OUR COMPANY

We have not made any Share Buy-backs in the twelve (12) months preceding the Latest Practicable Date.

### REPORTING REQUIREMENTS UNDER THE COMPANIES ACT

Within thirty (30) days of the passing of a Shareholders' resolution to approve our purchase of Shares, we shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority of Singapore ("ACRA"). Within thirty (30) days of a purchase of Shares on the Official List of SGX-ST or otherwise, we shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, amongst other things, the date of the purchase, the total number of Shares purchased by us, the total number of Shares cancelled, the number of Shares held as treasury shares, our issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration we paid for the purchase, and whether the Shares were purchased out of our profits or capital.

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## APPENDIX H – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE AUDIT COMMITTEE

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### SAC CAPITAL PRIVATE LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200401542N)

1 Robinson Road  
#21-02 AIA Tower  
Singapore 048542

12 July 2016

To: The Audit Committee of Procurri Corporation Limited

Mr. Ng Loh Ken Peter  
Mr. Ho Chew Thim  
Mr. Wong Quee Quee, Jeffrey  
Mr. Lim Swee Yong

Dear Sirs

#### PROPOSED SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

*Unless otherwise defined herein, all terms defined in the Prospectus shall have the same meanings in this letter.*

#### 1. INTRODUCTION

This letter has been prepared in relation to the proposed initial public offering (the "**IPO**") and the listing and quotation of the ordinary shares (the "**Shares**") in the capital of Procurri Corporation Limited (the "**Company**") on the Main Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

It is anticipated that the Company, its subsidiaries and associated companies (collectively, the "**Group**") would, on and after the date of admission of the Company to the Official List of the SGX-ST, in the ordinary course of business, continue to enter into certain transactions with persons which are considered "interested persons" as defined in Chapter 9 of the Listing Manual of the SGX-ST (the "**Listing Manual**").

Under Chapter 9 of the Listing Manual, a listed company may seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's interested persons, but not for the purchase or sale of assets, undertakings or businesses (the "**Shareholders' Mandate**"). Pursuant to Rule 920(2) of the Listing Manual, the Company may treat a general mandate as having been obtained from the shareholders of the Company (the "**Shareholders**") for it to enter into interested person transactions if the information required under Rule 920(1)(b) of the Listing Manual is included in the prospectus issued by the Company dated 12 July 2016 (the "**Prospectus**") in connection with the proposed listing of the Company on the Main Board of the SGX-ST. By subscribing for the New Shares, new Shareholders are deemed to have approved the Shareholders' Mandate.

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## APPENDIX H – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE AUDIT COMMITTEE

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Arising thereto and to comply with the requirements of Chapter 9 of the Listing Manual, SAC Capital Private Limited (“**SAC Capital**”) has been appointed to provide an opinion on whether the methods or review procedures under the Shareholders’ Mandate, if adhered to, are sufficient to ensure that the Mandated Transactions (as defined in the section entitled “Interested Person Transactions And Conflicts Of Interest – Interested Person Transactions Under the General Mandate” of the Prospectus) will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

This letter has been prepared for the use of the audit committee of the Company (the “**Audit Committee**”) in connection with its consideration of the Shareholders’ Mandate to be incorporated into the Prospectus.

### 2. TERMS OF REFERENCE

We have been appointed as the independent financial adviser to the Audit Committee to express an opinion, for the purposes of Chapter 9 of the Listing Manual, on whether the methods or review procedures for determining the transaction prices of the Mandated Transactions as set out in the sub-section entitled “Review Procedures for Mandated Transactions with Mandated Interested Persons” (the “**Review Procedures**”) of the Prospectus, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

We were not privy to the negotiations entered into by the Company in relation to the interested person transactions contemplated under the Shareholders’ Mandate, nor were we involved in the deliberations leading up to the decision of the Directors to undertake the Shareholders’ Mandate. We do not, by this letter, warrant the merits of the Shareholders’ Mandate. We have also not conducted a comprehensive independent review of the business, operations or financial condition of the Group or any of the Mandated Interested Persons.

For the purposes of arriving at our opinion in respect of the Shareholders’ Mandate, we have taken into account the Review Procedures for determining transaction prices for the Mandated Transactions under the Shareholders’ Mandate but have not evaluated, and have not been requested to comment on, the strategic or commercial merits or risks of the Shareholders’ Mandate or the prospects or earnings potential of the Company or the Group pursuant to the implementation of the Shareholders’ Mandate. Such evaluation shall remain the sole responsibility of the Directors.

In the course of our evaluation of the Review Procedures and for the purposes of our opinion herein, we have held discussions with the management of the Company (the “**Management**”). We have relied on the information and representations, whether written or verbal, provided to us by the Directors and/or the Management, including information contained in the Prospectus. The Directors (including those who may have delegated detailed supervision of the Prospectus) have confirmed that, having made all reasonable enquiries and to the best of their knowledge and belief, (a) all material information available to them in connection with the Shareholders’ Mandate has been disclosed in the Prospectus; (b) such information is true and accurate in all material respects; and (c) there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts stated in the Prospectus to be inaccurate, incomplete or misleading in any material respect. We have not

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## APPENDIX H – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE AUDIT COMMITTEE

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independently verified such information or representations and accordingly cannot and do not warrant, and do not accept any responsibility for, the accuracy, completeness or adequacy of these information or representations. We have, however, made such enquiries and exercised such judgement (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations.

Our opinion, as set out in this letter, is based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as of 15 June 2016 (the “**Latest Practicable Date**”). Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion in the light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In arriving at our opinion, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional advisers.

**Our opinion in relation to the Shareholders’ Mandate should be considered in the context of the entirety of this letter and the Prospectus.**

The Company has been separately advised by its own advisers in the preparation of the Prospectus (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Prospectus (other than this letter). Accordingly, we accept no responsibility for and express no views, expressed or implied, on the contents of the Prospectus (other than this letter, and the sections entitled “Corporate Information – Independent Financial Adviser” and “Interested Persons Transactions And Conflicts Of Interest – General Mandate For Interested Person Transactions – Opinion of the Independent Financial Adviser” of the Prospectus).

### 3. SHAREHOLDERS’ MANDATE FOR INTERESTED PERSON TRANSACTIONS

Information on the Shareholders’ Mandate is set out in the section entitled “General Mandate For Interested Person Transactions” of the Prospectus. Shareholders are advised to read this section of the Prospectus carefully.

#### 3.1 Background

The Group is a leading global independent provider of data centre equipment and Lifecycle Services.

We note that the Group has on-going transactions with the DeClout Group as set out in the sub-section entitled “Present and Ongoing Interested Person Transactions” of the Prospectus. The DeClout Group is principally engaged in the business of providing information and communications technology solutions and services in Singapore and internationally. The DeClout Group is a Controlling Shareholder of the Company. Accordingly, DeClout Group (excluding our Group) (the “**Mandated Interested Persons**”) is defined as an

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## **APPENDIX H – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE AUDIT COMMITTEE**

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Interested Person under Chapter 9 of the Listing Manual. Transactions entered into by the Group with the DeClout Group therefore constitute interested person transactions as defined under Chapter 9 of the Listing Manual.

Pursuant to Rule 920(2) of the Listing Manual, the Company may treat a general mandate as having been obtained from its Shareholders for it to enter into interested person transactions if the information required under Rule 920(1)(b) of the Listing Manual is included in the Prospectus. This would enable the Group, in its normal course of business, to enter into the interested person transactions with the Mandated Interested Persons, provided that such interested person transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The Shareholders' Mandate will apply to the Mandated Transactions with the Mandated Interested Persons in the Group's ordinary course of business. Please refer to the sub-sections entitled "Classes of Mandated Interested Persons" and "Interested Person Transactions under the General Mandate" of the Prospectus for further details.

### **3.2 Shareholders' Mandate**

Information on the Shareholders' Mandate including:

- (a) the entities at risk;
- (b) the classes of the Mandated Interested Persons;
- (c) the Mandated Transactions under the General Mandate;
- (d) the rationale for, and benefits of, the Shareholders' Mandate; and
- (e) the review procedures for the Mandated Transactions with the Mandated Interested Persons, approval thresholds and other review procedures,

is set out in the sub-section entitled "General Mandate For Interested Person Transactions" of the Prospectus, and Shareholders are advised to read the information carefully.

### **3.3 Validity Period of the Shareholders' Mandate**

The Shareholders' Mandate will be effective until the earlier of the following: (i) the conclusion of our first annual general meeting following our admission to the Official List of the SGX-ST; or (ii) the first anniversary of the date of our admission to the Official List of the SGX-ST. Thereafter, we will seek the approval of our shareholders for a renewal of the Shareholders' Mandate at each subsequent annual general meeting or the date by which the next annual general meeting of our Company is required by law to be held, subject to satisfactory review by our Audit Committee of its continued application to the transactions with the Mandated Interested Persons.

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## APPENDIX H – LETTER FROM SAC CAPITAL PRIVATE LIMITED TO THE AUDIT COMMITTEE

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### 4. OUR OPINION

Having considered, *inter alia*, the rationale for, and benefits of, the Shareholders' Mandate, the methods and review procedures of the Company for determining the transaction prices of the Mandated Transactions covered under the Shareholders' Mandate and the role of the Audit Committee in enforcing the Shareholders' Mandate, and subject to the qualifications and assumptions made herein, we are of the opinion that the Review Procedures, if adhered to, are sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Our opinion is addressed to the Audit Committee in connection with and for the purposes of its consideration of the Shareholders' Mandate and for inclusion in the Prospectus. Whilst a copy of this letter may be reproduced in the Prospectus, neither the Company nor the Directors may reproduce, disseminate or quote this letter (or any part thereof) for any other purpose (other than for the purpose of any matter relating to the Shareholders' Mandate) at any time and in any manner without the prior written consent of SAC Capital.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**SAC CAPITAL PRIVATE LIMITED**

Alicia Kwan  
Partner

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**Independent Market Research on the Hardware Resale and  
Independent IT Maintenance Market**

**– FINAL REPORT –**

**15 June 2016**

F R O S T  S U L L I V A N

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## APPENDIX I – INDEPENDENT MARKET RESEARCH REPORT

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The market research process for this study has been undertaken through secondary or desktop research, as well as primary research, which involves discussing the status of the industry with leading participants and experts. The research methodology used is the *Expert Opinion Consensus Methodology*. Quantitative market information was sourced from interviews by way of primary research, and therefore, the information is subject to fluctuations due to possible changes in the business and industry climate. Frost & Sullivan's estimates and assumptions are based on varying levels of quantitative and qualitative analyses, including industry journals, company reports and information in the public domain. Forecasts, estimates, predictions and other forward-looking statements contained in this report are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions or such statements.

This study has been prepared use by Procurri Corporation Limited ("Procurri" or "Company") , including but not limited to an initial public offering ("IPO") and listing ("Listing") on the Main Board of the Singapore Exchange Securities Trading Limited ("SGX-ST").

Save for the inclusion of this study in the business communication documents and the documents in relation to the IPO and Listing (including but not limited to the Prospectus) and any information issued by the Company and in such presentation materials prepared by or on behalf of the Company (reviewed by Frost & Sullivan) in relation therto, and in relation to its future communication or presentation to existing or prospective business partners, affiliates, customers, or financing body, no part of it may be otherwise given, lent, resold, or disclosed to non-customers without our written permission. Furthermore, no part may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without our permission.

Frost & Sullivan has prepared this study in an independent and objective manner, and it has taken adequate care to ensure its accuracy and completeness. We believe that this study presents a true and fair view of the global hardware resale and independent IT maintenance segments within the limitations of, among others, secondary statistics and primary research, and it does not purport to be exhaustive. Our research has been conducted with an "overall industry" perspective and it may not necessarily reflect the performance of individual companies in the industry. Frost & Sullivan shall not be liable for any loss suffered as a consequence of reliance on the information contained in this study, save as may be required by applicable laws and regulations. This study should also not be considered as a recommendation to buy or not to buy the shares of any company or companies as mentioned in it or otherwise.

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# APPENDIX I – INDEPENDENT MARKET RESEARCH REPORT

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## 1 Industry Definition and Market Coverage

### 1.1 Industry Definition

This report, covering the hardware resale and independent IT maintenance segments, focuses on data center equipment, i.e., servers, storage and networking equipment. Endpoint devices consisting of laptops, tablets, desktop computers, smartphones, have been excluded from all segments except IT Asset Disposition (ITAD).

#### **Hardware Resale**

Frost & Sullivan defines Hardware Resale as the procurement of New Resale and Pre-owned data center equipment, and repositioning/remarketing them for sale in secondary markets. Hardware resale can be classified into two main components:

- New Resale – Refers to data center equipment that is unused, and still in the manufacturer’s original packaging.
- Pre-owned – Data center equipment that has been used and refurbished before resale, i.e., tested and rebuilt with replacement parts where necessary.

The hardware resale process begins with the hardware resale vendor buying data center equipment from different sources in the market. All data center equipment bought in the secondary market is thoroughly screened, tested, and refurbished if necessary, before being put on the shelf to be sold. Hardware that does not meet the quality standards is sent for recycling.

#### **Independent IT Maintenance**

Frost & Sullivan defines Independent IT maintenance as the provision of support and technical expertise for data center equipment by third-party providers, i.e., other than OEMs.

Independent IT maintenance is commonly known as third-party maintenance services. Companies typically rely on independent maintenance contracts to boost the scale of their OEMs warranties, and/or to extend services once the warranties for underlying data center equipment expire. When purchasing hardware from OEMs, companies enjoy complimentary warranty services for one to three years, depending on how comprehensive their hardware packages are. However, certain warranties may be limited in coverage and insufficient for some companies. These companies then contract additional maintenance services from vendor-neutral independent providers. Upon expiry of their warranties, companies usually follow up with maintenance contracts. Most established independent maintenance service vendors offer clients different “levels” of Service-Level Agreements (SLAs) to suit the scope and coverage of maintenance services required for their data center equipment.

#### **IT Asset Disposition (ITAD)**

Frost & Sullivan defines IT Asset Disposition (ITAD) as total revenues derived from the provision of data destruction, value recovery, remarketing and other related recycling services.

Commonly known in the industry as reverse logistics, the ITAD lifecycle comprises four main components:

- Data destruction services
- Value recovery services, i.e., refurbishment of underlying assets

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- Remarketing in secondary markets
- Recycling services

In an asset disposal or redeployment scenario, underlying assets are assessed in terms of their condition and reusability in secondary markets. Data destruction follows, where all data will be wiped clean to eliminate the risk of data breaches for customers. If the underlying assets are assessed as having little resale value, they will be recycled. Conversely, reusable assets will undergo refurbishment to maximize the recovery of their value, and returned to the customer for redeployment or pushed to the secondary markets for resale, depending on the customers' requirements.

### **Competitive Landscape**

Frost & Sullivan has mapped the competitors based on their competitive strengths and growth potential. The parameters used for these ratings are described in the table below.

<b><u>Frost &amp; Sullivan Definitions</u></b>		
<b>(X) Current Ability to Execute</b>	Geographical Presence	<ul style="list-style-type: none"> <li>• How many major markets does the company has direct presence in?</li> <li>• Are all products &amp; services available globally?</li> <li>• How are their products/services sold and supported in the countries where they have no footprint?</li> </ul>
	Breadth of Product/Service	<ul style="list-style-type: none"> <li>• What is the range of products &amp; services they have in the particular service segment?</li> <li>• How rich are the functionalities of the products/services?</li> </ul>
<b>(Y) Growth Potential</b>	Presence in High Growth Countries	<ul style="list-style-type: none"> <li>• Does the vendor have direct presence in high growth countries i.e. GDP growth &gt; 10% in 2015?</li> <li>• Do products and services support different company sizes?</li> </ul>
	Synergy across Value Chain	<ul style="list-style-type: none"> <li>• Does the vendor have presence in synergistic product or service segments, other than this particular service segment?</li> <li>• Is the vendor integrating its businesses backward or forward on the value chain?</li> </ul>

### **Market Coverage**

This market study encompasses a global scope, covering regions in the Americas, Europe, Asia and Rest of World (RoW).

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### 2 Executive Summary

#### 2.1 Overview of Hardware Resale, Independent Maintenance Services and IT Asset Disposition Services

##### Hardware Resale

The resale market for data center equipment is extremely fragmented, with no single vendor dominating the market. When it comes to data center equipment, OEMs traditionally hold a substantial share of the data center equipment market, owing to their close relationships with customers. However, an increasing number of customers are now looking to reduce their investment in data center hardware. As such, they are turning to viable alternatives such as the resale market to obtain cost-effective, quality hardware for their IT systems. The prevalence of managed hosting and cloud services are also contributing to the commoditization of hardware, as latest features and models are less of a priority to these participants compared to cost-effectiveness. Demand for data center resale equipment is being boosted further by changing perceptions of resale equipment, as customers become more informed and assured in terms of quality standards.

The current resale market for data center equipment is estimated at US\$15.9 billion in 2015 and expected to grow to US\$34.8 billion by 2020, at a CAGR of 16.9%.

##### Independent Maintenance Services

IT infrastructure for data center equipment is increasingly complex with an assortment of brands and equipment; some are newly bought while others could be legacy equipment. The administrative work associated with dealing with numerous vendors could be cumbersome and frustrating for the average IT manager. As a result, many customers are turning to vendor-neutral independent maintenance providers that have the capabilities to provide maintenance services at standards equal to or better than OEMs. Engaging an independent maintenance provider also allows customers to have a single point of contact to address all equipment diagnostic issues at hand, minimizing mundane administrative work. Customers may also enjoy cost savings as maintenance services offered are bundled and customized according to their requirements. Independent maintenance providers also provide cheaper parts to replace specific components of damaged equipment compared to OEMs, further stimulating demand for independent maintenance services.

The current independent maintenance market is estimated at US\$2.1 billion in 2015 and expected to grow to US\$4.4 billion by 2020, at a CAGR of 15.7%.

##### IT Asset Disposition Services

With any equipment, there is naturally a disposal process when the equipment reaches the end of its life or is rendered unnecessary by companies. The ITAD market is highly interrelated with the hardware resale market, where reusable equipment is transferred over for a new lease of life. The market continues to gain significant momentum due to a couple of drivers. Firstly, IT managers are under increasing pressure to optimize the management of their assets to improve utilization levels and ROIs. The disposition of surplus and idle assets follow to achieve this objective and to maximize value recovery of reusable equipment. Next, with increasing decommissioning of captive and obsolete data centers, demand for ITAD services is expected to rise due to the need to dispose data-intensive equipment in an appropriate manner. Highly publicized incidences of data breaches in recent years continue to remind companies about the importance of keeping their business data private and confidential, resulting in the need for data erasure services.

The global ITAD services market is estimated at US\$6.4 billion in 2015, and forecasted to grow to US\$17.1 billion by 2020, at a CAGR of 21.5%.

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### 3 Hardware Resale Market

#### 3.1 Overview of the Hardware Resale Market

- The hardware resale market for data center equipment is highly fragmented globally. While many OEMs participate in resale markets, they do not place significant emphasis on this market, as their key focus remains on new equipment sales. Instead, many OEMs choose to outsource or partner with hardware resale vendors to remarket used equipment. Moreover, many hardware resale vendors are largely localized, i.e., operating within their own and neighboring countries. This has inadvertently led to a limited number of global hardware resale vendors leveraging a combination of key technical expertise as well as global distribution and supply networks to serve global customer demand in an integrated manner.
- With management exerting substantial pressure to improve margins and ROIs of capital investments, we expect data centers, IT managers and cloud providers to continue increasing the use of resale equipment at their companies moving forward.
- There are various sources for pre-owned data center equipment. Pre-owned data center equipment may be excess or surplus stocks from a company's recent upgrade or overhaul exercise; end-of-lease equipment from equipment leasing companies or new equipment from discontinued projects. Many large companies have average three-year cycles for their IT equipment and dispose of hardware regularly. The decommissioning of data centers presents yet another source. With multiple sources of pre-owned data center equipment, there is a large pool of such equipment in the market that may never be used, yet still relevant and usable for many companies.
- To meet new demand for resale equipment in a timely fashion, it is imperative to have access to varied sources of hardware across the globe. Global presence and supply chain networks are thus critical success factors in this industry.

#### 3.2 Historical Growth of the Hardware Resale Market

- The emergence of developing markets and cloud technologies continue to stimulate demand for data center-related equipment. Global spending on the data center hardware market experienced healthy growth, from US\$100.9 billion in 2010 to US\$152.8 billion in 2014. The proportion of resale data center hardware is also increasing, from 6.5% in 2009 to 8.8% in 2014. The global hardware resale market for data center equipment was valued at US\$6.5 billion in 2009, expanding to US\$13.5 billion in 2014, at a CAGR of 15.6%.
- From 2009 to 2014, more than half of the global hardware resale activity occurred in the Americas, followed by Europe. Asia and the rest of the world show considerably less activity for resale data center equipment. All regions experienced healthy growth from 2009 to 2014.

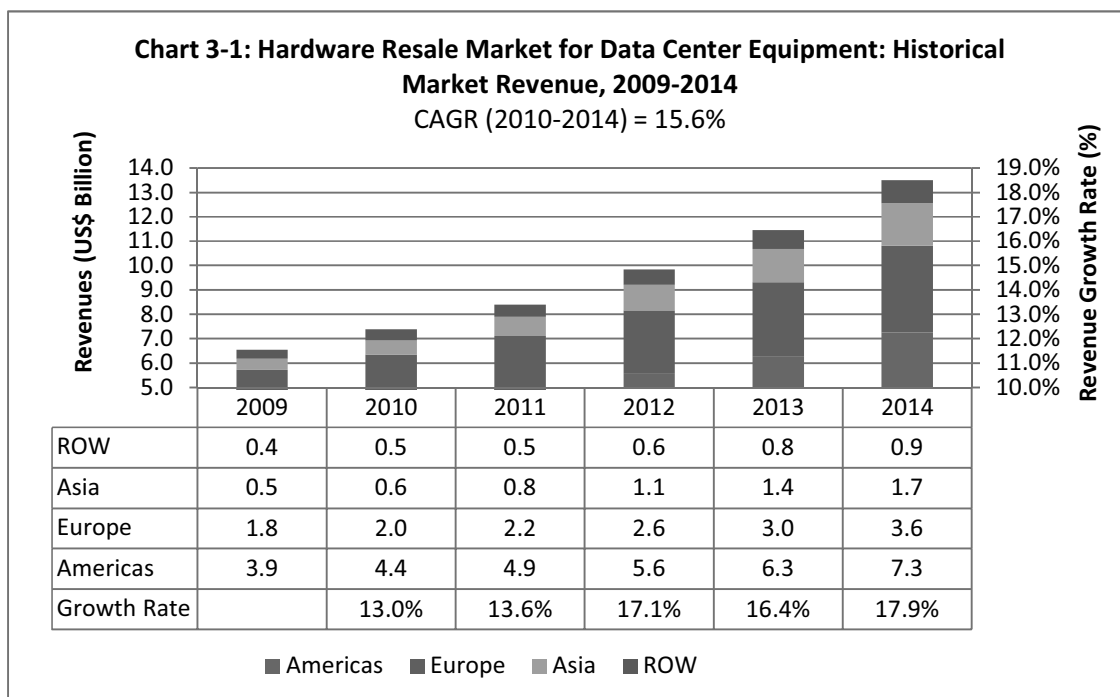
**Table 3-1: Data Center Hardware and Hardware Resale of Data Center Equipment: Historical Market Revenue, 2009-2014**

Year	2009	2010	2011	2012	2013	2014
Global Data Center Hardware Market (US\$ billion)	100.9	108.6	117.5	127.7	139.3	152.8
Proportion of Resale Data Center Hardware (%)	6.5%	6.8%	7.2%	7.7%	8.2%	8.8%

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Year	2009	2010	2011	2012	2013	2014
Hardware Resale for Data Center Equipment (US\$ billion)	6.5	7.4	8.4	9.8	11.5	13.5

Source: Frost & Sullivan



Source: Frost & Sullivan

### 3.3 Hardware Resale Market Drivers

#### Commoditization of Hardware

In a bid to reduce the complexity and costs of managing IT infrastructure, companies today are adopting managed hosting services or shifting workloads to the cloud, eliminating the need to manage their own hardware.

As per Frost & Sullivan analysis, cloud services are expected to grow at a CAGR of 32.4% from US\$8.9 billion in 2015 to an estimated US\$36.3 billion by 2020. Cloud providers are especially receptive to the use of resale equipment in their cloud infrastructure. In terms of cloud architecture, cloud providers are implementing a myriad of fault tolerance techniques to boost the robustness and dependability of their cloud services. Hardware becomes a secondary concern; as cloud providers do not require the latest features or new original equipment from OEMs to support their cloud infrastructure. What cloud providers do require are cost-effective, quality hardware, which they are able to engineer and modify to conform to their architecture needs.

This is similar to the provision of managed hosting services. In managed hosting, customers do not have to purchase their own servers; and instead, rent the servers and associated hardware from data center service providers. Customers are not concerned about the brand and model of equipment they are renting; rather they place more emphasis on the service levels and ability of providers to ensure smooth IT operations of their business. This translates to the purchasing decisions made by service providers;

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where the priority is on cost-effectiveness as hardware is mostly undifferentiated and serves the same purposes.

Spurred by data center services and cloud providers, the commoditization of hardware continues to drive demand in the hardware resale market.

### Changing Perception of Resale Equipment

Customers acquiring equipment for IT operations are increasingly brand agnostic, with a strong preference for good quality and cost-efficient equipment regardless of usage and brand. Decision-makers are also well-informed about the hardware resale market, and the various types and condition of equipment, i.e., new resale and pre-owned items they can purchase in the hardware resale markets. We observed that approximately 30% to 50% of currently available equipment in the hardware resale markets is actually new hardware that has never been used due to reasons such as discontinued corporate projects. This further boosts the perception of resale equipment among companies. Pre-owned hardware is also refurbished and tested rigorously by trained IT personnel from hardware resale vendors before being sold, guaranteeing a certain level of quality and assurance for companies.

As the market for hardware resale develops with a larger pool of buyers and sellers, equipment inventory of hardware resale vendors has also expanded with various brands, models and usage status. Hardware resale vendors with their global network of partners; increasingly have the ability to source and supply companies with any particular piece of equipment they are looking for in a quick and reliable manner. This enhances the perception and use of resale equipment in the minds of customers, stimulating growth in the hardware resale markets.

### Substantial Cost Savings

The global hardware market is valued at an estimated US\$168 billion in 2015, and expected to grow at a rate of at least 10% on a year-on-year basis to approximately US\$293 billion by 2020 (Figure 1). There are overall increases in the global spending on IT hardware by companies amid IT budget constraints. Management and IT teams continue to be under pressure to lower capital expenditure and improve the ROIs on equipment. Therefore, the prospect of substantial cost savings is motivating an increasing number of companies to switch to resale equipment.

Furthermore, hardware resale vendors offer attractive terms to encourage companies to adopt the use of resale equipment. Terms include extended or even limited lifetime warranties as well as leasing and rental arrangements. The flexible terms allow companies to extend the use and life of equipment with fewer replacements adding to further cost savings.

It is estimated that companies can save a minimum of 10% to 20% on average through the use of resale equipment. Globally, we anticipate resale equipment to be a growing proportion of overall IT infrastructure, i.e., from 9.5% in 2015 to 11.9% by 2020.

### 3.4 Projected Figures for the Hardware Resale Market

- Due to the market drivers mentioned above, we expect the proportion of resale data center hardware to continue increasing in coming years. Similarly, global spending on data center hardware is likely to grow from US\$168.4 billion in 2015 to US\$292.9 billion by 2020. As such, while the hardware resale market for data center equipment is currently valued at US\$15.9 billion in 2015, it is forecasted to reach US\$34.8 billion by 2020 at a CAGR of 16.9%.



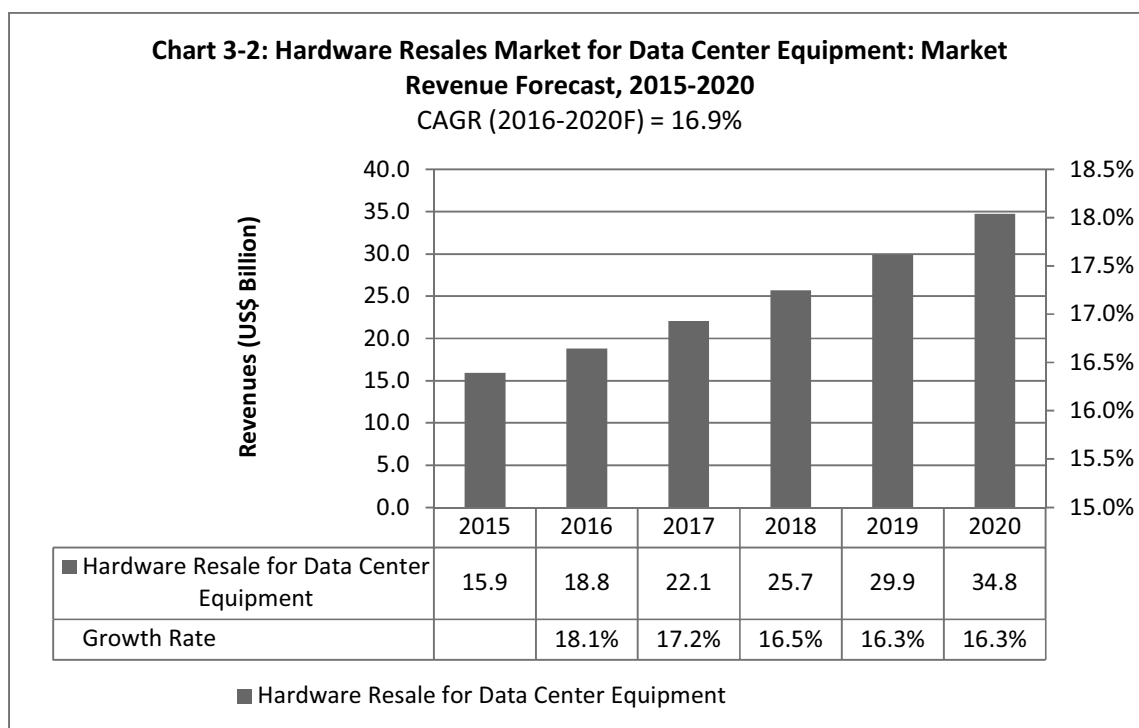
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- There is significant growth in all markets, with Asia and the rest of the world showing the greatest growth potential. The Americas continues to dominate the hardware resale market, and is expected to make up almost half of hardware resale activities by 2020. However, Asia is slated to be the fastest growing market, increasing at a CAGR of 24.9% from 2015 to 2020.

**Table 3-2: Data Center Hardware and Hardware Resale for Data Center Equipment: Market Revenue Forecast, 2015-2020**

Year	2015	2016F	2017	2018	2019F	2020F
Global Data Center Hardware Market (US\$ billion)	168.4	186.4	207.3	231.6	259.8	292.9
Proportion of Resale Data Center Hardware (%)	9.5%	10.1%	10.7%	11.1%	11.5%	11.9%
Hardware Resale for Data Center Equipment (US\$ billion)	15.9	18.8	22.1	25.7	29.9	34.8

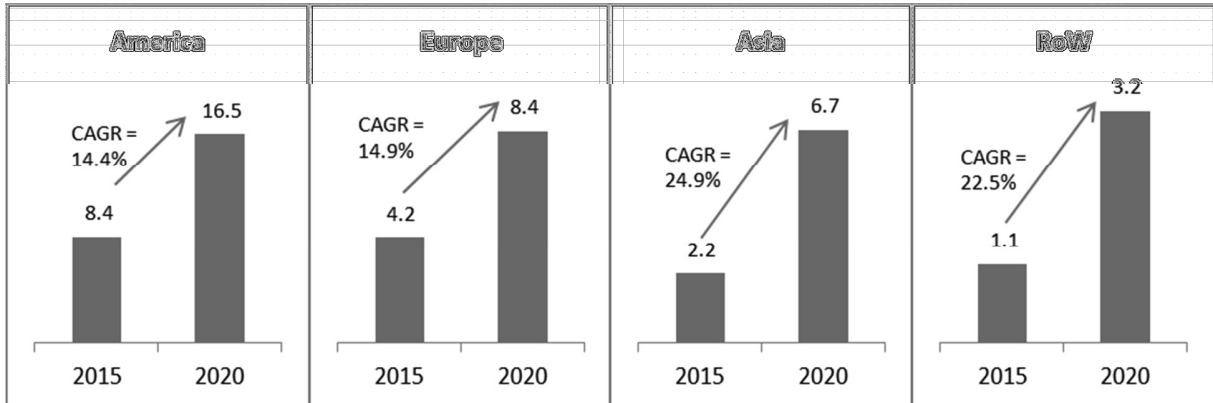
Source: Frost & Sullivan



Source: Frost & Sullivan

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**Chart 3-3: Hardware Resale Market for Data Center Equipment: Regional Market Revenue Forecast (US\$ billion)**



Source: Frost & Sullivan

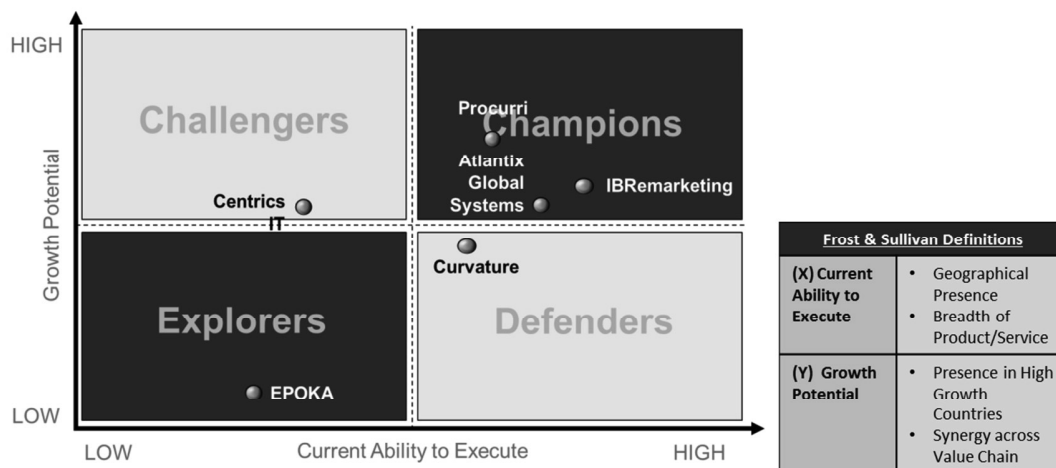
**Table 3-3: Hardware Resale Market for Data Center Equipment: Regional Market Forecast, 2015-2020**

Region	2015	2016F	2017F	2018F	2019F	2020F	CAGR
Americas	8.40	9.73	11.17	12.73	14.50	16.49	14.4%
Europe	4.18	4.91	5.69	6.52	7.40	8.37	14.9%
Asia	2.21	2.79	3.49	4.35	5.42	6.73	24.9%
RoW	1.15	1.41	1.72	2.11	2.58	3.16	22.5%

Source: Frost & Sullivan

### 3.5 Competitive Landscape

**Fig 3-1: Competitive Landscape of Hardware Resale Market for Data Center Equipment**



Source: Frost & Sullivan

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<b>CURVATURE</b>	Based in California, US, Curvature specializes in networking equipment in the secondary refurbishment markets. Curvature has recently expanded its product offerings to include servers and storage, and introduced networking services to customers as well. With offices in Europe and Asia, Curvature has entered into partnerships with local providers to widen the geographical scope of its services. Sales are still the strongest in the US, as we note that Curvature has yet to break into the South American, European and Asian markets. Success in these new markets and in server and storage segments is essential for Curvature to achieve sustainable growth.
<b>ATLANTIX GLOBAL SYSTEMS</b>	Based in Georgia, US, Atlantix Global Systems is a known name in the independent secondary hardware markets, with agile and robust sales processes and after-sales support. Similar to Centrics IT, Atlantix focuses on data center equipment, with 80% of its sales on data center equipment. Nearly 40% of its global sales are from the Americas, with its businesses in the US centered on its two facilities in Georgia. The remaining 60% is equally split between EMEA and Asia-Pacific regions. A large product and services portfolio presents a good growth platform for Atlantix, although the relatively slower growing North America still seems to be its dominant market.
<b>CENTRICS IT</b>	Centrics IT is a leading independent player in the resale market, specializing in data center equipment including servers, storage and network devices. With the acquisition of CoreIT Assets in 2012, Centrics IT's secondary hardware operations have expanded significantly, including integration of its ITAD businesses. While most of its operations are focused in North America, we note that Centrics IT has recently begun efforts to expand its services to other regions, setting up facilities in London, Prague, Dubai and Sydney. Centrics IT is likely to continue building its presence, especially in high-growth markets to boost its growth potential in the next few years.
<b>IBREMARKETING</b>	IBRemarketing is an established independent vendor in the hardware resale market, specializing in the provision of multi-vendor data center equipment including servers, storage and networking equipment. IBRemarketing has 20 offices worldwide, with more than 200 stocking locations, and an average of 350,000 items in its inventory at any time. IBRemarketing supplements its hardware resale solutions with extensive after-sales support, flexible leasing options and extended warranties. We expect IBRemarketing to continue to hold a strong position in the secondary market, with significant growth potential in the next few years.
<b>EPOKA</b>	EPOKA is a Denmark-based hardware resale provider that has been in the business for more than 20 years. EPOKA offers customized and fully-tested configurations to suit customer needs, differentiating it among other vendors in the European market. While EPOKA promises short turnaround times (<24 hours) for its customers, we note that its inventories consist mainly of popular hardware brands and specific models, with limited geographical presence in regions other than Europe. For EPOKA to expand in this industry, it has to focus on establishing a network of partners and facilities to support its business across other growth regions.

### 3.6 Hardware Resale Services Value Chain

**Fig 3-2: Value Chain of Hardware Resale for Data Center Equipment**



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The hardware resale services value chain begins with companies that have hardware to dispose. They can be pre-owned equipment after a major upgrade, or new equipment that is rendered unnecessary when projects are discontinued. Increasing data center decommissioning by companies have also led to a rise in the supply of secondary hardware on the market. Typically, when large components of new equipment are rendered unnecessary by the company due to discontinued projects, hardware resale vendors are often able to procure them at a fraction of their original prices. Nevertheless, this requires hardware vendors to have a strong network of sourcing partners, to be able to capitalize on such opportunities as they arise.

Companies contact hardware resale vendors to sell the equipment. A representative, i.e., product specialist from the hardware resale vendor is sent to assess the condition of the hardware equipment, where they audit the type and condition of the hardware. Once the product specialist ascertains the value and worth of the hardware, the hardware resale vendor will then purchase the equipment from the company.

After the purchase, the hardware resale vendor performs checks and tests on the underlying equipment, replacing any parts if necessary. Cosmetic add-ons are performed on the underlying equipment as well to maximize its potential value in the resale market. These steps ensure that the hardware is fully functional and can be resold in excellent condition and price. Once the hardware undergoes the refurbishment process, it is placed on the market for sale. Global hardware resale vendors have an added advantage of larger markets to cater to the demand and supply of resale equipment accordingly.

The overall process converts discarded hardware, that has little use for industry players, into completely usable refurbished hardware which is extremely sought after due to its superior price vs value proposition.

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### 4 Independent Maintenance Services

#### 4.1 Overview of the Independent Maintenance Services Market

- When companies purchase new equipment, transactions are usually supplemented with warranties from the OEMs. Most IT managers go on to renew maintenance services with the OEMs upon expiration of existing warranties. As such, the IT hardware maintenance market is dominated by OEMs, with a small portion captured by independent hardware maintenance providers. The independent hardware maintenance market is highly fragmented, with no participant dominating the market.
- Independent maintenance service providers continue to gain prevalence, as they provide considerable cost-savings and convenience for companies looking for a single point of contact, and/or to extend the lifespan of equipment beyond the warranties held with OEMs.
- Given the high-cost pressures on capital expenditure budgets, we expect more companies to increase the use and scope of independent maintenance services moving forward.

#### 4.2 Historical Growth of the Independent Maintenance Services Market

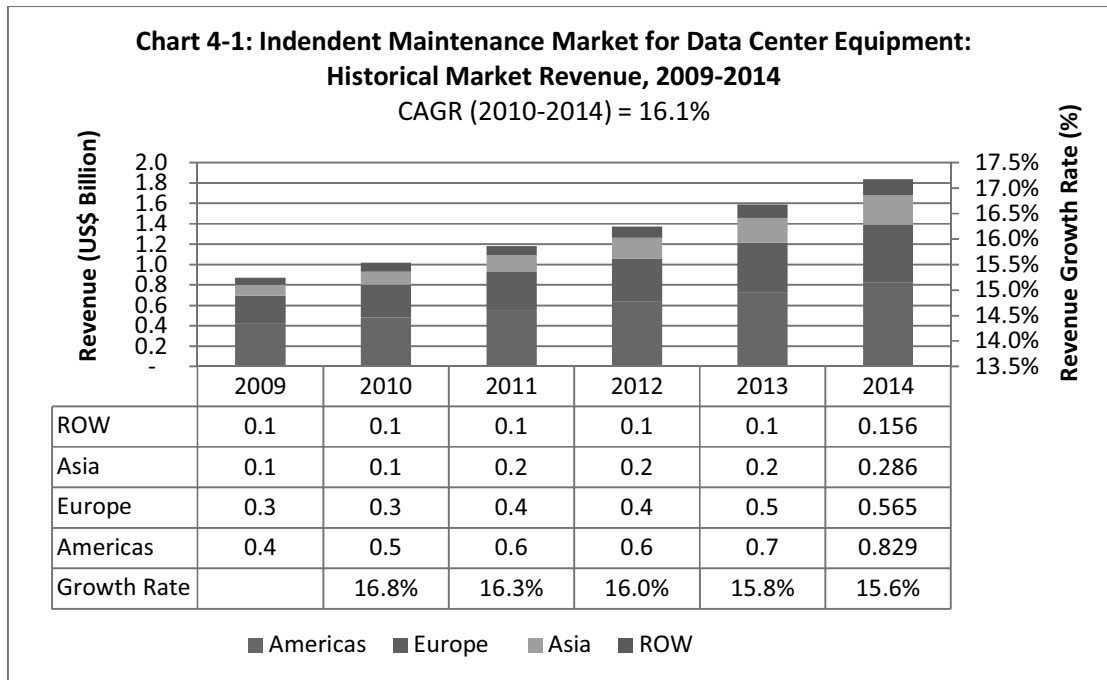
- The global IT maintenance market grew from US\$17.4 billion in 2009 to US\$24.5 billion in 2014. Similarly, the proportion of independent IT maintenance services also increased; from approximately 5% in 2009 to 7.5% in 2014. As a result, the global independent maintenance services market grew from US\$0.9 billion in 2009 to US\$1.8 billion in 2014, at a CAGR of 16.1%.
- From 2009 to 2014, more than half of the independent maintenance services activities occurred in the Americas, followed by Europe. Asia and the rest of the world have considerably less activity as markets within these segments are still developing and have limited IT awareness in comparison to Europe and the Americas. While all four regions experienced healthy growth figures, growth in Asia and the rest of the world has been notably faster in comparison to the other regions.

**Table 4-1: IT Maintenance and Independent Maintenance Market for Data Center Equipment: Historical Market Revenue, 2009-2014**

Year	2009	2010	2011	2012	2013	2014
Global IT Maintenance Market (US\$ billion)	17.4	18.5	19.7	21.1	22.7	24.5
Proportion of Independent IT Maintenance (%)	5.0%	5.5%	6.0%	6.5%	7.0%	7.5%
Global Independent Maintenance Market (US\$ billion)	0.9	1.0	1.2	1.4	1.6	1.8

Source: Frost & Sullivan

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Source: Frost & Sullivan

### 4.3 Independent Maintenance Services Market Drivers

#### Single point of contact and customization

Companies buy hardware from multiple OEMs and must sign maintenance contracts with each OEM vendor. Managing multiple maintenance contracts can be cumbersome for IT managers, possibly leading to service gaps. Independent maintenance providers have the capabilities to provide services for equipment originating from multiple OEMs, allowing customers to have a single point of contact to address all equipment diagnostic issues at hand. A single point of contact also streamlines the entire maintenance process, where management of IT maintenance for customers is now quick and easy.

Most companies have unique requirements for maintenance needs that are often unmet by the standard SLAs offered by OEMs. It is estimated that more than 80% of OEM maintenance service contracts go to waste, as customers do not see the need to employ the services provided for in the SLAs. To attract more companies to use their services, independent vendors usually customize service contracts to suit the specific needs and requirements of customers, significantly reducing overall service costs.

#### Cost savings

OEMs invest heavily in product research and development and charge a premium for their service contracts correspondingly. Independent vendors, on the other hand, provide the same standard of services at a much lower price. Bundling multiple service contracts from different vendors into a single third-party service contract is not only cost-efficient, but highly convenient for the customer as well. Companies are projected to be able to save an estimated 60% by employing the services of independent providers.

#### Availability of spare parts

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Another factor driving the adoption of independent maintenance services is the availability of spare parts. Most maintenance service providers have large inventories of spare parts of most OEMs, and they are also able to source for unavailable parts quickly. Parts are also cheaper in comparison to OEM prices. The independent providers' ability to easily source hardware parts helps customers extend the life of existing IT infrastructure and systems, enabling them to save costs and reduce capital outlays. On average, by extending the lifespan of hardware by 12 months, there is an estimated US\$700 in savings for every US\$1,000 of original procurement expenses.

#### 4.4 Projected Figures for the Independent Maintenance Services Market

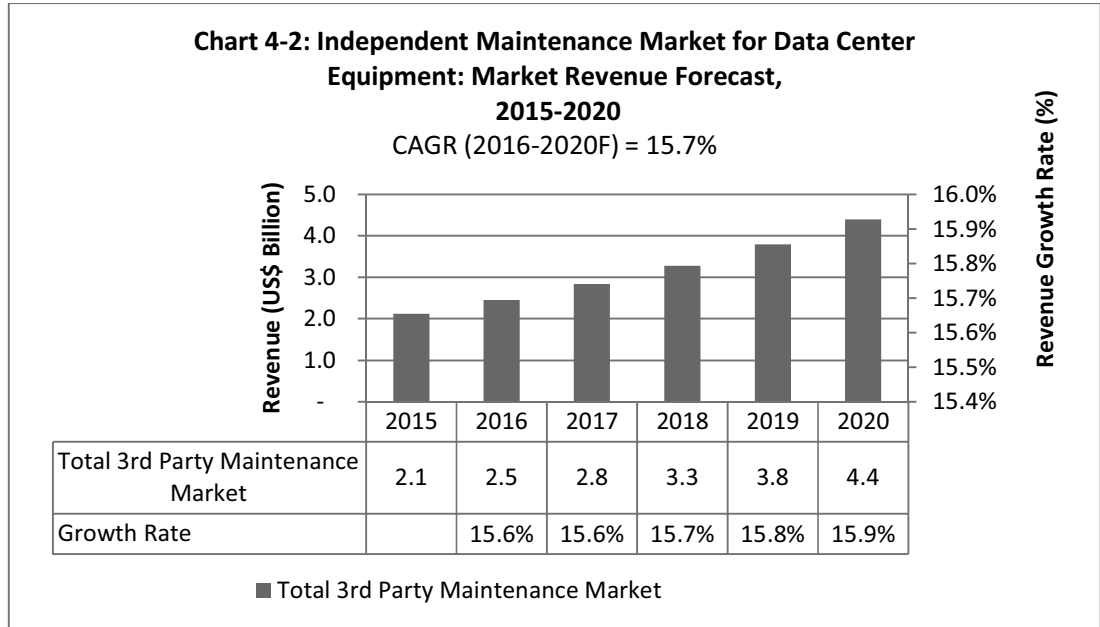
- Due to the market drivers mentioned above, we expect the proportion of independent IT maintenance to continue increasing in coming years. Similarly, global spending on IT maintenance is also set to rise from US\$26.5 billion in 2015 to US\$41.9 billion by 2020. As such, while the independent IT maintenance market is currently valued at US\$2.1 billion in 2015, it is anticipated to reach US\$4.4 billion by 2020, at a CAGR of 15.7%.
- There is significant growth in all regions. Regionally, Asia and the rest of the world are the fastest growing over the next 5 years at a CAGR of 17.8% and 19.7% respectively. As companies look towards a single point of contact and customization, coupled with the need to increase the lifespan of IT assets to boost ROIs and capital investments, the independent hardware maintenance market is expected to show good growth in coming years.

**Table 4-2: IT Maintenance and Independent Maintenance Market for Data Center Equipment: Market Revenue Forecast, 2015-2020**

Year	2015	2016F	2017F	2018F	2019F	2020F
Global IT Maintenance Market (US\$ billion)	26.5	28.8	31.5	34.5	38.0	41.9
Proportion of Independent IT Maintenance (%)	8.0%	8.5%	9.0%	9.5%	10.0%	10.5%
Global Independent Maintenance Market (US\$ billion)	2.1	2.5	2.8	3.3	3.8	4.4

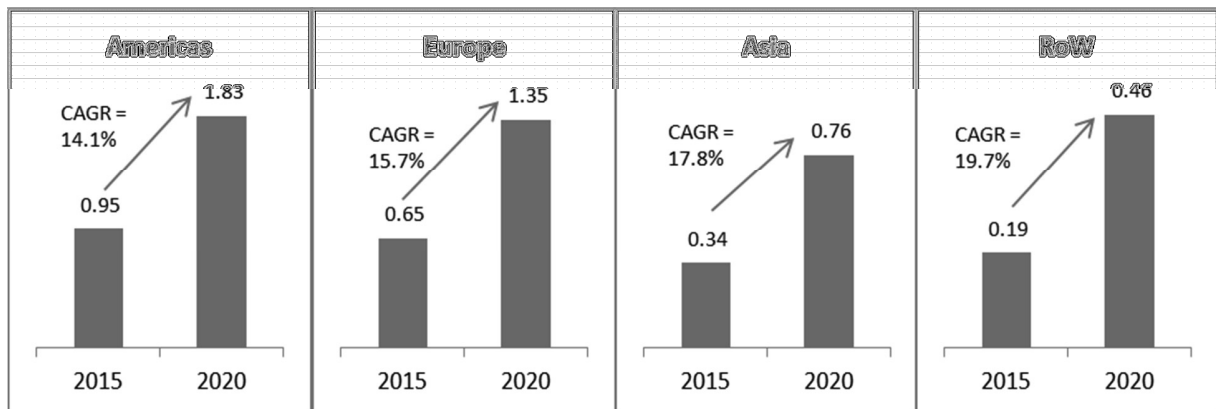
Source: Frost & Sullivan

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Source: Frost & Sullivan

**Chart 4-3: Independent Maintenance Market: Regional Market Revenue Forecast (US\$ billion)**



Source: Frost & Sullivan

**Table 4-3: Independent Maintenance Market for Data Center Equipment: Regional Market Revenue Forecast, 2015-2020**

Region	2015	2016F	2017F	2018F	2019F	2020F	CAGR
Americas (US\$ billion)	0.95	1.08	1.23	1.40	1.60	1.83	14.1%
Europe (US\$ billion)	0.65	0.75	0.87	1.00	1.16	1.35	15.7%
Asia (US\$ billion)	0.34	0.40	0.47	0.55	0.65	0.76	17.8%
RoW (US\$ billion)	0.19	0.22	0.27	0.32	0.38	0.46	19.7%

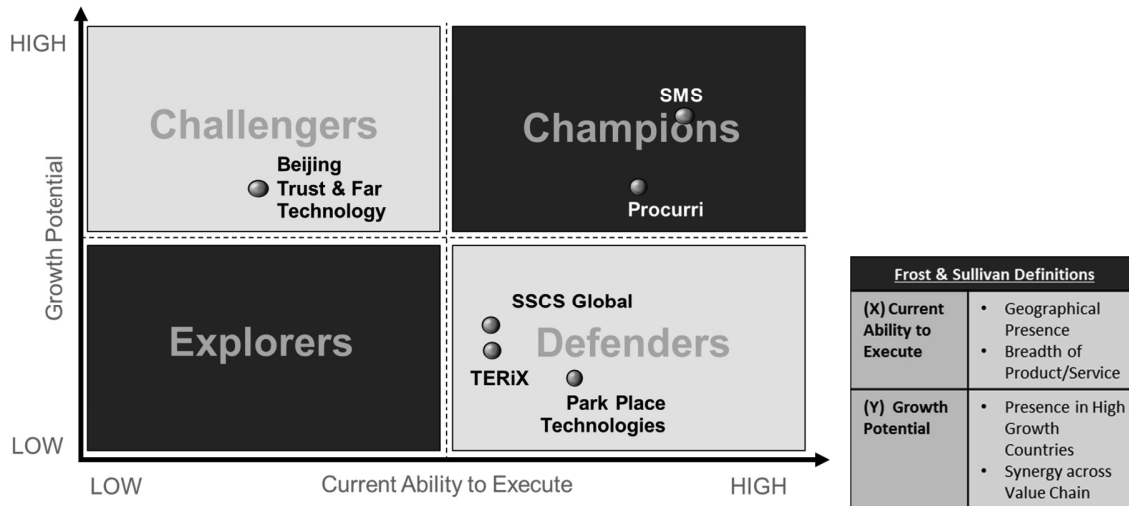
Source: Frost & Sullivan



## APPENDIX I – INDEPENDENT MARKET RESEARCH REPORT

### 4.5 Competitive Landscape

**Fig 4-1: Competitive Landscape of Independent Maintenance Service Market for Data Center Equipment**



Source: Frost & Sullivan

<b>PARK PLACE TECHNOLOGIES</b>	<p>Park Place Technologies is a prominent player in the independent maintenance market. The company has more than 5,000 customers ranging from Fortune 500, government agencies to higher education institutions. It commands a 96% customer satisfaction rating, with support facilities extending across 70+ countries. However, we note that Park Place’s presence is limited in high-growth regions, and service offerings only consist of support maintenance and disposal components. Park Place needs to expand to high-growth regions to maximize its growth potential. Growth potential for Park Place is expected to be high given its strong geographical presence and support capabilities.</p>
<b>TERiX</b>	<p>TERiX is a privately-owned independent maintenance company based in the US. In 2015, TERiX expanded its portfolio to include Desktop Services (e.g., support services range from virus issues to help with back-ups), and support services for a broad array of storage equipment. Nevertheless, we note that TERiX has ample room for improvement in terms of variety of service offerings; perhaps introduce components such as hardware resale and remarketing services. Currently, TERiX is present in the US, Australia and Korea with little operational and sales activity in higher-growth countries. As such, growth may be hindered for TERiX in coming years.</p>
<b>SYSTEM MAINTENANCE SERVICES</b>	<p>System Maintenance Services (SMS) is one of the largest IT maintenance providers in the industry. SMS offers integrated IT infrastructure support services, ranging from hardware resale, migration, consolidation, deployment to other professional services across the value chain. SMS also has significant global presence, with well-established networks of owned and affiliated services centers. In the past two years, SMS has expanded aggressively, first by upgrading its existing facilities, then the acquisition of two IT maintenance companies in Europe, as well as the launch of a new service center in Thailand. SMS is well-positioned to cater for future growth.</p>

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SSCS GLOBAL IT SERVICES	Established in 1988, SSCS Global IT Services is a US-based company, with key presence in Europe, LATM and Malaysia. SSCS services one of the widest range of hardware and product lines in the industry, and offers five different levels of SLAs to suit customer needs. SSCS has also developed a suite of proprietary web-based tools to streamline service delivery processes to maintain and improve customer support levels. SSCS’ presence in Asia and LATM is rather limited, which may prevent it from fully realizing its growth potential.
BEIJING TRUST & FAR TECHNOLOGY	Beijing Trust & Far Technology, a listed company, is an emerging maintenance player in Mainland China, with an IT maintenance revenue of RMB190 million (approx US\$30 million) in 2014. It is one of the first providers in China to offer vendor-neutral maintenance services, and has since captured significant market share. While its core focus is on maintenance services, Beijing has expanded offerings to include services such as system integration, software platform and data analytics. Although Beijing is a strong provider in local China markets, its presence in other regions is limited, which needs to be improved for greater growth potential.

### 4.6 Independent Maintenance Services Value-Chain

**Fig 4-2: Value Chain of Independent Maintenance Market for Data Center Equipment**



The value chain for a maintenance contract is relatively straightforward. It first begins with companies purchasing equipment from hardware resale vendors or OEMs, and seeking to engage independent maintenance vendors for their services, to supplement existing warranties or after their warranties have expired. The vendor analyzes the appropriate service levels required for the customer’s IT infrastructure and develops an initial contract for further discussion. Agreements usually last for a period of one to three years on average, depending on the customers’ demands and requirements. Once the SLAs are confirmed and signed, the independent vendor begins to provide services to its clients.

Given the globalized footprint of companies and their operations, companies are looking towards adopting consistent services in their business units and divisions across the globe. As mentioned, the independent maintenance market is highly fragmented. Many vendors are localized in terms of their service offerings; the need for an integrated service chain that effectively spans across all regions will be critical for independent IT maintenance vendors to succeed in the coming years.

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## APPENDIX I – INDEPENDENT MARKET RESEARCH REPORT

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### 5 IT Asset Disposition (ITAD)

#### 5.1 Overview of the Global ITAD Market Landscape

- With the exponential increase of hardware, and rising awareness among consumers and corporates about sustainability and ethical disposal, IT asset disposition (ITAD), namely, reverse logistics is becoming an area of focus for many companies today. Standards have been formulated to guide the disposal of electronic assets in a sustainable and secure manner.
- Furthermore, IT managers are also seeking to maximize the recovery value of existing assets, in a bid to resell the assets in secondary markets, or to reuse them for other business purposes. With pressures to maximize asset utilization, we expect growing adoption of ITAD services by data centers, IT managers and cloud providers moving forward.
- Many OEMs have initiated their own ITAD programs to aid in the disposal of equipment for customers. However, given that OEMs do not actually have the capabilities to support the entirety of ITAD services, they have established a network of partners to help them serve customers. For instance, depending on the OEMs' capabilities, they may choose to engage specific partners to support data erasure and value recovery or for remarketing and recycling services. Within the ITAD market, we note that OEMs are increasingly engaging partners that specialize in the provision of data erasure and value recovery services, driving significant growth, especially for these vendors.

#### 5.2 Historical Growth of the Global ITAD Market Landscape

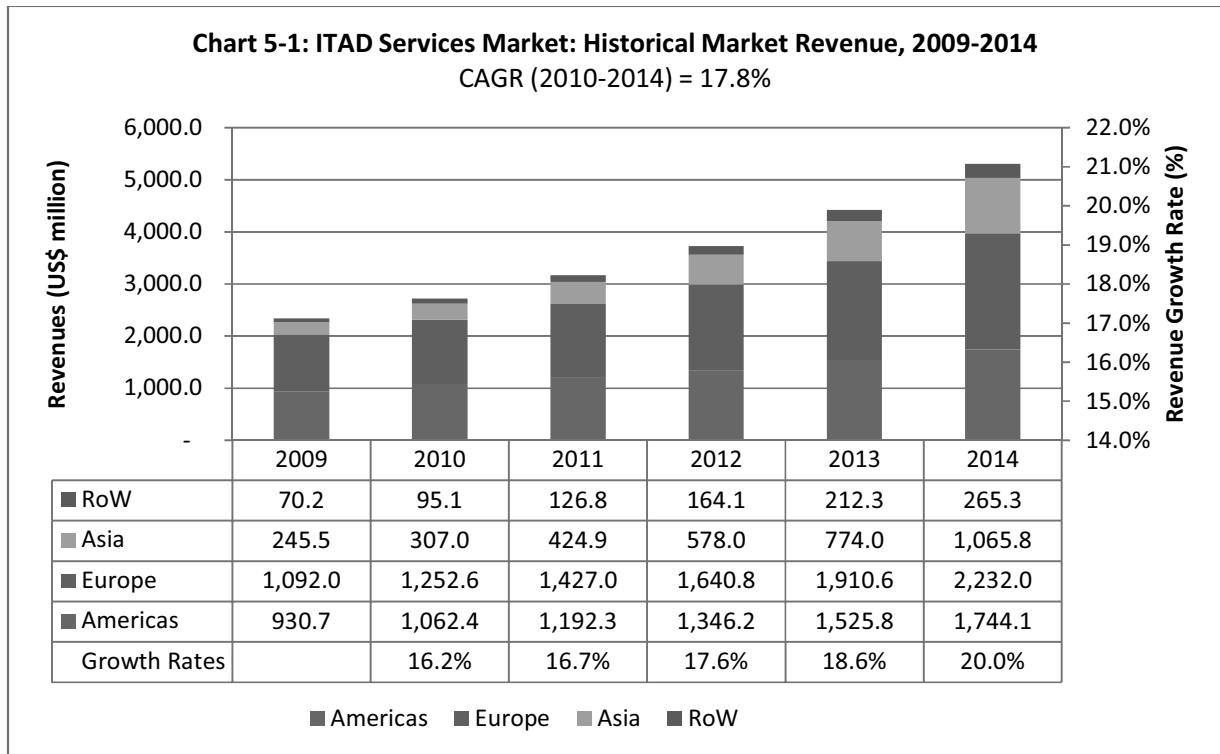
- Rising awareness for reverse logistics is spurring demand for associated disposition services. Growth in ITAD services across the regions have been relatively consistent, ranging from 16.2% from 2009 to 2010, to 20.0% from 2014 to 2015. As a result, the global ITAD services market valued at US\$2.3 billion in 2009, grew to US\$5.3 billion in 2014, at a CAGR of 17.8%.
- In 2009, more than 80% of market activity occurred in the Americas and Europe, due to limited IT and environmental awareness in Asia and rest of the world regions. However, rapid advancements in emerging markets have boosted revenues for ITAD services in Asia, where revenue figures more than tripled between 2009 and 2014. In addition, we noted that Europe remained the largest ITAD services market out of all the regions during these years.

**Table 5-1: ITAD Services Market: Historical Market Revenue, 2009-2014**

Year	2009	2010	2011	2012	2013	2014
Global ITAD Services Market (US\$ billion)	2.3	2.7	3.2	3.7	4.4	5.3

Source: Frost & Sullivan

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Source: Frost & Sullivan

### 5.3 ITAD Services Market Drivers

#### Optimization of Asset Management to Improve Utilization and Value Recovery

There have been considerable increases in the global spending on IT hardware by companies, amid IT budget constraints. Management and IT teams are under pressure to lower capital expenditures, optimize the management of assets and improve utilization rates. Disposition of surplus and idle assets achieve this objective and also maximize value recovery of the reusable equipment.

Many ITAD vendors have introduced asset management programs, designed to enable companies to track and measure the value of their underlying equipment from the point of receipt to the actual usage. Companies are able to control inventory numbers, and sell surplus and/or unnecessary equipment to improve asset utilization rates, inducing cost savings.

When companies are looking to sell surplus and/or unnecessary equipment, ITAD vendors provide valuable services in the form of refurbishment to maximize the recovery value from these assets. Refurbishment consists of cosmetic and technical enhancements, for instance, the replacement of missing or spoilt parts to ensure satisfactory appearance and functionality of the underlying asset. This allows companies and/or ITAD vendors to achieve the best prices in subsequent remarketing transactions in the secondary markets.

#### Increasing Data Center Decommissioning

The outsourced data center services market is expected to grow from US\$21.5 billion in 2015 to US\$41.1 billion by 2020. Global data center space is also forecasted to grow to 2.5 billion square feet by 2025, with a larger share of growth anticipated in the outsourced data center market. As the data center market expands, this is expected to boost demand in the ITAD services market in two ways. Firstly, an increasing number of companies are beginning to see the value in outsourcing their data center operations to third parties, decommissioning their existing captive

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data centers. Next, in a bid to boost current data center capabilities, companies and data center operators are purchasing new data center equipment, leading to the decommissioning of existing data center infrastructure. Both are expected to boost demand for ITAD services, as data center equipment contains huge amounts of confidential company data that must be erased in an appropriate manner.

### **Consequences from Inappropriate Asset Disposal, i.e., Increasing Data Breaches**

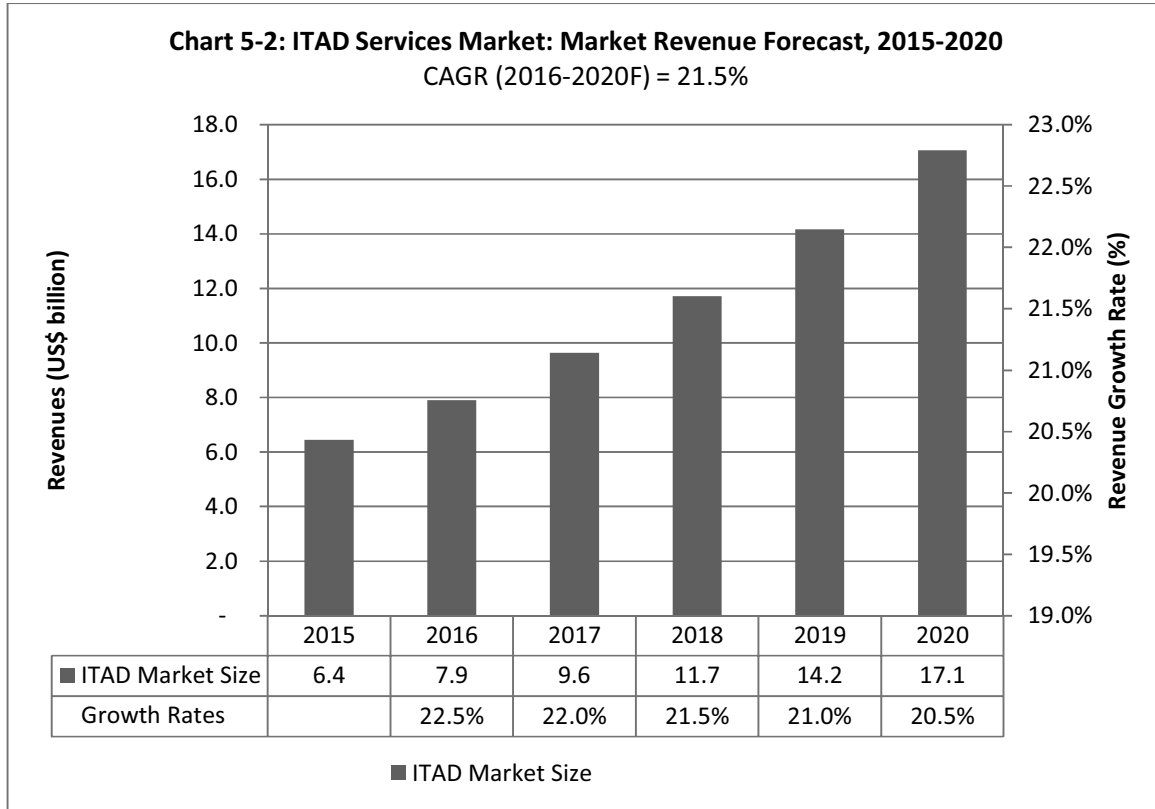
With increasing data breaches resulting in millions of wasted dollars, companies are beginning to realize the importance and value of data. Examples include Target's data breach in 2013, which exposed over 40 million customers' credit and debit cards to fraud, and AT&T's civil penalty of US\$25 million after the breach of 280,000 customers' names and their social security numbers. While these breaches are not directly related to the disposal of assets, they highlight the need for companies to ensure the confidentiality of data on devices, even when they want to dispose them. Compliance issues pertaining to regulations such as HIPAA/HITEC, SOX and FACTA also have to be considered by companies in the disposal process.

Given the potentially dire consequences of inappropriate asset disposal, many companies now choose to outsource disposal services to ITAD vendors, with a specific focus on data destruction. In 2014, nearly two out of three companies interviewed chose to engage a third-party ITAD vendor to manage their end-of-life asset disposals. An increasing number of companies have also started apportioning their budget for ITAD services; an increase of almost 25% in two years.

### **5.4 Projected Figures for the ITAD Services Market**

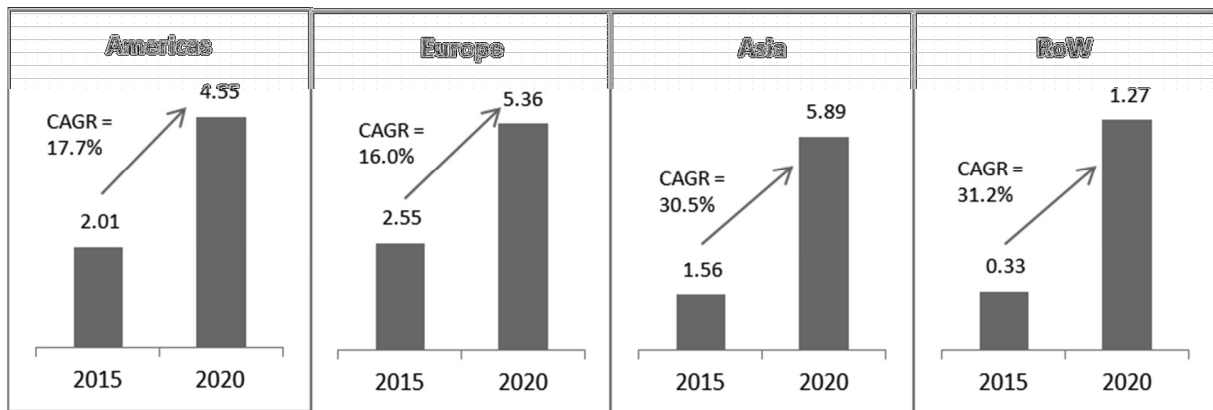
- Due to the market drivers mentioned above, we expect the global demand for ITAD services to continue growing in coming years. With an exponential increase in the number of IT hardware, coupled with other drivers such as pressure to maximize asset utilization, increasing captive data center decommissioning and concerns about data security, the size of the ITAD market is likely to expand correspondingly. The global ITAD services sector is currently valued at US\$6.4 billion in 2015, and expected to grow at a CAGR of 21.5% over the next five years to US\$17.1 billion in 2020, nearly three times its current size.
- There is significant growth in all markets, as CAGRs range from 16.0% for Europe to 31.2% for the rest of the world from 2015 to 2020. While Europe is currently the largest contributor to the global ITAD services market, Asia is set to overtake it by 2019, due to booming IT industries in emerging markets such as China and India.

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Source: Frost & Sullivan

**Chart 5-3: ITAD Services Market: Regional Market Revenue Forecast, 2015-2020**  
(US\$ billion)



Source: Frost & Sullivan

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**Table 5-2: ITAD Services Market: Regional Market Revenue Forecast, 2015-2020**

Region	2015	2016F	2017F	2018F	2019F	2020F	CAGR
Americas (US\$ billion)	2.01	2.34	2.72	3.23	3.84	4.55	17.7%
Europe (US\$ billion)	2.55	2.92	3.35	3.92	4.59	5.36	16.0%
Asia (US\$ billion)	1.56	2.20	3.00	3.79	4.75	5.89	30.5%
RoW (US\$ billion)	0.33	0.43	0.56	0.76	0.99	1.27	31.2%

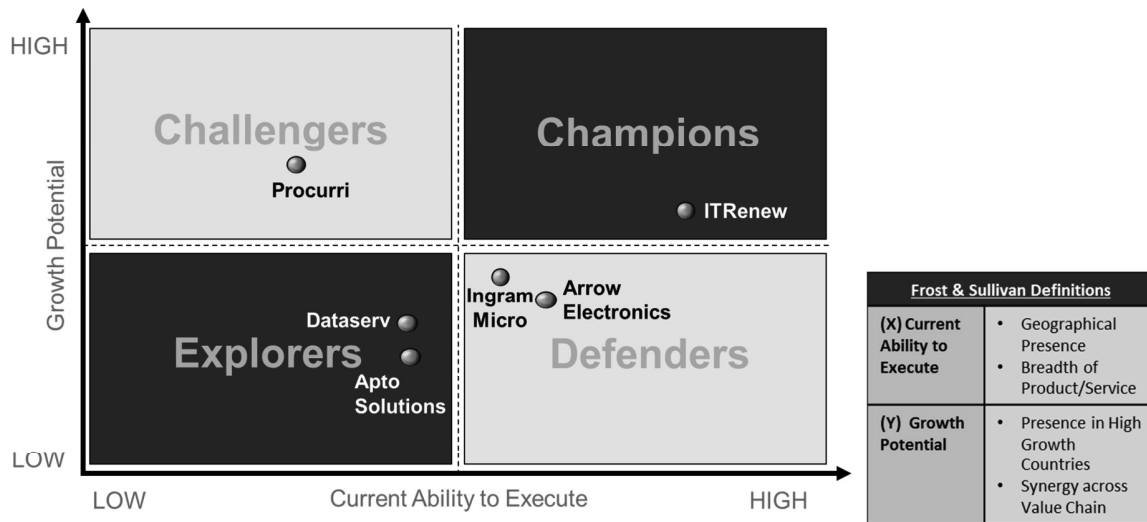
Source: Frost & Sullivan

### 5.5 Competitive Landscape

At the end of the ITAD services value chain, old, obsolete equipment with little or no resale value are collected by recycling vendors, with the aim to properly dispose of electrical components in an environmentally-friendly manner. These vendors usually run large-scale facilities to extract valuable metals such as gold, silver and copper for reuse in the markets.

For the purpose of this study, ITAD vendors with a primary focus on recycling have been excluded, as Procurri is not involved in the recycling business.

**Fig 5-1: Competitive Landscape of ITAD Services Market**



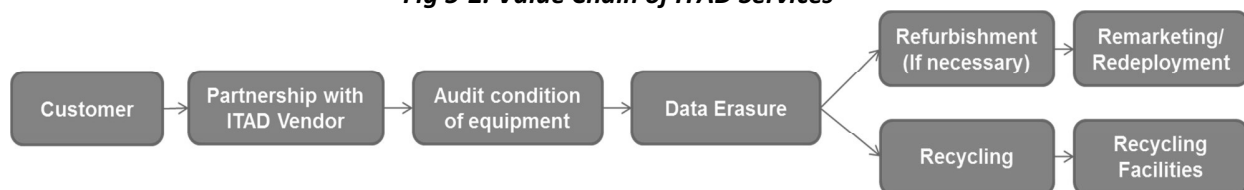
Source: Frost & Sullivan

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<b>ARROW ELECTRONICS</b>	Arrow Electronics' ITAD brand, Arrow Value Recovery, has substantial global presence with over 20 facilities worldwide. In the past few years, Arrow has acquired ITAD providers including US Micro, Greentech, Converge, Redemtech, and RDC, its latest acquisition in 2015. The acquisitions signal Arrow's intention to develop into a leading contender in the ITAD industry. Nonetheless, there remains the question of successful integration of these companies within the ITAD operations of Arrow. In addition, Arrow may have to strengthen its presence in high-growth regions to boost its growth momentum going forward.
<b>INGRAM MICRO</b>	Ingram Micro, having acquired CloudBlue in 2013, has more than 20 e-Stewards-certified facilities globally. While a major part of CloudBlue's portfolio is US-centric, Ingram Micro's global facilities have greatly facilitated its expansion in Europe. Nevertheless, there is great growth potential for Ingram Micro to reinforce its capabilities across the globe, integrating ITAD offerings and strong IT distribution networks to deliver a superior value proposition to customers in the Asian region. Hence, it is important for Ingram Micro to expand its geographical footprint in the coming years, to sustain its growth strategy.
<b>DATASERV</b>	Dataserv, based in the UK, is an EMEA-centric ITAD vendor with estimated annual ITAD revenues of more than US\$45 million. Most of its facilities are located in EMEA, which contributes 70% to 80% of its total revenue. In 2015, Dataserv entered into a joint venture with Rhenus Data Office to provide disposal and remarketing services for pre-owned IT systems. We expect this to strengthen Dataserv's network of partners to further support its remarketing capabilities. However, more efforts could be focused on augmenting its ITAD operations in growing markets, i.e., China and India, to propel Dataserv's future growth in other regions.
<b>ITRENEW</b>	Established in 2000, ITRenew is an up-and-coming ITAD vendor based in the US. In terms of geographical presence, it has facilities in North America, EMEA, Japan and Malaysia, as well as a global remarketing network of partners including system integrators and IT service providers. Its main differentiator is its proprietary data erasure software, Teraware. In 2015, ITRenew also released its proprietary calculator, Total Return, to measure data center disposition results. In addition, the partnership with Retire-IT (another ITAD vendor) was announced, boosting ITRenew's partner network and ITAD capabilities, positioning it favorably for future growth.
<b>APTO SOLUTIONS</b>	Apto Solutions is a rapidly growing ITAD provider based in the US. Its customer base includes Internet companies and financial institutions. In 2015, the company released its new software platform, AptoPulse, enabling customers to monitor the lifecycle of their equipment and determine the right timing to dispose of them, maximizing residual value. While Apto is recognized in the ITAD industry for its technical and remarketing expertise in the disposal of complex data center equipment, its limited geographical presence in other regions other than North America may significantly impede its growth in global ITAD markets.

### 5.6 ITAD Services Value-Chain

**Fig 5-2: Value Chain of ITAD Services**





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This section provides a general overview of the ITAD lifecycle, and how it proceeds from industry to industry. The IT asset disposition process begins with customers approaching ITAD vendors to initiate their asset disposal or redeployment process. An audit of the equipment's condition by the ITAD vendor follows, before data erasure and sanitization solutions commence.

If the equipment is deemed to have reusable value, it is refurbished (if necessary) to maximize value recovery, and placed for sale on secondary markets or redeployed, depending on customer needs and requirements. On the other hand, if the equipment is determined to have zero or little value, it is sent for recycling. In a recycling situation, vendors then collect fees for the appropriate disposal of the equipment.

### 6 Conclusion

Hardware resale, independent maintenance, and ITAD services are three interconnected segments experiencing healthy double-digit growth rates within the larger IT hardware and services market. The segments share several growth drivers in common.

The most significant driver is the enhanced cost proposition brought by the combination of the three offerings, enabling companies, data center operators, and cloud providers to reduce hardware and maintenance costs, and extract maximum value from disposed hardware. Changes in the data center industry are also stimulating growth in the segments. With the prevalence of cloud and managed hosting services by IT vendors, there has been a rise in the outsourcing of data center operations by various companies. This has led to the commoditization of hardware among data center and cloud providers, where they are especially receptive to the use of resale equipment from various brands in their IT infrastructure. The diversity and scale of their hardware environment are leading companies to engage independent maintenance services as a single point of contact, rather than having to manage several maintenance contracts from the different OEMs. With increasing outsourcing of data center operations to third parties, companies are also decommissioning their captive data centers, driving demand for asset disposition services.

Interestingly, the three segments drive each other as well. Increased activity in IT disposition is likely to lead to a greater number of resale equipment in the market. While a larger hardware resale market is anticipated to present greater opportunities for independent maintenance service providers to contract with companies correspondingly. We have an interesting situation where there is rapidly growing demand for resale equipment and an increasing supply of hardware that can potentially be resold. However, only a limited number of participants connect both aspects and operate from the refurbishment of disposed hardware to marketing and supporting such hardware, on a global scale.

From a regional perspective, while the US and Europe are currently the largest regions for all three segments, Asia and RoW show the greatest potential and are expected to have the highest growth rates in the next five years. There are several drivers behind the rapid growth in Asia. First, the outsourced data center industry is growing at a faster rate in this region. Singapore, Australia, and Japan are major data center hubs, with the establishment of leading regional and global players, such as Equinix, Century Link, and Digital Realty, in these countries. Similarly, Indonesia, India, and China are gaining significant growth momentum in data center services and growing at more than 20% per annum. This directly results in greater demand for hardware resale, independent maintenance and ITAD services. The other driver in Asia is the comparatively lower adoption of such services, resulting in higher growth as they move towards the adoption levels in Americas and Europe.

In terms of the vendor landscape, the three segments are highly fragmented, with bigger players originating from North America and Europe. Many of these vendors are localized in their presence and operations, often choosing to partner with vendors in other countries to support global clients. However, this may create inconsistencies in service levels and offerings.

To effectively capitalize on the growth potential of the three segments, Frost & Sullivan expects a convergence and integration of service offerings. Vendors that have the required technical expertise, global network and operations, as well as sourcing abilities, are able to position themselves competitively in the three markets to ensure long-term success.

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## APPENDIX J – TAXATION

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### TAXATION

The following discussions regarding taxation are general in nature and based on the current tax legislation of Singapore, the US, the UK, Mexico and Malaysia and administrative guidelines issued by the relevant authorities in force as at the date of this Prospectus and are subject to any changes in such laws or administrative guidelines, or in the interpretation of these laws or guidelines, occurring after such date, where such changes could be made on a retrospective basis. These laws and guidelines are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. The discussions below are not to be regarded as legal or tax advice. The discussion is limited to a general description of certain tax consequences in Singapore with respect to the subscription for, acquisition, holding and disposal of our Shares by investors, and does not purport to be a comprehensive nor exhaustive description of all of the tax considerations that may be relevant to the subscription for, acquisition, holding and disposal of our Shares.

**Prospective investors should consult their tax advisors regarding Singapore tax and other tax consequences of subscribing for, acquiring, holding and disposing our Shares. It is emphasised that neither our Company, our Directors nor any other persons involved in the Offering accepts responsibility for any tax effects or liabilities resulting from the subscription for, acquisition, holding or disposal of our Shares.**

### SINGAPORE TAX

#### General

##### *Individual income tax*

An individual is regarded as tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he ordinarily resides (except for temporary absences) in Singapore.

Individuals who are Singapore tax residents are subject to income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore by tax resident Singapore individuals, except for certain income received through a partnership in Singapore, is generally exempt from Singapore income tax.

Singapore tax resident individuals are subject to tax based on progressive rates, currently ranging from 2.0% to 20.0%. Non-Singapore tax resident individuals are generally subject to Singapore income tax on income accruing in or derived from Singapore at the rate of 20.0%. As announced in the Singapore Budget 2015, the top marginal tax rate will be raised from 20.0% to 22.0% with effect from the year of assessment 2017. The tax rate for non-resident individuals would be similarly adjusted from 20.0% to 22.0% with effect from the year of assessment 2017.

##### *Corporate income tax*

A company is regarded as tax resident in Singapore if the control and management of its business is exercised in Singapore.

Corporate taxpayers are subject to Singapore income tax on income accruing in or derived from Singapore and, unless otherwise exempt, on foreign-sourced income received in Singapore or deemed to have been received in Singapore by the operation of law. Foreign-sourced dividends,

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foreign branch profits and foreign-sourced service income received or deemed to have been received in Singapore by Singapore tax resident companies are exempt from Singapore income tax provided certain prescribed conditions are met.

The prevailing corporate tax rate is 17.0%. In addition, 75.0% of up to the first S\$10,000 and 50.0% of up to the next S\$290,000 of a company's normal income chargeable to tax at the prevailing corporate tax rate will be exempt from corporate income tax. In addition, companies will receive a 30.0% corporate income tax rebate for the years of assessment 2016 and 2017, subject to a cap of S\$20,000 per year of assessment. It is proposed in the Singapore Budget 2016 announced on 24 March 2016 that the corporate income tax rebate will be raised to 50.0% for the years of assessment 2016 and 2017. The cap of S\$20,000 per year of assessment remains unchanged.

### ***Dividend Distributions***

Singapore adopts the "One-Tier Corporate Taxation System" under which the tax collected on corporate profits is a final tax and the after-tax profits of a company residing in Singapore can be distributed to the shareholders as tax exempt dividends. Such dividends are tax exempt in the hands of the shareholders, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident. Singapore does not currently impose withholding tax on dividends paid to resident or non-resident shareholders.

### ***Gains on Disposal of our Shares***

Singapore currently does not impose tax on capital gains. Therefore, any gains derived from the disposal of our Shares will not be liable for Singapore income tax unless such gains are considered income derived from a trade or business carried on in Singapore. Such gains may also be liable to Singapore income tax if our Shares were acquired with the intent or purpose of making a profit from their subsequent disposal and not for long-term investment purposes.

Subject to certain conditions being met, gains derived from the disposal of ordinary shares by companies during the period 1 June 2012 to 30 May 2017 (both dates inclusive) will not be subject to Singapore income tax, if the divesting company holds a minimum shareholding of 20.0% of the ordinary shares in the company whose shares are being disposed of for a continuous period of at least 24 months ending on the date immediately prior to the date of disposal of such shares. Such exemption does not apply in limited circumstances, for example disposal of shares in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than property development). As announced in the Singapore Budget 2016, this scheme will be extended until 31 May 2022 covering disposal of equity investments from 1 June 2017 to 31 May 2022.

Other than the above, there are no specific laws or regulations which deal with the characterisation of capital gains, and hence, gains may be construed to be of an income nature and subject to income tax especially if they arise from activities which the Inland Revenue Authority of Singapore regards as the carrying on of a trade or business in Singapore. As the precise tax status of one shareholder will vary from another, Shareholders are advised to consult their own professional advisers on the Singapore income tax consequences that may apply to their individual circumstances.

In addition, Shareholders who apply, or who are required to apply, the Singapore Financial Reporting Standard 39 - Financial Instruments: Recognition and Measurement ("**FRS 39**") for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains

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or losses in the nature of capital) in accordance with the provisions of FRS 39 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of our Shares is made. Shareholders who may be subject to this tax treatment should consult their accounting and tax advisers regarding the Singapore income tax consequences of their subscription for, acquisition, holding and disposal of our Shares arising from the adoption of FRS 39.

### ***Stamp Duty***

There is no stamp duty payable on the subscription and issuance of our Shares.

Stamp duty is payable on the instrument of transfer of our Shares at the rate of 0.2% of the consideration for, or the market value of, our Shares whichever is higher.

The purchaser is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed or the instrument of transfer is executed outside Singapore. However, stamp duty will generally be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore.

The abovementioned stamp duty is not applicable to electronic transfers of our Shares through the CDP.

### ***Goods and Services Tax (“GST”)***

The sale of our Shares by a GST-registered investor belonging in Singapore to another person belonging in Singapore is an exempt supply not subject to GST. Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in connection with the making of this exempt supply is generally not recoverable and will become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or satisfies certain GST concessions.

Where our Shares are sold by a GST-registered investor in the course or furtherance of a business carried on by such an investor to a person belonging outside Singapore, and who is outside Singapore at the time of supply, the sale is a taxable supply subject to GST at zero-rate (i.e. 0%). Any input GST (for example, GST on brokerage) incurred by the GST-registered investor in making of this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable from the Comptroller of GST.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of our Shares.

Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or sale of our Shares will be subject to GST at the prevailing standard rate of 7.0%. Similar services rendered contractually to an investor belonging outside Singapore should, subject to certain conditions, qualify for zero-rating (i.e. subject to GST at zero-rate).

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### UNITED STATES OF AMERICA TAX

#### Corporate Tax

Procurri LLC is a limited liability company organised under the laws of the State of Georgia, US, that has elected to be taxed as a corporation for federal income tax purposes under the US Internal Revenue Code of 1986, as amended (the “**Code**”). A corporation incorporated in the US is a tax resident of the US. The Code imposes taxes on profits made by US corporations when earned. The marginal federal corporate income tax rate imposed pursuant to the Code on the highest income bracket of corporations is 35.0%. US corporations also are subject to state and local taxes in many jurisdictions in which they operate or from which they receive income. Georgia imposes such a state tax at the rate of 6.0%. A corporation may deduct its business expenses, including state and local income tax expense, when computing its federal taxable income. While the Code distinguishes between capital gain and ordinary income, both capital gain and ordinary income of a corporation are taxed at the same rate.

#### Dividend distributions

ASVIDA UK owns 100.0% of the membership interests of Procurri LLC directly. Generally, a 30.0% withholding tax is payable on dividends paid by a US corporation to foreign shareholders. However, this is subject to reduction or elimination by any applicable double tax treaty. Assuming the income is not effectively connected with ASVIDA UK’s conduct of a trade or business in the US, under the Convention between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and on Capital Gains signed on 24 July 2001, as amended by the Protocol between the United States and the United Kingdom of Great Britain and Northern Ireland, signed on 22 July 2002 (the “**US Tax Law**”), no US taxes are payable (either by direct assessment or withholding) to the US Department of the Treasury under US Tax Law with respect to dividend distributions declared and made by Procurri LLC to ASVIDA UK.

No taxes are payable (either by direct assessment or withholding) to the Georgia Department of Revenue under Georgia Public Revenue Code at O.C.G.A. Section 48-1-1, et seq. (the “**Georgia Tax Law**”) with respect to dividend distributions declared and made by Procurri LLC to ASVIDA UK.

#### Interest payments

Interest paid and royalties for intellectual property used in the US paid to foreign shareholders generally are subject to a 30.0% withholding tax, subject to reduction or elimination by any applicable double tax treaty. Pursuant to US Tax Law, no US taxes are payable (either by direct assessment or withholding) with respect to interest or royalties paid by Procurri LLC to ASVIDA UK, subject to limited exceptions for interest determined with reference to (i) receipts, sales, income, profits, or other cash flow of Procurri LLC or a related person, (ii) any change in the value of any property of Procurri LLC or a related person, or (iii) any dividend, partnership distribution, or similar payment made by Procurri LLC to a related person.

No taxes are payable (either by direct assessment or withholding) to the Georgia Department of Revenue under Georgia Tax Law with respect to interest payments made by Procurri LLC to ASVIDA UK.

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### **Gains on disposal of the shares in a US corporation**

Assuming that the gain is not effectively connected with ASVIDA UK's conduct of a US trade or business, no US taxes are payable (either by direct assessment or withholding) by ASVIDA UK on capital gains from the sale of membership interests in Procurri LLC.

No taxes are payable (either by direct assessment or withholding) to the Georgia Department of Revenue under Georgia Tax Law with respect to capital gains from the sale of membership interests in limited liability companies (taxed as corporations for US federal income tax purposes) in Georgia.

### **UNITED KINGDOM TAX**

#### **Corporation Tax**

Our Company's UK-incorporated subsidiaries, ASVIDA UK, Tinglobal and Procurri UK (collectively, the "UK Companies") are subject to corporation tax in the UK. From 1 April 2015 to 1 April 2016, corporation tax is charged on all profits derived from both income and capital at a rate of 20.0%. The rate is set to decrease to 19.0% from 1 April 2017 and to 17.0% from 1 April 2020.

#### **Dividend distributions**

Dividends paid by the UK Companies to Procurri should not be subject to UK withholding tax.

#### **Interest payments**

There is no withholding tax imposed on interest paid by Tinglobal and Procurri UK to ASVIDA UK.

Interest paid by ASVIDA UK to Procurri would be subject to a maximum rate of 5.0% withholding tax under the Singapore-UK Double Taxation Agreement (as amended by the 2012 Singapore-UK second protocol), subject to the completion of the necessary procedural formalities.

#### **Capital gains tax**

No UK capital gains tax would be payable by Our Company on a disposal of shares in the UK Companies.

Any gain made by the UK Companies on a share sale or other disposal should be subject to corporation tax unless either the sale is to one of the other UK Companies, in which case it should be exempt, or (in the case of a share sale) the UK participation exemption applies.

#### **Stamp duty**

Stamp duty would be payable by a third party buyer of the shares in any of the UK Companies. Stamp duty is levied on a transfer worth more than £1,000 at a rate of 0.5%, rounded up to the nearest £5.

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## APPENDIX J – TAXATION

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### MEXICO TAX

#### Corporate and Other Tax

An entity is considered resident in Mexico if it is managed and controlled in Mexico. A company resident in Mexico for tax purposes is subject to corporate income tax of 30.0% on its worldwide income and gains, regardless of the source of the income. Any paid foreign tax may be credited against Mexican tax on the same foreign income, up to the amount of Mexican tax payable on the foreign income.

Mexico does not have a specific capital gains tax separate from its general corporate income tax. All corporate income is subject to income tax when it is accrued.

A deduction of capital losses in relation to each class of loss may only be applied to gains arising from the same class. Capital losses may be carried forward for up to ten (10) years, subject to applicable inflation adjustments. Carryback of losses is not permitted. Immediate depreciation is available for, amongst others, investments in certain new assets, for taxpayers with revenues of up to MXN100,000,000.

As a separate obligation, employers must pay 10.0% of their taxed profits to their workers. Employer contributions for social security and other related contributions (e.g. housing and retirement) are also mandatory, with rates ranging from 15.0% to 25.0%, depending on the salary structure of the group of employees.

#### Dividend distributions

A 10.0% withholding tax is applicable to dividends paid by a Mexican resident to a non-Mexican resident. The withholding tax rate could be reduced depending on the applicability of a tax treaty.

Under the United States-Mexico Income Tax Convention, 1992 (the “**US-Mexico Treaty**”), dividends paid by a Mexican resident to a US resident, which owns at least 10.0% of the voting capital of the Mexican resident paying the dividends, is subject to withholding tax at the rate of 5.0%.

Under the Singapore-Mexico Double Taxation Agreement (as amended by the 2009 protocol) (the “**Singapore-Mexico Agreement**”), there is no tax payable in respect of dividends paid by a Mexican resident to a Singapore resident which is the beneficial owner of the dividends.

#### Interest payments

Interest paid to non-Mexican residents is subject to withholding tax at various rates, depending on various factors, ranging from 4.9% to 35.0%. Royalties paid to non-Mexican residents are subject to withholding tax at the maximum rate of 35.0%. Leasing of machinery and equipment is generally considered a royalty. Technical assistance fees are subject to 25.0% withholding tax. The withholding tax rate could be reduced depending on the applicability of a tax treaty.

Under the US-Mexico Treaty, interest paid to a US resident is subject to withholding tax at the maximum rate of 15.0% and royalties and technical assistance fees are subject to withholding tax at the rate of 10.0%.



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## APPENDIX J – TAXATION

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Under the Singapore-Mexico Agreement, interest paid to a Singapore resident (which is not a bank) is subject to withholding tax at the rate of 15.0% and royalties and technical assistance fees are subject to withholding tax at the rate of 10.0%.

### **Gains on disposal of the shares in a Mexican resident**

There is no stamp duty for the disposal of shares in a Mexican resident company.

Non-residents must pay taxes if their earnings are deemed Mexican-sourced income and such taxes will typically be withheld.

According to both the US-Mexico Treaty and the Singapore-Mexico Agreement, the disposal of shares of a Mexican resident can only be taxed in Mexico if the US or Singapore resident owner of the shares has owned the shares for at least twelve (12) months prior to their disposal, and has maintained an ownership of the Mexican resident equivalent at least to 25.0% of its capital. If the aforesaid criteria are not met, there is no taxable income in Mexico in relation to the disposal of such shares by a US or Singapore resident, save as disclosed below.

Notwithstanding the above, the disposal of shares in a Mexican resident by a Singapore resident may still be taxed as income in Mexico if at least 50.0% of the assets held by the Mexican resident by value consist, directly or indirectly, of immovable property (other than immovable property used by the Mexican resident in its industrial, commercial or agricultural or in the conduct of independent personal activities) situated in Mexico, or any other right pertaining to such immovable property.

Where tax is payable by a non-resident on the sale of shares in a Mexican resident, the transaction is subject to withholding tax at the rate of 25.0% over the transaction price, or the rate of 35.0% over the transaction's profit.

## **MALAYSIA TAX**

### **Corporate Income Tax**

The Income Tax Act 1967 imposes corporate income tax on our businesses in Malaysia. A resident or non-resident company is assessable on income accrued or derived from Malaysia. The applicable income tax rate for the year of assessment 2016 for companies with paid-up capital of RM2.5 million and below is 19.0% for the first chargeable income of RM500,000 and 24.0% in the excess chargeable income of RM500,000. Companies with paid up capital exceeding RM2.5 million are taxed at a rate of 24.0% on chargeable income for the year of assessment 2016.

Business and non-business deductions on certain contributions are available under the Income Tax Act 1967. Such deductions include contributions made to the government, state government, local authorities, institutions or organisations approved by the Director General of Inland Revenue Board Malaysia.

### **Dividend Distributions**

Effective from the year assessment 2008 and onwards, where a dividend is paid or credited by a company to any of its shareholders in the basis period for a year of assessment, the company shall not be entitled to deduct tax from such dividend paid or credited.

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## APPENDIX J – TAXATION

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Malaysia has introduced a single tier dividend system with effect from year of assessment 2008 under which tax paid by a company would be a final tax and dividends paid by the company to its shareholders will no longer be liable to tax. The six-year transitional period for companies to move onto this tax system ended on 31 December 2013. During this transitional period, the imputation system will continue to apply on the company until its existing tax credit account is fully utilised or until 31 December 2013, whichever is the earlier. The single tier dividend system has commenced fully in 1 January 2014 and the tax credit account will be deemed as nil at the end of 31 December 2013.

### **Capital Gains**

Capital gains from the sale of investments such as the sale of shares or capital assets other than those related to land and buildings are not subject to tax. However, any gains from sale of shares by a person who deals in shares may be regarded as income that is subject to tax under the Income Tax Act 1967.

### **Stamp Duty**

Stamp duty is levied on the transfer of certain assets and shares on an ad valorem basis under the Stamp Act 1949. The stamp duty payable on transfers of shares is currently fixed at a rate of 0.3% of the consideration price or the market value of the shares, whichever is greater.

Under section 52 of the Stamp Act 1949, no instrument chargeable with duty shall be admitted in evidence for any purpose by any person having by law or consent of parties authority to receive evidence, or shall be acted upon, registered, or authenticated by any such person or by any public officer, unless such instrument is duly stamped. The instrument shall be stamped within a stipulated period otherwise a penalty would be imposed. In addition, any person who has executed or signed (otherwise than as a witness) any instrument chargeable with duty without the same being duly stamped, shall be liable to a fine not exceeding RM1,500.00.

### **Goods and Services Tax**

The Goods and Services Tax Act 2014 requires all businesses making taxable supplies to be registered for goods and services tax if their annual sales turnover has exceeded the prescribed threshold. A 6.0% goods and services tax is charged on the value or selling price of the products. No goods and services tax shall be charged for supplies under zero-rated supplies and exempt supplies under the Goods and Services Tax Order 2015.

The amount of goods and services tax incurred on input can be deducted from the amount of goods and services tax charged by the registered person. If the amount of output tax is more than the input tax in the relevant taxable period, the difference shall be remitted to the Government. If the input tax is more than the output tax, the opposite shall apply.

### **Withholding Tax**

The Income Tax Act 1967 provides that where a person is liable to make certain types of payment to a non-resident person, he shall deduct withholding tax at the prescribed rate from such payment and (whether such tax has been deducted or not) pay that tax to the Director General of Inland Revenue within one month after such payment has been paid or credited to the non-resident.

Interest, royalties and payment for services under a contract and certain other classes of income are subject to withholding tax when paid to non-residents.

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## APPENDIX J – TAXATION

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Under section 107A of the Income Tax Act 1967, contract payments made to non-residents are subject to a withholding tax of 10.0%. Where a non-resident has stationed employees in Malaysia who are involved in the contract a further 3.0% of withholding tax is to be deducted. Where the income of the non-residents consist of interest (other than interest on an approved loan) derived from Malaysia, withholding tax shall be at a rate of 15.0% while the tax rate payable on royalty payments to non-residents is 10.0%, pursuant to section 109 of the Income Tax Act 1967.

In accordance with section 109B of the Income Tax Act 1967, other payments to non-residents which are subject to withholding tax of 10.0% include income derived from (a) services rendered by the person or his employee in connection with the use of property or rights belonging to, or to the installation or operation of any plant, machinery or other apparatus purchased from, such person; (b) technical advice, assistance or services rendered in connection with technical management or administration of any scientific, industrial or commercial undertaking, venture, project or scheme; and (c) rent or other payment made under any agreement or arrangement for the use of any moveable property.

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## **APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE**

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Applications are invited for the subscription of the New Shares at the Offering Price of S\$0.56 per New Share on the terms and conditions set out below and in the printed application forms to be used for the purpose of the Offering and which forms part of this Prospectus (the “**Application Forms**”) or, as the case may be, the Electronic Applications (as defined below).

Investors applying for the New Shares in the Offering by way of Application Forms or Electronic Applications are required to pay, in Singapore dollars, the Offering Price of S\$0.56 per New Share, subject to a refund of the full amount or, as the case may be, the balance of the application monies (in each case without interest or any share of revenue or other benefit arising therefrom and without any right or claim against the Issue Manager, Bookrunner and Underwriter) where (i) an application is rejected or accepted in part only, or (ii) if the Offering does not proceed for any reason.

- (1) **The minimum initial subscription is for 1,000 New Shares. You may subscribe for a larger number of New Shares in integral multiples of 100. Your application for any other number of New Shares will be rejected.**
- (2) You may apply for the New Shares only during the period commencing at 9.00 a.m. on 13 July 2016 and expiring at 12.00 noon on 18 July 2016. The Offering period may be extended or shortened to such date and/or time as our Company may agree with the Issue Manager, Bookrunner and Underwriter, subject to all applicable laws and regulations and the rules of the SGX-ST.
- (3)
  - (a) Your application for the New Shares offered in the Public Offer (the “**Public Offer Shares**”) may be made by way of the printed **WHITE** Public Offer Shares Application Form or by way of Automated Teller Machines (“**ATM**”) belonging to the Participating Banks (“**ATM Electronic Applications**”) or the Internet Banking (“**IB**”) website of the relevant Participating Banks (“**Internet Electronic Applications**”) or the DBS Bank Ltd. (“**DBS Bank**”) mobile banking interface (“**mBanking Applications**”) which, together with ATM Electronic Applications and Internet Electronic Applications, shall be referred to as “**Electronic Applications**”).
  - (b) Your application for the New Shares offered in the Placement (the “**Placement Shares**”) may be made by way of the printed **BLUE** Placement Shares Application Form (or in such other manner as the Issue Manager, Bookrunner and Underwriter may in its absolute discretion deem appropriate).
- (4) **YOU MAY NOT USE YOUR CENTRAL PROVIDENT FUND OR CPF INVESTIBLE SAVINGS TO APPLY FOR THE PUBLIC OFFER SHARES.**
- (5) **Only one application may be made for the benefit of one person for the Public Offer Shares in his own name. Multiple applications for the Public Offer Shares will be rejected, except in the case of applications by approved nominee companies where each application is made on behalf of a different beneficiary.**

**You may not submit multiple applications for the Public Offer Shares via the Public Offer Shares Application Form, or Electronic Applications. A person who is submitting an application for the Public Offer Shares by way of the Public Offer Shares Application Form may not submit another application for the Public Offer Shares by way of Electronic Applications and vice versa.**

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## APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE

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A person, other than an approved nominee company, who is submitting an application for the Public Offer Shares in his own name should not submit any other applications for the Public Offer Shares, whether on a printed Application Form or by way of an Electronic Application, for any other person. Such separate applications will be deemed to be multiple applications and shall be rejected.

Joint or multiple applications for the Public Offer Shares shall be rejected. Persons submitting or procuring submissions of multiple applications for the Public Offer Shares may be deemed to have committed an offence under the Penal Code, Chapter 224 of Singapore and the Securities and Futures Act, and such applications may be referred to the relevant authorities for investigation. Multiple applications or those appearing to be or suspected of being multiple applications (other than as provided herein) will be liable to be rejected at our discretion.

- (6) **Multiple applications may be made in the case of applications by any person for (i) the Placement Shares only (via Placement Shares Application Form or such other form of application as the Issue Manager, Bookrunner and Underwriter may in its absolute discretion deem appropriate) or (ii) the Placement Shares together with a single application for the Public Offer Shares.**
- (7) Applications from any person under the age of eighteen (18) years, undischarged bankrupts, sole proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP will be rejected.
- (8) Applications from any person whose addresses (furnished in their printed Application Forms or, in the case of Electronic Applications, contained in the records of the relevant Participating Bank, as the case may be) bear post office box numbers will be rejected. No person acting or purporting to act on behalf of a deceased person is allowed to apply under the Securities Account with CDP in the deceased's name at the time of the application.
- (9) The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her or their own name(s) and without qualification or, where the application is made by way of a printed Application Form by a nominee, in the name(s) of an approved nominee company or approved nominee companies after complying with paragraph 10 below.
- (10) **Nominee applications may only be made by approved nominee companies.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by nominees other than approved nominee companies will be rejected.
- (11) **If you are not an approved nominee company, you must maintain a Securities Account with CDP in your own name at the time of your application.** If you do not have an existing Securities Account with CDP in your own name at the time of application, your application will be rejected (if you apply by way of an Application Form) or you will not be able to complete your application (if you apply by way of an Electronic Application). If you have an existing Securities Account with CDP but fail to provide your CDP Securities Account number or provide an incorrect CDP Securities Account number in your Application Form or in your Electronic Application, as the case may be, your application is liable to be rejected.

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## APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE

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- (12) Subject to paragraphs 14 to 17 below, your application is liable to be rejected if your particulars such as name, National Registration Identity Card (“**NRIC**”) number or passport number or company registration number, nationality and permanent residence status, and CDP Securities Account number provided in your Application Form, or in the case of an Electronic Application, contained in the records of the relevant Participating Bank at the time of your Electronic Application, as the case may be, differ from those particulars in your Securities Account as maintained by CDP. If you have more than one individual direct Securities Account with CDP, your application shall be rejected.
- (13) **If your address as stated in the Application Form or, in the case of an Electronic Application, contained in the records of the relevant Participating Bank, as the case may be, is different from the address registered with CDP, you must inform CDP of your updated address promptly, failing which the notification letter on successful allocation from CDP will be sent to your address last registered with CDP.**
- (14) This Prospectus and its accompanying documents (including the Application Forms) have not been registered in any jurisdiction other than in Singapore. The distribution of this Prospectus and its accompanying documents (including the Application Forms) may be prohibited or restricted (either absolutely or unless various securities requirements, whether legal or administrative, are complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions.

Without limiting the generality of the foregoing, neither this Prospectus and its accompanying documents (including the Application Forms) nor any copy thereof may be taken, transmitted, published or distributed, whether directly or indirectly, in whole or in part in or into the United States or any other jurisdiction (other than Singapore) and they do not constitute an offer to sell or a solicitation of an offer to buy any securities in any jurisdiction where it is unlawful to do so. The New Shares have not been, and will not be, registered under the US Securities Act or the securities law of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S). The New Shares are being offered and sold outside the United States (including to institutional and other investors in Singapore) in offshore transactions as defined in, and in reliance on Regulation S. There will be no public offer of New Shares in the United States. Any failure to comply with this restriction may constitute a violation of securities laws of applicable jurisdictions.

**Our Company reserves the right to reject any application for New Shares where our Company believes or has reason to believe that such applications may violate the securities laws or any applicable legal or regulatory requirements of any jurisdiction.**

No person in any jurisdiction outside Singapore receiving this Prospectus or its accompanying documents (including the Application Forms) may treat the same as an offer or invitation to subscribe for any New Shares unless such an offer or invitation could lawfully be made without compliance with any regulatory or legal requirements in those jurisdictions.

- (15) Our Company reserves the right to reject any application which does not conform strictly to the instructions or with the terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms, in the ATMs and IB websites of the relevant Participating Banks and the mobile banking interface (“**mBanking Interface**”) of

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## APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE

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DBS Bank) or, in the case of an application by way of an Application Form, the contents of which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn up or improper form of remittance.

- (16) Our Company further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the instructions and terms and conditions set out in this Prospectus (including the instructions set out in the accompanying Application Forms and in the ATMs and IB websites of the relevant Participating Banks and the mBanking Interface of DBS Bank), and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof. Without prejudice to the rights of the Company, the Issue Manager, Bookrunner and Underwriter, as an agent of the Company, has been authorised to accept, for and on behalf of the Company, such other forms of application as the Issue Manager, Bookrunner and Underwriter may deem appropriate.
- (17) Our Company reserves the right to reject or to accept, in whole or in part, or to scale down or to ballot, any application, without assigning any reason therefor, and none of our Company and/or the Issue Manager, Bookrunner and Underwriter will entertain any enquiry and/or correspondence on the decision of our Company. This right applies to applications made by way of Application Forms and by way of Electronic Applications and by such other forms of application as the Issue Manager, Bookrunner and Underwriter may, in consultation with our Company, deem appropriate. In deciding the basis of allocation, our Company, in consultation with the Issue Manager, Bookrunner and Underwriter, will give due consideration to the desirability of allocating the New Shares to a reasonable number of applicants with a view to establishing an adequate market for the New Shares.
- (18) In the event that our Company lodges a supplementary or replacement prospectus (“**Relevant Document**”) pursuant to the Securities and Futures Act or any applicable legislation in force from time to time prior to the close of the Offering, and the New Shares have not been issued, our Company will (as required by law) at our Company’s sole and absolute discretion either:
- (a) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to withdraw your application and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or
  - (b) within seven (7) days of the lodgement of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to withdraw your application; or
  - (c) deem your application as withdrawn and cancelled and refund your application monies (without interest or any share of revenue or other benefit arising therefrom) to you within seven (7) days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 18(a) and (b) above to withdraw his application shall, within fourteen (14) days from the date of lodgement of the Relevant Document, notify our Company whereupon our Company shall, within seven (7)



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## **APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE**

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days from the receipt of such notification, return all monies in respect of such application (without interest or any share of revenue or other benefit arising therefrom and at his own risk).

In the event that the New Shares have already been issued at the time of the lodgement of the Relevant Document but trading has not commenced, our Company will (as required by law) either:

- (i) within two (2) days (excluding any Saturday, Sunday or public holiday) from the date of the lodgement of the Relevant Document, give you notice in writing of how to obtain, or arrange to receive, a copy of the same and provide you with an option to return to our Company the New Shares which you do not wish to retain title in and take all reasonable steps to make available within a reasonable period the Relevant Document to you if you have indicated that you wish to obtain, or have arranged to receive, a copy of the Relevant Document; or
- (ii) within seven (7) days from the lodgement of the Relevant Document, give you a copy of the Relevant Document and provide you with an option to return the New Shares which you do not wish to retain title in; or
- (iii) subject to compliance with Singapore's Companies Act and our Constitution, deem the issue as void and refund your payment for the New Shares (without interest or any share of revenue or other benefit arising therefrom) within seven (7) days from the lodgement of the Relevant Document.

Any applicant who wishes to exercise his option under paragraphs 18(i) and (ii) above to return the New Shares issued to him shall, within fourteen (14) days from the date of lodgement of the Relevant Document, notify our Company of this and return all documents, if any, purporting to be evidence of title of those New Shares, whereupon our Company shall, subject to compliance with Singapore's Companies Act and our Constitution, within seven (7) days from the receipt of such notification and documents, pay to him all monies paid by him for the New Shares without interest or any share of revenue or other benefit arising therefrom and at his own risk, and the New Shares issued to him shall be deemed to be void.

Additional terms and instructions applicable upon the lodgement of the Relevant Document, including instructions on how you can exercise the option to withdraw, may be found in such Relevant Document.

- (19) The New Shares may be reallocated between the Placement and the Public Offer for any reason, including in the event of excess applications in one and a deficit of applications in the other by the Issue Manager, Bookrunner and Underwriter, in consultation with our Company, subject to any applicable laws.
- (20) Subject to your provision of a valid and correct CDP Securities Account number, share certificates in respect of the New Shares will be registered in the name of CDP or its nominee and will be forwarded only to CDP. It is expected that CDP will send to you, at your own risk, within fifteen (15) Market Days after the close of the Offering, and subject to the submission of valid applications and payment for the New Shares, a statement of account stating that your CDP Securities Account has been credited with the number of New Shares allocated to you. This will be the only acknowledgement of application monies received and is not an

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## **APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE**

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acknowledgement by our Company. You irrevocably authorise CDP to complete and sign on your behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the New Shares allocated to you. This authorisation applies to applications made both by way of Application Forms and by way of Electronic Applications.

- (21) You irrevocably authorise CDP to disclose the outcome of your application, including the number of New Shares allocated to you pursuant to your application, to our Company, the Issue Manager, Bookrunner and Underwriter and any other parties so authorised by CDP, our Company and/or the Issue Manager, Bookrunner and Underwriter.
- (22) Any reference to “you” or the “Applicant” in this section shall include an individual, a corporation, an approved nominee company and trustee applying for the New Shares by way of an Application Form or by way of Electronic Application or by such other manner as the Issue Manager, Bookrunner and Underwriter may, in its absolute discretion, deem appropriate.
- (23) By completing and delivering an Application Form and, in the case of: (i) an ATM Electronic Application, by pressing the “Enter” or “OK” or “Confirm” or “Yes” key or any other relevant key on the ATM, or (ii) in the case of an Internet Electronic Application or mBanking Application, by clicking “Submit” or “Continue” or “Yes” or “Confirm” or any other button on the IB website screen of the relevant Participating Bank or the mBanking Interface of DBS Bank in accordance with the provisions herein, you:
- (a) irrevocably agree and undertake to subscribe for the number of New Shares specified in your application (or such smaller number for which the application is accepted) at the Offering Price for each New Share and agree that you will accept such number of New Shares as may be allocated to you, in each case on the terms of, and subject to the conditions set out in, the Prospectus and its accompanying documents (including the Application Forms) and the Constitution of our Company;
  - (b) agree that, in the event of any inconsistency between the terms and conditions for application set out in this Prospectus and its accompanying documents (including the Application Forms) and those set out in the IB websites or ATMs of the Participating Banks or the mBanking Interface of DBS Bank, the terms and conditions set out in the Prospectus and its accompanying documents (including the Application Forms) shall prevail;
  - (c) in the case of an application by way of a Public Offer Shares Application Form or an Electronic Application, agree that the aggregate Offering Price for the Public Offer Shares applied for is due and payable to our Company upon application;
  - (d) in the case of an application by way of a Placement Shares Application Form or such other forms of application as the Issue Manager, Bookrunner and Underwriter may in its absolute discretion deem appropriate, agree that the aggregate Offering Price for the Placement Shares applied for is due and payable to our Company upon application;
  - (e) (i) consent to the collection, use, processing and disclosure of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, share application details,

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## APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE

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the outcome of your application (including the number of New Shares allocated to you pursuant to your application) and other personal data (“**Personal Data**”) by the Share Registrar, CDP, Securities Clearing and Computer Services (Pte) Ltd (“**SCCS**”), SGX-ST, the Participating Banks, our Company, the Issue Manager, Bookrunner and Underwriter and/or other authorised operators (the “**Relevant Persons**”) for the purpose of facilitating your application for the New Shares, and in order for the Relevant Persons to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”) and warrant that such Personal Data is true, accurate and correct, (ii) warrant that where you, as an approved nominee company, disclose the Personal Data of the beneficial owner(s) to the Relevant Persons, you have obtained the prior consent of such beneficial owner(s) for the collection, use, processing and disclosure by the Relevant Persons of the Personal Data of such beneficial owner(s) for the Purposes, (iii) agree that the Relevant Persons may do anything or disclose any Personal Data or matters without notice to you if the Issue Manager, Bookrunner and Underwriter considers them to be required or desirable in respect of any applicable policy, law, regulation, government entity, regulatory authority or similar body, and (iv) agree that you will indemnify the Relevant Persons in respect of any penalties, liabilities, claims, demands, losses and damages as a result of your breach of warranties. You also agree that the Relevant Persons shall be entitled to enforce this indemnity (collectively, the “**Personal Data Privacy Terms**”);

- (f) warrant the truth and accuracy of the information contained, and representations and declarations made, in your application, and acknowledge and agree that such information, representations and declarations will be relied on by our Company and the Issue Manager, Bookrunner and Underwriter in determining whether to accept your application and/or whether to allocate any New Shares to you;
  - (g) agree and warrant that, if the laws of any jurisdictions outside Singapore are applicable to your application, you have complied with all such laws and neither our Company nor the Issue Manager, Bookrunner and Underwriter will infringe any such laws as a result of the acceptance of your application;
  - (h) agree and confirm that you are outside the United States (within the meaning of Regulation S); and
  - (i) understand that the New Shares have not been and will not be registered under the US Securities Act or the securities law of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the US Securities Act and applicable state securities laws. There will be no public offer of the New Shares in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
- (24) Acceptance of applications will be conditional upon, among others, our Company being satisfied that:
- (a) permission has been granted by the SGX-ST to deal in and for the quotation of all of the (i) Shares in the Company already issued; (ii) New Shares to be issued pursuant to the Offering, (iii) Option Shares, and (iv) Award Shares on the Main Board of the SGX-ST;

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## APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE

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- (b) each of the Management and Underwriting Agreement and the Placement Agreement, referred to in the section entitled “*Plan of Distribution*” of this Prospectus, has become unconditional and has not been terminated; and
  - (c) the Authority has not served a stop order which directs that no or no further shares to which this Prospectus relates be allotted or issued (“**Stop Order**”). The Securities and Futures Act provides that the Authority shall not serve a Stop Order if all the Shares have been issued and listed for quotation on the SGX-ST and trading in them has commenced.
- (25) In the event that a Stop Order in respect of the Shares is served by the Authority or other competent authority, and, subject to the laws of Singapore:
- (a) where the Shares have not been issued, (i) the Securities and Futures Act provides that applications shall be deemed to be withdrawn and cancelled; and (ii) our Company shall refund the application monies (without interest or any share of revenue or other benefit arising therefrom) to you within fourteen (14) days of the date of the Stop Order; or
  - (b) where the Shares have already been issued but trading has not commenced, (i) the Securities and Futures Act provides that the issue will be deemed void; and (ii) our Company shall refund your payment for the Shares (without interest or any share of revenue or other benefit arising therefrom) to you within fourteen (14) days from the date of the Stop Order.
- If our Company is required by applicable Singapore laws to cancel issued Shares and repay application monies to applicants (including instances where a Stop Order under the Securities and Futures Act is issued), subject to compliance with the Singapore’s Companies Act and our Constitution, our Company will purchase the Shares at the Offering Price. Please refer to the section entitled “*Information on the Share Buy-back Mandate*” of this Prospectus for more information.
- This shall not apply where only an interim Stop Order has been served.
- (26) In the event that an interim Stop Order in respect of the Shares is served by the Authority or other competent authority, no New Shares shall be issued to you until the Authority revokes the interim Stop Order. The Authority is not able to serve a Stop Order in respect of the Shares if the Shares have been issued and listed on the SGX-ST and trading in them has commenced.
- (27) Additional terms and conditions for applications by way of Application Forms are set out in the section entitled “*Additional Terms and Conditions for Applications using Printed Application Forms*” on pages K-9 to K-12 of this Prospectus.
- (28) Additional terms and conditions for applications by way of Electronic Applications are set out in the section entitled “*Additional Terms and Conditions for Electronic Applications*” on pages K-14 to K-20 of this Prospectus.
- (29) All payments in respect of any application for Public Offer Shares, and all refunds where (a) an application is rejected or accepted in part only, or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.

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## APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE

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- (30) All payments in respect of any application for Placement Shares, and all refunds where (a) an application is rejected or accepted in part only, or (b) the Offering does not proceed for any reason, shall be made in Singapore dollars.
- (31) No application will be held in reserve.
- (32) This Prospectus is dated 12 July 2016. No Shares shall be allotted and/or allocated on the basis of this Prospectus later than six (6) months after the date of registration of this Prospectus by the Authority.

### Additional Terms and Conditions for Applications using Printed Application Forms

Applications by way of an Application Form shall be made on, and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below, as well as those set out under the section entitled “*Terms, Conditions and Procedures for Application and Acceptance of the New Shares in Singapore*” on pages K-1 to K-26 of this Prospectus and the Constitution of our Company.

- (1) Applications for the Public Offer Shares must be made using the printed **WHITE** Public Offer Shares Application Form and printed **WHITE** official envelopes “A” and “B”, accompanying and forming part of this Prospectus.

Applications for the Placement Shares must be made using the printed **BLUE** Placement Shares Application Form (or in such manner as the Issue Manager, Bookrunner and Underwriter may in its absolute discretion deem appropriate), accompanying and forming part of this Prospectus.

Without prejudice to the rights of our Company and the Issue Manager, Bookrunner and Underwriter, the Issue Manager, Bookrunner and Underwriter, as an agent of our Company, has been authorised to accept, for and on behalf of our Company, such other forms of application, as the Issue Manager, Bookrunner and Underwriter may (in consultation with our Company) deem appropriate.

Your attention is drawn to the detailed instructions contained in the Application Forms and this Prospectus for the completion of the Application Forms, which must be carefully followed. **Our Company reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn remittances or improper form of remittances.**

- (2) You must complete your Application Form in English. Please type or write clearly in ink using **BLOCK LETTERS**.
- (3) You must complete all spaces in your Application Form except those under the heading “**FOR OFFICIAL USE ONLY**” and you must write the words “**NOT APPLICABLE**” or “**N.A.**” in any space that is not applicable.
- (4) Individuals, corporations, approved nominee companies and trustees must give their names in full. If you are an individual, you must make your application using your full name as it

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## APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE

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appears on your NRIC (if you have such an identification document) or in your passport and in the case of a corporation, in your full name as registered with a competent authority. If you are not an individual, you must complete the Application Form under the hand of an official who must state the name and capacity in which he signs the Application Form. If you are a corporation completing the Application Form, you are required to affix your common seal (if any) in accordance with your Constitution or equivalent constitutive documents of the corporation. If you are a corporate applicant and your application is successful, a copy of your Constitution or equivalent constitutive documents must be lodged with our Share Registrar. Our Company reserves the right to require you to produce documentary proof of identification for verification purposes.

- (5) (a) You must complete Sections A and B and sign page 1 of the Application Form.
- (b) You are required to delete either paragraph 7(c) or 7(d) on page 1 of the Application Form. Where paragraph 7(c) is deleted, you must also complete Section C of the Application Form with particulars of the beneficial owner(s).
- (c) If you fail to make the required declaration in paragraph 7(c) or 7(d), as the case may be, on page 1 of the Application Form, your application is liable to be rejected.
- (6) You (whether an individual or corporate applicant, whether incorporated or unincorporated and wherever incorporated or constituted) will be required to declare whether you are a citizen or permanent resident of Singapore or a corporation in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation. If you are an approved nominee company, you are required to declare whether the beneficial owner of the New Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50.0% of the issued share capital of or interests in such corporation.
- (7) You may apply and make payment for your application for the Public Offer Shares in Singapore currency only in cash. Each application must be accompanied by a cash remittance in Singapore currency for the full amount payable in Singapore dollars of the Offering Price of S\$0.56 for each Public Offer Share, in respect of the number of Public Offer Shares applied for. The remittance must be in the form of a **BANKER'S DRAFT** or **CASHIER'S ORDER** drawn on a bank in Singapore, made out in favour of "**PROCURRI SHARE ISSUE ACCOUNT**" crossed "**A/C PAYEE ONLY**" with your name, CDP Securities Account number and address written clearly on the reverse side. Applications not accompanied by any payment or accompanied by any other form of payment will not be accepted. No combined Banker's Draft or Cashier's Order for different CDP Securities Accounts shall be accepted. Remittances bearing "**NOT TRANSFERABLE**" or "**NON-TRANSFERABLE**" crossings will be rejected.

No acknowledgement of receipt will be issued for applications and application monies received.

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## **APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE**

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- (8) Monies paid in respect of unsuccessful applications are expected to be returned (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post, in the event of oversubscription for the Public Offer Shares, within twenty-four (24) hours of the balloting (or such shorter period as the SGX-ST may require), at your own risk. Where your application is rejected or accepted in part only, the full amount or the balance of the application monies, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to you by ordinary post at your own risk within fourteen (14) Market Days after the close of the Offering, PROVIDED THAT the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account. If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three (3) Market Days after the Offering is discontinued.
- (9) Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.
- (10) By completing and delivering the Application Form, you agree that:
- (a) in consideration of our Company having distributed the Application Form to you and by completing and delivering the Application Form before the close of the Offering:
    - (i) your application is irrevocable;
    - (ii) your remittance will be honoured on first presentation and that any monies returnable may be held pending clearance of your payment without interest or any share of revenue or other benefit arising therefrom; and
    - (iii) you represent and agree that you are located outside the United States (within the meaning of Regulation S);
  - (b) all applications, acceptances or contracts resulting therefrom under the Offering shall be governed by and construed in accordance with the laws of Singapore and that you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts;
  - (c) in respect of the Public Offer Shares for which your application has been received and not rejected, acceptance of your application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of our Company;
  - (d) you will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of your application;
  - (e) reliance is placed solely on information contained in this Prospectus and that none of our Company, the Issue Manager, Bookrunner and Underwriter or any other person involved in the Offering shall have any liability for any information not contained therein;
  - (f) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus;

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## APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE

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- (g) for the purpose of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of the Company, of your name, NRIC/passport number or company registration number, address, nationality, permanent resident status, CDP Securities Account number, share application details and other personal data (the “**Relevant Particulars**”) to the Relevant Persons; and
- (h) you irrevocably agree and undertake to subscribe for the number of Public Offer Shares applied for as stated in the Application Form or any smaller number of such Public Offer Shares that may be allocated to you in respect of your application. In the event that our Company decides to allocate any smaller number of Public Offer Shares or not to allocate any Public Offer Shares to you, you agree to accept such decision as final.

### Procedures Relating to Applications for the Public Offer Shares by Way of Printed Application Forms

- (1) Your application for the Public Offer Shares by way of printed Application Forms must be made using the **WHITE** Public Offer Shares Application Form and **WHITE** official envelopes “**A**” and “**B**”.
- (2) You must:
  - (a) enclose the **WHITE** Public Offer Shares Application Form, duly completed and signed, together with the correct remittance for the full amount payable at the Offering Price in Singapore currency in accordance with the terms and conditions of this Prospectus and its accompanying documents, in the **WHITE** official envelope “**A**” provided;
  - (b) in appropriate spaces on the **WHITE** official envelope “**A**”:
    - (i) write your name and address;
    - (ii) state the number of Public Offer Shares applied for; and
    - (iii) tick the relevant box to indicate form of payment;
  - (c) **SEAL THE WHITE OFFICIAL ENVELOPE “A”**;
  - (d) write, in the special box provided on the larger **WHITE** official envelope “**B**” addressed to Procurri Corporation Limited, c/o Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898, the number of Public Offer Shares you have applied for;
  - (e) insert the **WHITE** official envelope “**A**” into the **WHITE** official envelope “**B**” and seal the **WHITE** official envelope “**B**”; and
  - (f) affix adequate Singapore postage on the **WHITE** official envelope “**B**” (if dispatching by ordinary post) and thereafter **DESPATCH BY ORDINARY POST OR DELIVER BY HAND** the documents at your own risk to Procurri Corporation Limited, c/o Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898,



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## APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE

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so as to arrive by 12.00 noon on 18 July 2016 or such other date(s) and time(s) as our Company may agree with the Issue Manager, Bookrunner and Underwriter. **Courier services or Registered Post must NOT be used.**

- (3) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected. Except for applications for the Placement Shares where remittance is permitted to be submitted separately, applications for the Public Offer Shares not accompanied by any payment or any other form of payment will not be accepted.
- (4) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

### Procedures Relating to Applications for the Placement Shares by Way of Printed Application Forms

- (1) Your application for the Placement Shares by way of printed Application Forms must be made using the **BLUE** Placement Shares Application Form.
- (2) The completed and signed **BLUE** Placement Shares Application Form and your remittance, in accordance with the terms and conditions of this Prospectus, for the full amount payable at the Offering Price, as the case may be, for each Placement Share in respect of the number of Placement Shares applied for, with your name, CDP Securities Account number and address clearly written on the reverse side, must be enclosed and sealed in an envelope to be provided by you. Your application for Placement Shares must be delivered to Procurri Corporation Limited, c/o Tricor Barbinder Share Registration Services, 80 Robinson Road, #02-00, Singapore 068898, to arrive by 12.00 noon on 18 July 2016 or such other date(s) and time(s) as our Company may agree with the Issue Manager, Bookrunner and Underwriter. **Courier services or Registered Post must NOT be used.**
- (3) In respect of an application for Placement Shares, you may alternatively remit your application monies by electronic transfer to the account of DBS Bank Marina Bay Financial Centre Branch, Current Account No. 003-710623-2 in favour of "**PROCURRI SHARE ISSUE ACCOUNT**" by 12.00 noon on 18 July 2016 or such other date(s) and time(s) as our Company may agree with the Issue Manager, Bookrunner and Underwriter. Applicants who remit their application monies via electronic transfer should send a copy of the telegraphic transfer advice slip to DBS Bank Ltd., Capital Markets Group, 12 Marina Boulevard, Level 46, Marina Bay Financial Centre Tower 3, Singapore 018982, to arrive by 12.00 noon on 18 July 2016 or such other date(s) and time(s) as our Company may agree with the Issue Manager, Bookrunner and Underwriter.
- (4) Applications that are illegible, incomplete or incorrectly completed or accompanied by improperly drawn remittances or which are not honoured upon their first presentation are liable to be rejected.
- (5) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

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## APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE

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### Additional Terms and Conditions for Electronic Applications

Electronic Applications shall be made on and subject to the terms and conditions of this Prospectus, including but not limited to the terms and conditions set out below and those under the section entitled “*Terms, Conditions and Procedures for Application and Acceptance of the New Shares in Singapore*” on pages K-1 to K-26 of this Prospectus, as well as the Constitution of our Company.

- (1) The procedures for Electronic Applications are set out on the ATM screens of the relevant Participating Banks (in the case of ATM Electronic Applications), the IB website screens of the relevant Participating Banks (in the case of Internet Electronic Applications) and the mBanking Interface of DBS Bank (in the case of mBanking Applications). Currently, DBS Bank, OCBC Bank and UOB Group (each as defined below) are the Participating Banks through which Internet Electronic Applications may be made and DBS Bank is the only Participating Bank through which mBanking Applications may be made.
- (2) For illustration purposes, the procedures for Electronic Applications for Public Offer Shares through ATMs, the IB website and the mBanking Interface of DBS Bank (together the “**Steps**”) are set out in pages K-20 to K-26 of this Prospectus. The Steps set out the actions that you must take at ATMs, the IB website or the mBanking Interface of DBS Bank to complete an Electronic Application. The actions that you must take at the ATMs, the IB websites of the other Participating Banks or the mBanking Interface of DBS Bank are set out on the ATM screens, the IB website screens of the respective Participating Banks or the mBanking Interface of DBS Bank. Please read carefully the terms and conditions of this Prospectus and its accompanying documents (including the Application Forms), the Steps and the terms and conditions for Electronic Applications set out below before making an Electronic Application.
- (3) Any reference to “you” or the “Applicant” in these Additional Terms and Conditions for Electronic Applications and the Steps shall refer to you making an application for Public Offer Shares through an ATM of one of the relevant Participating Banks, the IB website of a relevant Participating Bank or the mBanking Interface of DBS Bank.
- (4) If you are making an ATM Electronic Application:
  - (a) You must have an existing bank account with and be an ATM cardholder of one of the Participating Banks. An ATM card issued by one Participating Bank cannot be used to apply for Public Offer Shares at an ATM belonging to other Participating Banks.
  - (b) You must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. If you fail to use your own ATM card or do not key in your own CDP Securities Account number, your application will be rejected. If you operate a joint bank account with any of the Participating Banks, you must ensure that you enter your own CDP Securities Account number when using the ATM card issued to you in your own name. Using your own CDP Securities Account number with an ATM card which is not issued to you in your own name will render your Electronic Application liable to be rejected.

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## APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE

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- (c) Upon the completion of your ATM Electronic Application, you will receive an ATM transaction slip (“**Transaction Record**”), confirming the details of your ATM Electronic Application. The Transaction Record is for your retention and should not be submitted with any printed Application Form.
- (5) If you are making an Internet Electronic Application or an mBanking Application:
- (a) You must have an existing bank account with, and a User Identification (“**User ID**”) as well as a Personal Identification Number (“**PIN**”) given by, the relevant Participating Bank.
- (b) You must ensure that the mailing address of your account selected for the application is in Singapore and you must declare that the application is being made in Singapore. Otherwise, your application is liable to be rejected. In connection with this, you will be asked to declare that you are in Singapore at the time you make the application.
- (c) Upon the completion of your Internet Electronic Application through the IB website of the relevant Participating Bank or your mBanking Application through the mBanking Interface of DBS Bank, there will be an on-screen confirmation (“**Confirmation Screen**”) of the application which can be printed out or screen captured by you for your record. This printed record or screen capture of the Confirmation Screen is for your retention and should not be submitted with any printed Application Form.
- (6) In connection with your Electronic Application for Public Offer Shares, you are required to confirm statements to the following effect in the course of activating the Electronic Application:
- (a) that you have received a copy of the Prospectus (in the case of Electronic Applications) and have read, understood and agreed to all the terms and conditions of application for the Public Offer Shares and the Prospectus prior to effecting the Electronic Application and agree to be bound by the same;
- (b) you accept and agree to the Personal Data Privacy Terms set out in this Prospectus;
- (c) that, for the purposes of facilitating your application, you consent to the collection, use, processing and disclosure, by or on behalf of the Company, of your Relevant Particulars from your records with the Relevant Participating Bank to the Relevant Parties; and
- (d) where you are applying for the Public Offer Shares, that this is your only application for the Public Offer Shares and it is made in your name and at your own risk

Your application will not be successfully completed and cannot be recorded as a completed transaction unless you press the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or click “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mBanking Interface. By doing so, you shall be treated as signifying your confirmation of each of the four (4) statements above. In respect of statement 6(b) above, your confirmation, by pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mBanking Interface, shall signify and shall be treated as your written permission, given in accordance

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with the relevant laws of Singapore, including Section 47(2) of the Banking Act, Chapter 19 of Singapore, to the disclosure by that Participating Bank of the Relevant Particulars of your account(s) with that Participating Bank to the Relevant Parties.

By making an Electronic Application you confirm that you are not applying for the Public Offer Shares as a nominee of any other person and that any Electronic Application that you make is the only application made by you as the beneficial owner. You shall make only one Electronic Application for the Public Offer Shares and shall not make any other application for the Public Offer Shares whether at the ATMs of any Participating Bank, the IB websites of the relevant Participating Banks or the mBanking Interface of DBS Bank or on the Application Forms. Where you have made an application for the Public Offer Shares on an Application Form, you shall not make an Electronic Application for the Public Offer Shares and vice versa.

- (7) You must have sufficient funds in your bank account with your Participating Bank at the time you make your ATM Electronic Application, Internet Electronic Application or mBanking Application, failing which such Electronic Application will not be completed. Any Electronic Application which does not conform strictly to the instructions set out in this Prospectus or on the screens of the ATMs or on the IB website of the relevant Participating Bank or the mBanking Interface of DBS Bank, as the case may be, through which your Electronic Application is being made shall be rejected.
- (8) You may apply and make payment for your application for the Public Offer Shares in Singapore currency through any ATM or IB website of your Participating Bank or the mBanking Interface of DBS Bank (as the case may be) by authorising your Participating Bank to deduct the full amount payable from your bank account(s) with such Participating Bank.
- (9) You irrevocably agree and undertake to subscribe for and to accept the number of Public Offer Shares applied for as stated on the Transaction Record or the Confirmation Screen or any lesser number of such Public Offer Shares that may be allocated to you in respect of your Electronic Application. In the event that our Company decides to allocate any lesser number of such Public Offer Shares or not to allocate any Public Offer Shares to you, you agree to accept such decision as final. If your Electronic Application is successful, your confirmation (by your action of pressing the “Enter” or “OK” or “Confirm” or “Yes” or any other relevant key in the ATM or clicking “Confirm” or “OK” or “Submit” or “Continue” or “Yes” or any other relevant button on the IB website screen or the mBanking Interface) of the number of Public Offer Shares applied for shall signify and shall be treated as your acceptance of the number of Public Offer Shares that may be allocated to you and your agreement to be bound by the Constitution of our Company.
- (10) Our Company will not keep any application in reserve. Where your Electronic Application is unsuccessful, the full amount of the application monies will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within twenty-four (24) hours of the balloting (or such shorter period as the SGX-ST may require) provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account.

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Where your Electronic Application is rejected or accepted in part only, the balance of the application monies, as the case may be, will be returned (without interest or any share of revenue or other benefit arising therefrom) to you by being automatically credited to your account with your Participating Bank, within fourteen (14) Market Days after the close of the Offering provided that the remittance in respect of such application which has been presented for payment or other processes has been honoured and the application monies received in the designated share issue account.

If the Offering does not proceed for any reason, the full amount of application monies (without interest or any share of revenue or other benefit arising therefrom) will be returned to you within three (3) Market Days after the Offering is discontinued.

Responsibility for timely refund of application monies (whether from unsuccessful or partially successful Electronic Applications or otherwise) lies solely with the respective Participating Banks. Therefore, you are strongly advised to consult your Participating Bank as to the status of your Electronic Application and/or the refund of any money to you from an unsuccessful or partially successful Electronic Application, to determine the exact number of Public Offer Shares, if any, allocated to you before trading the Shares on the SGX-ST. None of the SGX-ST, CDP, SCCS, the Participating Banks, our Company or the Issue Manager, Bookrunner and Underwriter assume any responsibility for any loss that may be incurred as a result of you having to cover any net sell positions or from buy-in procedures activated by the SGX-ST.

- (11) If your Electronic Application is unsuccessful, no notification will be sent by the relevant Participating Bank.
- (12) Applicants who make ATM Electronic Applications through the ATMs of the following Participating Banks may check the provisional results of their ATM Electronic Applications as follows:

Bank	Telephone	Other Channels	Operating Hours	Service expected from
DBS Bank Ltd. (including POSB) ("DBS Bank")	1800 339 6666 (for POSB account holders) 1800 111 1111 (for DBS account holders)	IB <a href="http://www.dbs.com">http://www.dbs.com</a> <sup>(1)</sup>	24 hours a day	Evening of the balloting day
Oversea-Chinese Banking Corporation Limited ("OCBC Bank")	1800 363 3333	Phone Banking/ATM/IB <a href="http://www.ocbc.com">http://www.ocbc.com</a> <sup>(2)</sup>	24 hours a day	Evening of the balloting day
United Overseas Bank Limited ("UOB") and its subsidiary, Far Eastern Bank Limited ("UOB Group")	1800 222 2121	ATM (Other Transactions "IPO Results Enquiry")/ Phone Banking/IB <a href="http://www.uobgroup.com">http://www.uobgroup.com</a> <sup>(3)</sup>	24 hours a day	Evening of the balloting day

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**Notes:**

- (1) Applicants who have made Internet Electronic Applications through the IB websites of DBS Bank or mBanking Applications through the mBanking Interface of DBS Bank may also check the results of their applications through the same channels listed in the table above in relation to ATM Electronic Applications made at the ATMs of DBS Bank.
  - (2) Applicants who have made Electronic Application through the ATMs or the IB website of OCBC Bank may check the results of their applications through OCBC Bank Personal Internet Banking, OCBC Bank ATMs or OCBC Bank Phone Banking services.
  - (3) Applicants who have made Electronic Application through the ATMs or the IB website of the UOB Group may check the results of their applications through UOB Personal Internet Banking, UOB Group ATMs or UOB Phone Banking services.
- (13) ATM Electronic Applications shall close at 12.00 noon on 18 July 2016 or such other date(s) and time(s) as our Company may agree with the Issue Manager, Bookrunner and Underwriter. All Internet Electronic Applications and mBanking Applications must be received by 12.00 noon on 18 July 2016, or such other date(s) and time(s) as our Company may agree with the Issue Manager, Bookrunner and Underwriter. Internet Electronic Applications and mBanking Applications are deemed to be received when they enter the designated information system of the relevant Participating Bank.
- (14) You are deemed to have irrevocably requested and authorised our Company to:
- (a) register the Public Offer Shares allocated to you in the name of CDP for deposit into your Securities Account;
  - (b) send the relevant Share certificate(s) to CDP;
  - (c) return or refund (without interest or any share of revenue earned or other benefit arising therefrom) the application monies, should your Electronic Application be rejected or if the Offering does not proceed for any reason, by automatically crediting your bank account with your Participating Bank, at your risk, with the relevant amount within twenty-four (24) hours after balloting (or such shorter period as the SGX-ST may require), or within three (3) Market Days if the Offering does not proceed for any reason, after the close or discontinuation (as the case may be) of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated share issue account; and
  - (d) return or refund (without interest or any share of revenue or other benefit arising therefrom) the balance of the application monies, should your Electronic Application be rejected or accepted in part only, by automatically crediting your bank account with your Participating Bank, at your risk, with the relevant amount within fourteen (14) Market Days after the close of the Offering, PROVIDED THAT the remittance in respect of such application which has been presented for payment or such other processes has been honoured and application monies received in the designated share issue account.
- (15) You irrevocably agree and acknowledge that your Electronic Application is subject to risks of electrical, electronic, technical and computer-related faults and breakdown, fires, acts of God and other events beyond the control of the Participating Banks, our Company and the Issue Manager, Bookrunner and Underwriter, and if, in any such event our Company, the Issue Manager, Bookrunner and Underwriter, and/or the relevant Participating Bank do not receive your Electronic Application, or any data relating to your Electronic Application or the tape or

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## **APPENDIX K – TERMS, CONDITIONS AND PROCEDURES FOR APPLICATION AND ACCEPTANCE OF THE NEW SHARES IN SINGAPORE**

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any other devices containing such data is lost, corrupted or not otherwise accessible, whether wholly or partially for whatever reason, you shall be deemed not to have made an Electronic Application and you shall have no claim whatsoever against our Company, the Issue Manager, Bookrunner and Underwriter and/or the relevant Participating Bank for any Public Offer Shares applied for or for any compensation, loss or damage.

- (16) The existence of a trust will not be recognised. Any Electronic Application by a trustee must be made in his own name and without qualification. Our Company shall reject any application by any person acting as nominee (other than approved nominee companies).
- (17) All your particulars in the records of your Participating Bank at the time you make your Electronic Application shall be deemed to be true and correct and your Participating Bank and the Relevant Persons shall be entitled to rely on the accuracy thereof. If there has been any change in your particulars after making your Electronic Application, you must promptly notify your Participating Bank.
- (18) You should ensure that your personal particulars as recorded by both CDP and the relevant Participating Bank are correct and identical, otherwise, your Electronic Application is liable to be rejected. You should promptly inform CDP of any change in address, failing which the notification letter on successful allocation will be sent to your address last registered with CDP.
- (19) By making and completing an Electronic Application, you are deemed to have agreed that:
- (a) in consideration of our Company making available the Electronic Application facility, through the Participating Banks acting as agents of our Company, at the ATMs and IB websites of the relevant Participating Banks and the mBanking Interface of DBS Bank:
    - (i) your Electronic Application is irrevocable;
    - (ii) your Electronic Application, the acceptance by our Company and the contract resulting therefrom under the Public Offer shall be governed by and construed in accordance with the laws of Singapore and you irrevocably submit to the non-exclusive jurisdiction of the Singapore courts; and
    - (iii) you represent and agree that you are not located in the United States (within the meaning of Regulation S);
  - (b) none of CDP, our Company, the Issue Manager, Bookrunner and Underwriter and the Participating Banks shall be liable for any delays, failures or inaccuracies in the recording, storage or in the transmission or delivery of data relating to your Electronic Application to our Company, or CDP or the SGX-ST due to breakdowns or failure of transmission, delivery or communication facilities or any risks referred to in paragraph 15 above or to any cause beyond their respective controls;
  - (c) in respect of the Public Offer Shares for which your Electronic Application has been successfully completed and not rejected, acceptance of your Electronic Application shall be constituted by written notification by or on behalf of our Company and not otherwise, notwithstanding any payment received by or on behalf of our Company;

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- (d) you will not be entitled to exercise any remedy for rescission for misrepresentation at any time after acceptance of your application;
- (e) reliance is placed solely on information contained in this Prospectus and that none of our Company, the Issue Manager, Bookrunner and Underwriter or any other person involved in the Offering shall have any liability for any information not contained therein; and
- (f) you irrevocably agree and undertake to subscribe for the number of Public Offer Shares applied for as stated in your Electronic Application or any smaller number of such Public Offer Shares that may be allocated to you in respect of your Electronic Application. In the event our Company decides to allocate any smaller number of such Public Offer Shares or not to allocate any Public Offer Shares to you, you agree to accept such decision as final.

### **Steps for ATM Electronic Applications for Public Offer Shares through ATMs of DBS Bank (including POSB ATMs)**

Instructions for ATM Electronic Applications will appear on the ATM screens of the respective Participating Bank. For illustrative purposes, the steps for making an ATM Electronic Application through a DBS Bank or POSB ATM are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “amt”, “appln”, “&”, “I/C”, “No.”, “SGX” and “Max” refer to “Account”, “amount”, “application”, “and”, “NRIC”, “Number”, “SGX-ST” and “Maximum”, respectively). Instructions for ATM Electronic Applications on the ATM screens of the Participating Banks (other than DBS Bank), may differ slightly from those represented below.

- Step 1: Insert your personal DBS or POSB ATM Card.
- 2: Enter your Personal Identification Number.
- 3: Select “MORE SERVICES”.
- 4: Select language (for customers using multi-language card).
- 5: Select “ESA-IPO/Rights Appln/Bonds/SSB/SGS/INVESTMENTS”.
- 6: Select “ELECTRONIC SECURITIES APPLN (IPOS/BONDS/SECURITIES)”.
- 7: Read and understand the following statements which will appear on the screen:
- (IN THE CASE OF A SECURITIES OFFERING THAT (I) IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR, AS THE CASE MAY BE, THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED OR (II) REQUIRES A SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET TO BE ANNOUNCED OR OTHERWISE DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE SECURITIES EXCHANGE AT THE TIME THE OFFER IS MADE) THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) WILL BE MADE IN, OR ACCOMPANIED BY A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR



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SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT) OR, IF APPLICABLE, A SIMPLIFIED DISCLOSURE DOCUMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) AND/OR PRODUCT HIGHLIGHTS SHEET WHICH CAN BE OBTAINED FROM THE ISSUE MANAGER(S) OR, AS THE CASE MAY BE, THE MANAGER(S) FOR THE OFFER, OR IF APPLICABLE, DBS/POSB BRANCHES IN SINGAPORE AND THE VARIOUS PARTICIPATING BANKS DURING BANKING HOURS, SUBJECT TO AVAILABILITY.

- (IN THE CASE OF A SECURITIES OFFERING THAT (I) IS SUBJECT TO A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED OR (II) REQUIRES A SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET TO BE ANNOUNCED OR OTHERWISE DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE SECURITIES EXCHANGE AT THE TIME THE OFFER IS MADE) ANYONE WISHING TO ACQUIRE THESE SECURITIES (OR UNITS OF SECURITIES) SHOULD READ THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) OR, IF APPLICABLE, A SIMPLIFIED DISCLOSURE DOCUMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) AND/OR PRODUCT HIGHLIGHTS SHEET BEFORE SUBMITTING HIS APPLICATION WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) OR, IF APPLICABLE, A SIMPLIFIED DISCLOSURE DOCUMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE). A COPY OF THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT, AND IF APPLICABLE, A COPY OF THE REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT HAS BEEN LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR, AS THE CASE MAY BE, THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED, WHICH TAKES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS. WHERE APPLICABLE, A COPY OF THE SIMPLIFIED DISCLOSURE DOCUMENT (AS SUPPLEMENTED OR REPLACED, IF APPLICABLE) AND/OR PRODUCT HIGHLIGHTS SHEET WHICH ARE AVAILABLE ON OUR WEBSITE HAS BEEN ANNOUNCED OR OTHERWISE DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE SECURITIES EXCHANGE, WHICH TAKES NO RESPONSIBILITY FOR ITS OR THEIR CONTENTS.
- (IN THE CASE OF A SECURITIES OFFERING THAT DOES NOT REQUIRE A PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT TO BE LODGED WITH AND/OR REGISTERED BY THE MONETARY AUTHORITY OF SINGAPORE OR THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED AND DOES NOT REQUIRE A SIMPLIFIED DISCLOSURE DOCUMENT AND/OR PRODUCT HIGHLIGHTS SHEET TO BE ANNOUNCED OR OTHERWISE DISSEMINATED TO THE SECURITIES MARKET OPERATED BY THE RELEVANT SECURITIES EXCHANGE) THE OFFER OF SECURITIES (OR UNITS OF SECURITIES) MAY BE MADE IN A

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NOTICE PUBLISHED IN A NEWSPAPER AND/OR A CIRCULAR/DOCUMENT DISTRIBUTED TO SECURITY HOLDERS. ANYONE WISHING TO ACQUIRE SUCH SECURITIES (OR UNITS OF SECURITIES SHOULD READ THE NOTICE/CIRCULAR/DOCUMENT BEFORE SUBMITTING HIS APPLICATION, WHICH WILL NEED TO BE MADE IN THE MANNER SET OUT IN THE NOTICE/CIRCULAR/DOCUMENT.

8: Select “PROCURRI” to display details.

9: Press the “ENTER” key to acknowledge.

- YOU HAVE READ, UNDERSTOOD AND AGREED TO ALL TERMS OF THE APPLICATION AND (WHERE APPLICABLE) THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT/PRODUCT HIGHLIGHTS SHEET, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT/PRODUCT HIGHLIGHTS SHEET AND/OR NOTICE/CIRCULAR.
- FOR THE PURPOSES OF FACILITATING YOUR APPLICATION, YOU CONSENT TO THE BANK COLLECTING AND USING YOUR NAME, NRIC/PASSPORT NUMBER, ADDRESS, NATIONALITY, CDP SECURITIES ACCOUNT NUMBER, CPF INVESTMENT ACCOUNT NUMBER, APPLICATION DETAILS AND OTHER PERSONAL DATA AND DISCLOSING THE SAME FROM OUR RECORDS TO SHARE REGISTRARS OF SECURITIES OF THE ISSUER, SGX, CDP, CPF, ISSUER/VENDOR(S) AND ISSUE MANAGER(S).
- THIS APPLICATION IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
- FOR FIXED AND MAXIMUM PRICE SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AND IT IS MADE IN YOUR OWN NAME AND AT YOUR OWN RISK.
- THE MAXIMUM PRICE FOR EACH SECURITY IS PAYABLE IN FULL ON APPLICATION AND SUBJECT TO REFUND IF THE FINAL PRICE IS LOWER.
- FOR TENDER SECURITIES APPLICATION, THIS IS YOUR ONLY APPLICATION AT THE SELECTED TENDER PRICE AND IT IS MADE IN YOUR NAME AND AT YOUR OWN RISK.
- YOU ARE NOT A US PERSON AS REFERRED TO IN (WHERE APPLICABLE) THE PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT/PRODUCT HIGHLIGHTS SHEET, REPLACEMENT OR SUPPLEMENTARY PROSPECTUS/OFFER INFORMATION STATEMENT/DOCUMENT/PROFILE STATEMENT/SIMPLIFIED DISCLOSURE DOCUMENT AND/OR NOTICE/CIRCULAR.

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- THERE MAY BE A LIMIT ON THE MAXIMUM NUMBER OF SECURITIES THAT YOU CAN APPLY FOR. SUBJECT TO AVAILABILITY, YOU MAY BE ALLOTTED/ALLOCATED A SMALLER NUMBER OF SECURITIES THAN YOU APPLIED FOR.
- 10: Select your nationality.
  - 11: Select the DBS Bank account (Autosave/Current/Savings/Savings Plus) or the POSB account (Current/Savings) from which to debit your application monies.
  - 12: Enter the number of securities you wish to apply for using cash.
  - 13: Enter or confirm (if your CDP Securities Account number has already been stored in DBS Bank's records) your own 12-digit CDP Securities Account number (Note: This step will be omitted automatically if your CDP Securities Account Number has already been stored in DBS Bank's records).
  - 14: Check the details of your securities application, your CDP Securities Account number, number of securities and application amount on the screen and press the "ENTER" key to confirm your application.
  - 15: Remove the Transaction Record for your reference and retention only.

### **Steps for Internet Electronic Application for Public Offer Shares through the IB Website of DBS Bank**

For illustrative purposes, the steps for making an Internet Electronic Application through the DBS Bank IB website are shown below. Certain words appearing on the screen are in abbreviated form ("A/C", "&", "amt", "I/C" and "No." refer to "Account", "and", "Amount", "NRIC" and "Number", respectively).

- Step 1: Click on DBS Bank website ([www.dbs.com](http://www.dbs.com)).
- 2: Login to Internet banking.
  - 3: Enter your User ID and PIN.
  - 4: Enter your DBS iB Secure PIN.
  - 5: Select "Electronic Security Application (ESA)".
  - 6: Click "Yes" to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Bank Internet Banking is in Singapore and that you are not a U.S. person (as such term is defined in Regulation S under the United States Securities Act of 1933, amended).
  - 7: Select your country of residence and click "Next".
  - 8: Click on "PROCURRI" and click "Next".

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- 9: Click on “Next” to confirm, among others:
- You have read, understood and agreed to all terms of application set out in the Prospectus/Offer Information Statement/Document/Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Offer Information Statement/Document/Profile Statement.
  - For the purposes of facilitating your application, you consent to the Bank collecting and using your name, NRIC/passport number, address, nationality, CDP securities account number, CPF investment account number, application details and other personal data and disclosing the same from our records to registrars of securities of the issuer, SGX, SCCS, CDP, CPF, issuer/vendor(s) and issue manager(s).
  - You are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended).
  - You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**US Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any “US person” (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the US Securities Act and applicable state securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.
  - This application is made in your own name and at your own risk.
  - For FIXED/MAXIMUM price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.
  - For FOREIGN CURRENCY securities, subject to the terms of the issue, please note the following: the application monies will be debited from your bank account in S\$, based on the Bank’s prevailing board rates at the time of application. Any refund monies will be credited in S\$ based on the Bank’s prevailing board rates at the time of refund. The different prevailing board rates at the time of application and the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refunds credited in S\$ at the same exchange rate.
  - For 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.
- 10: Fill in details for securities application and click “Next”.
- 11: Check the details of your securities application, your CDP Securities Account No. and click “Confirm” to confirm your application.

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12: Print the Confirmation Screen (optional) for your reference and retention only.

### Steps for mBanking Applications for Public Offer Shares through the mBanking Interface of DBS Bank

For illustrative purposes, the steps for making an mBanking Application are shown below. Certain words appearing on the screen are in abbreviated form (“A/C”, “&”, “amt”, “I/C”, “SGX” and “No.” refer to “Account”, “and”, “Amount”, “NRIC”, “SGX-ST” and “Number”, respectively).

- Step 1: Click on DBS Bank mBanking application using your User ID and PIN.
- 2: Select “Investment Services”.
- 3: Select “Electronic Securities Application”.
- 4: Select “Yes” to proceed and to warrant, among others, that you are currently in Singapore, you have observed and complied with all applicable laws and regulations and that your mailing address for DBS Internet Banking is in Singapore and that you are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933 as amended).
- 5: Select your country of residence.
- 6: Select “PROCURRI”.
- 7: Select “Yes” to confirm, among others:
- You have read, understood and agreed to all terms of application set out in the Prospectus/Offer Information Statement/Document/Profile Statement and if applicable, the Supplementary or Replacement Prospectus/Offer Information Statement/Document/Profile Statement.
  - For the purposes of facilitating your application, you consent to the Bank collecting and using your name, NRIC/passport number, address, nationality, CDP securities account number, CPF investment account number, application details and other personal data and disclosing the same from our records to registrars of securities of the issuer, SGX, SCCS, CDP, CPF, issuer/vendor(s) and issue manager(s).
  - You are not a U.S. Person (as such term is defined in Regulation S under the United States Securities Act of 1933, as amended).
  - You understand that the securities mentioned herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or the securities laws of any state of the United States and may not be offered or sold in the United States or to, or for the account or benefit of any “US person” (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from or in a transaction subject to, the registration requirements of the US Securities Act and applicable state

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securities laws. There will be no public offer of the securities mentioned herein in the United States. Any failure to comply with this restriction may constitute a violation of the United States securities laws.

- This application is made in your own name and at your own risk.
  - For FIXED/MAXIMUM price securities application, this is your only application. For TENDER price securities application, this is your only application at the selected tender price.
  - FOR FOREIGN CURRENCY Securities, subject to the terms of the issue, please note the following: the application monies will be debited from your bank account in S\$, based on the Bank's prevailing board rates at the time of application. Any refund monies will be credited in S\$ based on the Bank's prevailing board rates at the time of refund. The different prevailing board rates at the time of application and the time of refund of application monies may result in either a foreign exchange profit or loss. Alternatively, application monies may be debited and refund credited in S\$ at the same exchange rate.
  - FOR 1ST-COME-1ST-SERVE securities, the number of securities applied for may be reduced, subject to availability at the point of application.
- 8: Fill in details for securities application and click "Submit".
- 9: Check the details of your securities application, your CDP Securities Account No. and click "Confirm" to confirm your application.
- 10: Where applicable, capture Confirmation Screen (optional) for your reference and retention only.





P R O C U R R I

**PROCURRI CORPORATION LIMITED**

(Company Registration Number: 201306969W)  
(Incorporated in the Republic of Singapore on 15 March 2013)

29 Tai Seng Avenue, #02-01 Natural Cool  
Lifestyle Hub, Singapore 534119

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